

ASSAM UNIVERSITY, SILCHAR

SCHEDULE FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

SCHEDULE XVI Significant Accounting Policies

1. ACCOUNTING CONVENTION

Assam University is a Central University established in 1994 under an Act of Parliament (Act XXIII of 1989). It is substantially funded by Government of India. The financial statements are prepared, unless otherwise stated, on the basis of historical cost convention, and generally on the accrual method of accounting. All Income/receipt and expenditure are maintained on accrual basis, except for the following:

- a. Government of India grants received through University Grants Commission are accounted for on cash basis.
- b. Fees from students, sale of admission forms, and interest on Saving Bank accounts are accounted for on cash basis.
- c. Receipts of interