

REPORT OF THE AUDITORS TO THE TRUSTEES OF
SHRI MATA VAISHNO DEVI UNIVERSITY

1. We have audited the attached Balance Sheet of **SHRI MATA VAISHNO DEVI UNIVERSITY, KAKRIAL, UDHAMPUR** as at **31st March 2008** and also the Income & Expenditure Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We certify that the Balance Sheet and the Income & Expenditure Account are in agreement with the books of account maintained.
4. We report that:
 - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit **except for our observations as reported at Para (iii) and (iv) infra**
 - ii. In our opinion proper books of account have been kept by the above named Institution so far as appears from our examination of such books;
 - iii. **Details of Civil /Electrical materials in hand at close of the year were not made available accordingly only opening balances have been incorporated. Again, credit balance in the account "Civil Material with University Engineer" amounting to Rs. 18585/- has been netted with the additions made during the year under the head "Boundary Walls, Internal Roads, Campus Electrification and Other allied Works".**
 - iv. **Miscellaneous receipts includes a sum of Rs. 363813/- standing to the credit of Director STPI, Srinagar since long, which has been written back to Income during the Year on the basis of explanation that the University does not owe anything to the agency and the credits might have accrued because of the reason that certain payments might have been directly charged to expenditure head instead of the same having been debited to the account of the agency.**
 - v. **We have been furnished with a Bank Reconciliation Statement with a difference of Rs.9150/-(short balance in bank as against balance as per the books of the university) with respect to Saving bank Account No. 353 with The Jammu & Kashmir Bank Limited. The aforesaid difference has not been identified; consequently, the exact difference and its impact on the financial accounts cannot be ascertained and commented upon.**




- vi. *The University has subscribed to Group Gratuity Scheme administered by Life Insurance Corporation of India. During the year neither the renewal premium has been paid nor provision for same has been made in the accounts. The amount of provision required on this account cannot be ascertained and reported in the absence of any confirmation from the Insurer for the quantum of contribution payable to LIC. As a result, excess of income over expenditure for the year has been overstated with a corresponding over statement of Reserves & Surplus.*
- vii. *Expenses on account of water supply charges for the period May'2007 to March'2008 has not been accounted for in the absence of Expenditure Schedule from Executive Engineer, PHE Division, Udhampur for the said months . To the extent of the expenditure which could not be ascertained in the absence of relevant account from PHE Udhampur, excess of income over expenditure for the year has been overstated with a corresponding over statement of Reserves & Surplus.*
- viii. *The University has made capital advances to various government agencies/departments for acquisition of land and construction of various facilities at the university site. Such advances aggregating to a total sum of Rs.3,33,32,445/- could not be capitalized to respective asset accounts in the absence of relevant details and the same has been shown under the account head "Capital advances" in Schedule-B [Notes 2 (a) & (b)].*
- ix. *A sum of Rs. 63,65,269/- has been capitalized to the account head "Water Supply System" and Rs.39220 has been charged to revenue on account of Maintenance and Wages for the month of April,2007 out of the opening capital advance of Rs. 66,98,039/- leaving a net outstanding of Rs. 2,93,550 as at 31/03/2008 in the name of Executive Engineer, PHE Division, Udhampur.*

The outstanding as per books of the University amounting to Rs. 6698039/- net of balance amounting to Rs. 293550/- as confirmed by the statement of account received from the said department for the month of April,2007 has been adjusted as aforesaid without any substantive details except for the revenue expenditure of Rs.39220 as per the said statement.

Subject to above clauses (iii) to (iv) and (v) to (ix), in our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Income & Expenditure account read together with notes thereon give a true and fair view:

- a) In the case of the Balance Sheet of the state of affairs of the above named institution as at 31st March, 2008; and
b) In the case of the Income & Expenditure Account of the excess of Income over Expenditure for the year ended on that date.

For GUPTA RAVI & ASSOCIATES
Chartered Accountants


Ravi Kumar Gupta
Partner

M. No :-085466
Jammu-17/11/2008

**SHRI MATA VAISHNO DEVI UNIVERSITY
BALANCE SHEET AS AT 31ST MARCH, 2008**

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| As At 31/03/07 Amount (Rs.) | LIABILITIES | As At 31/03/08 Amount (Rs.) | As At 31/03/07 Amount (Rs.) | ASSETS | As At 31/03/08 Amount (Rs.) |
|--------------------------------|---|--------------------------------|--------------------------------|--|--------------------------------|
| 200,000,000 | Corpus Fund Capital Grant in Aid from Shri Mata Vaishno Devi Shrine Board - As per last Account | 200,000,000 | 540,774,604 | Fixed Assets (As per Schedule 'B') Gross Block | 609,823,059 |
| | | | 74,347,312 | Less: Depreciation | 120,380,502 |
| | | | 466,427,292 | Net Block | 489,442,557 |
| 414,344,310 | Reserves & Surplus Income & Expenditure Account Opening Balance as at 01.04.2007 | 655,521,978 | 293,104,867 | Add: Capital Advances & Capital Work in Progress | 498,287,734 |
| 241,177,668 | Add: Excess of Income over Expenditure for the year (As Annexed Account-Schedule "A") | 256,517,450 | 759,532,159 | | 987,730,291 |
| 655,521,978 | Secured Loans Secured by pledge of Bank FDRs | 912,039,428 | 60,000,000 | Investments (As per Schedule 'C') | 60,000,000 |
| | | 24,095,208 | | Current Assets Loans & Advances | |
| | | | | A. Current Assets | |
| | Current Liabilities Sundry Creditors and Liabilities towards supply of Goods, Services and Expenses | 22,592,661 | 155,420 | I) Sundry Debtors | 47,400 |
| 8,263,782 | Advance fees from students | 12,245,594 | 15,232 | Fee Receivable from Students | 99,375 |
| 15,150,314 | Retention Money from Contractor/Suppliers | 27,989,850 | 15,674,822 | II) Interest accrued but not received | 28,365,991 |
| 724,328 | Security Deposit from Contractors/Suppliers | 843,368 | 14,745,968 | III) Balances with Scheduled Banks: In Savings Bank Account | (3,633,099) |
| 2,440,000 | Security Deposit from Students | 4,249,500 | 45,575,000 | In Fixed Deposits Accounts | 118,844,091 |
| 44,738,173 | | 67,920,973 | 60,320,968 | IV) Cash in Hand | 115,210,992 |
| | | | 13,905 | B. Loans and Advances Advances to Staff for Expenses | 16,422 |
| | | | 78,884 | Prepaid expenses | 80,037 |
| | | | 783,038 | Deposits & Advances to others | 1,302,091 |
| | | | 3,685,723 | | 11,203,010 |
| | | | 4,547,645 | | 12,585,138 |
| 900,260,151 | | 1,204,055,609 | 900,260,151 | | 1,204,055,609 |

Notes forming part of the Accounts

As per our report of even date

For GUPTA RAVI & ASSOCIATES
Chartered Accountants

Ravi Kumar Gupta
Partner (M.No 085466)
Jammu-17/11/2008

Finance Officer

Registrar
Shri Mata Vaishno Devi
University Registrar

**SHRI MATA VAISHNO DEVI UNIVERSITY
STATEMENT OF INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2008**

| Particulars | For The Year ended 31st March, 2008 | For The Year ended 31st March, 2007 |
|--|---|---|
| Income | Amount (Rs.) | Amount (Rs.) |
| Grant in Aid from Shri Mata Vaishno Devi Shrine Board | 308,000,000 | 295,085,333 |
| Income from Students | 46,343,148 | 30,168,998 |
| Interest on Fixed Deposits, Bonds and others | 15,351,746 | 9,140,968 |
| Donation | 500,000 | - |
| Miscellaneous Receipt | 1,456,282 | 782,698 |
| Total | 371,651,176 | 335,177,997 |
| Less : Expenditure | | |
| Salaries, Wages & other personnel exp. | 43,865,043 | 28,783,853 |
| Repairs and Maintenance of Buildings and others | 3,624,148 | 3,113,913 |
| University prospectus expenses | 156,000 | 157,540 |
| Electricity charges | 5,513,681 | 3,075,589 |
| Water Supply Charges | 309,987 | 587,528 |
| Printing & Stationery | 833,712 | 1,056,591 |
| News Papers Periodicals & E-Journals | 1,810,870 | 1,056,098 |
| Seminars & Meetings | 206,793 | 170,638 |
| Legal and Professional Fee | 49,430 | 38,480 |
| Staff Selection Expenses | 203,605 | 118,915 |
| Office Expenses | 386,499 | 340,247 |
| Travelling and Conveyance | 1,308,295 | 794,702 |
| Rent | 540,000 | 332,333 |
| Vehicle Running & Maintenance | 944,897 | 1,415,268 |
| Postage, Telephones & Internet Charges | 695,666 | 864,607 |
| Audit fee | 75,000 | 75,000 |
| Security Service Charges | 2,642,812 | 2,654,531 |
| Bank Charges | 10,266 | - |
| Interest Paid on Loan | 95,208 | - |
| Cleaning & Sanitation | 2,686,355 | 1,785,887 |
| Advertisement & Publicity | 1,773,386 | 2,033,710 |
| Affiliation & Membership Fee | 87,899 | 197,217 |
| Site & Avenue Plantation Expenses | 811,468 | 1,150,299 |
| Lab Expenses | 409,241 | 495,840 |
| Depreciation | 46,033,190 | 43,701,545 |
| Fee recoverable written off | 60,275 | - |
| Total | 115,133,726 | 94,000,329 |
| Excess of Income over expenditure during the year | 256,517,450 | 241,177,668 |

Notes forming part of the Accounts

As per our report of even date

For GUPTA RAVI & ASSOCIATES

Chartered Accountants

Ravi Kumar Gupta
Partner (M.No.085466)
Jammu- 17/11/2008

Finance Officer

Finance Officer
SMVD University

Registrar

Registrar
Shri Mata Vaishno Devi
University.

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SHRI MATA VAISHNO DEVI UNIVERSITY

SCHEDULE OF FIXED ASSETS AS ON 31 ST MARCH, 2008

Schedule - B

| Sl. Particulars | Rate Dep. | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|---|-----------|----------------------|------------------------------------|--------------------------|----------------------------|----------------------|--------------------|----------------------------|----------------------|----------------------|
| | | As at 01/04/07 (Rs.) | Additions More than 180 days (Rs.) | Less than 180 days (Rs.) | Total as at 31/03/08 (Rs.) | Up to 31.03.07 (Rs.) | For the Year (Rs.) | Total as at 31/03/08 (Rs.) | As at 31/03/08 (Rs.) | As at 31/03/07 (Rs.) |
| Block A 100% | | | | | | | | | | |
| 1 Pre Fabricated Huts | 100% | 3,459,442 | - | - | 3,459,442 | 3,459,442 | - | 3,459,442 | - | - |
| Block B 5% | | | | | | | | | | |
| 2 Building Residential | 5% | 49,893,152 | - | - | 49,893,152 | 4,640,085 | 2,262,653 | 6,902,738 | 42,990,414 | 45,253,067 |
| Block C 10% | | | | | | | | | | |
| 3 Bldg other than Residential Boundary walls, Internal roads, Campus Electrification & other allied works | 10% | 213,834,196 | 1,178,468 | 425,693 | 215,438,357 | 24,708,358 | 19,051,715 | 43,760,073 | 171,678,284 | 189,125,838 |
| Block D 10% | | | | | | | | | | |
| 4 Furniture & Fixture (Auditorium) | 10% | 22,056,264 | 8,028,442 | 1,325,663 | 31,410,369 | 4,189,321 | 2,655,822 | 6,845,143 | 24,565,226 | 17,866,943 |
| 5 Electric fittings | 10% | 19,045,329 | 562,507 | 6,808,998 | 25,416,834 | - | - | 6,808,998 | - | - |
| Block E 15% | | | | | | | | | | |
| 6 Office Vehicles | 15% | 6,028,075 | 2,072,123 | 152,045 | 8,252,243 | 2,474,556 | 1,720,930 | 4,195,486 | 15,584,395 | 16,570,773 |
| Block E 15% | | | | | | | | | | |
| 7 Office Equipment | 15% | 7,193,325 | 1,174,531 | 501,732 | 8,869,588 | 2,603,723 | 862,101 | 3,455,824 | 5,136,106 | 3,424,352 |
| 8 Genset | 15% | 792,017 | - | 881,281 | 9,249,137 | 2,053,929 | 1,013,185 | 3,067,114 | 6,182,023 | 5,139,396 |
| 9 Inverter | 15% | 140,026 | - | - | 792,017 | 355,127 | 65,534 | 420,661 | 371,356 | 436,890 |
| 10 Transformer | 15% | 358,000 | 162,324 | - | 520,324 | 123,479 | 59,527 | 183,006 | 337,318 | 234,521 |
| 11 Workshop Equipment | 15% | 9,991,928 | 5,043,326 | 1,864,999 | 16,900,253 | 1,611,260 | 2,153,474 | 3,764,734 | 13,135,519 | 8,380,668 |
| 12 Laboratory Equipment | 15% | 6,294,300 | 1,326,033 | 1,604,372 | 9,224,705 | 1,280,372 | 1,071,322 | 2,351,694 | 6,873,011 | 5,013,928 |
| 13 Const. Equip. at site | 15% | 660,688 | - | - | 660,688 | 347,448 | 46,986 | 394,434 | 266,254 | 313,240 |
| 14 Internal Communication System and Equipments | 15% | 9,764,886 | 902,371 | 751,729 | 11,418,986 | 1,547,082 | 1,424,406 | 2,971,488 | 8,447,498 | 8,217,804 |
| 15 Medical Clinic Equipments | 15% | - | 203,825 | - | 203,825 | - | 30,574 | 30,574 | 173,251 | - |
| 16 Audio/Video System(Auditorium) | 15% | - | - | 2,445,800 | 2,445,800 | - | - | - | 2,445,800 | - |
| 17 Water Supply System | 15% | 6,956,994 | - | - | 6,956,994 | - | 1,043,549 | 1,043,549 | 5,913,445 | - |
| Block G 60% | | | | | | | | | | |
| 18 Computer Equipments | 60% | 11,898,870 | 1,463,425 | 8,501,019 | 21,863,314 | 9,392,626 | 4,932,107 | 14,324,733 | 7,538,581 | 2,506,244 |



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| | | | | | | | | | | | |
|----|---------------------|------|--------------------|-------------------|-------------------|--------------------|-------------------|-------------------|--------------------|--------------------|--------------------|
| 21 | Computer Software | 60% | 2,269,717 | 997,331 | 527,600 | 3,794,648 | 1,510,332 | 1,212,310 | 2,722,642 | 1,072,006 | 759,385 |
| | Block H 100% | | | | | | | | | | |
| 22 | Kitchen Utensils | 100% | 88,404 | - | - | 88,404 | 82,071 | 6,333 | 88,404 | - | 6,333 |
| 23 | Books | 100% | 5,358,358 | 402,516 | 1,063,061 | 6,823,935 | 4,748,465 | 1,543,940 | 6,292,405 | 531,530 | 609,893 |
| 24 | Sports Material | 100% | 429,575 | 26,420 | 65,179 | 521,174 | 374,315 | 114,270 | 488,585 | 32,589 | 55,260 |
| 25 | Misc Tools | 100% | 47,117 | - | 122,512 | 169,629 | 41,267 | 67,106 | 108,373 | 61,256 | 5,850 |
| 26 | Website | 100% | 17,776 | - | - | 17,776 | 17,776 | - | 17,776 | - | - |
| 27 | Kitchen Equipments | 100% | 162,473 | - | - | 162,473 | 162,473 | - | 162,473 | - | - |
| 28 | Classroom Tools | 100% | 292,036 | - | - | 292,036 | 292,036 | - | 292,036 | - | - |
| | Block I 0% | | | | | | | | | | |
| 29 | Land Acquisitions | 0% | 122,435,496 | - | - | 122,435,496 | - | - | - | - | - |
| | Total | | 540,774,604 | 32,647,476 | 36,400,979 | 609,823,059 | 74,347,312 | 46,033,190 | 120,380,502 | 489,442,557 | 466,427,292 |

Capital Advances & Capital Work In Progress

| | | |
|-----------------------------------|--------------------|--------------------|
| for land Aquisition | 10,308,706 | 10,308,707 |
| for Construction Works | 30,038,235 | 48,738,557 |
| for Electricity | 18,790,450 | 18,003,300 |
| for Site Development | 434,104 | 434,104 |
| for Tube Well/Water Supplies | 2,753,550 | 7,883,039 |
| for telephone Exchange | 1,045,635 | 1,045,635 |
| for Construction Work In Progress | 434,917,054 | 206,691,525.00 |
| Total | 498,287,734 | 293,104,867 |
| Grand Total | 540,774,604 | 32,647,476 |



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Schedules forming part of the Balance Sheet

INVESTMENTS
(NON TRADE - AT COST)

| | Nos. | Nos. | Nos. | Rs. | Rs. |
|--|-----------------|--------------------------------|--------------------------------|-------------------|-------------------|
| | during the year | Sold/ redeemed during the year | Balance at the end of the year | As at 31.03.2008 | As at 31.03.2007 |
| LONG TERM INVESTMENTS | | | | | |
| 1. Government of India Bonds | | | | | |
| 8% Savings(Taxable) Bonds, 2003 Bond Ledger Account No. TBUTT51800595 | | | | 39,600,000 | 39,600,000 |
| 8% Savings(Taxable) Bonds, 2003 Bond Ledger Account No. TBUTT51800597 | | | | 19,800,000 | 19,800,000 |
| 8% Savings(Taxable) Bonds, 2003 Bond Ledger Account No. TBUTT51800598 | | | | 600,000 | 600,000 |
| TOTAL | | | | 60,000,000 | 60,000,000 |
| Aggregate cost of quoted investments | | | | - | - |
| Aggregate cost of unquoted investments | | | | 60,000,000 | 60,000,000 |



SHRI MATA VAISHNO DEVI UNIVERSITY, KAKRYAL, KATRA**I. Summary of Significant Accounting Policies****a. Basis of Accounting**

- i) The accounts of the University are prepared under historical cost convention. The University follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except for certain expenses like Telephone, Insurance, Affiliation & membership Fee.
- ii) The expenditure on Lab Consumables are charged off to expenditure in the year of purchase.
- iii) Cost of whole of the Energy Saving Electric Fittings & Fixtures amounting to Rs.21,91,478/- purchased from Asian Electronic during the year 2006-2007 have been charged to the revenue during the said year irrespective of material in hand .
- iv) Architect fee paid has been allocated to the respective works in progress as on 31.03.2008.

b. Fixed Assets

Fixed assets are stated at cost less depreciation. The cost of an asset comprises of its purchase price/ construction cost (Including material and labour cost).

c. Depreciation

Depreciation on fixed assets is provided on written down value method as per the rates prescribed in Income Tax Act, 1961 except certain assets on which depreciation at the rate of 100% is claimed.

d. Revenue Recognition

- i) Revenue in respect of admission fees received from students is recognized over the period of the course.
- ii) Revenue in respect of hostel fees is recognized on accrual basis.
- iii) Interest is recognised on a time proportion basis taking into the account the amount outstanding and the rate applicable.
- iv) Dividend income is recognised when right to receive dividend is established by the Balance Sheet date.
- v) Share of University income out of Research & Development Grants is being accounted for on completion of the respective projects.

e. Investments

Long-term investments are stated at cost, less provision for diminution in value of investments, which is considered to be permanent. Current investments are stated at lower of cost or fair market value. Cost includes original cost of acquisition, including brokerage and stamp duty and is net of commission received.

f. Income Tax

The University got itself registered under Section 12AA of the Income Tax Act 1961, vide the letter dated April 20, 2005 from the office of the Commissioner of Income Tax. Further University has also been granted approval for Continuance of Exemption under Section 10(23C)(vi) of Income Tax Act, 1961 vide order bearing no. F.No..CCIT/ASR/TECH/10(23)(vi)/2008-09/1511 dt. 28/07/2008. Accordingly, no provision for Income Tax has been made in the books of account.

II. Notes To Accounts

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1. BACKGROUND

Established under the Shri. Mata Vaishno Devi University Act, 1999 (Act under the legislative assembly of Jammu and Kashmir) the institution had started functioning on September 1, 1999 (i.e. date of incorporation). The said institution has set up University at Panthal in the state of Jammu and Kashmir to provide various graduate and post graduate level courses on residential basis. The University commenced its operations during the year 2004-05 with inaugural batch starting from August 19, 2004.

2. LAND ACQUISITION AND CAPITAL WORK IN PROGRESS

- a) So far the University has taken possession of 5804 Kanals and 14 Marals of land. The University had received Red Accounts for land acquired from Collector of Land Acquisition to the tune of Rs.122,663,279/- for the year ended 31.03.05 and for Rs. 795303/- for the period onwards 31.03.05 and hence the same has been capitalized in the books of accounts (except for Rs.50,086/- which is charged as lease rent during the year 2004-2005). The balance amount of Rs.10,308,706/- has been still shown under Capital Advance till the time complete accounts for disbursements are made available from the office of the Collector of Land Acquisition.
- b) In the absence of proper supporting details, payments made to Power Development Department, J&K, Public Health Department, J&K, TDM BSNL, Udhampur and other advances for the construction of facilities in the University campus aggregating to Rs.2,29,98,259/- have been shown under capital advance in Schedule "B". The necessary entries for capitalization would be done as and when the relevant information is received from the concerned authorities.
3. Previous Year's figures have been regrouped/re-classified to conform to current year's classification.

Signatures to Schedules 'A' to 'D'

For GUPTA RAVI & ASSOCIATES

Chartered Accountants



Ravi Kumar Gupta

Partner

M.No.085466

Jammu- 17/11/2008



Finance Officer
SMVDU

Finance Officer
SMVD University



Registrar
SMVDU

Registrar
Shri Mata Vaishno Devi
University.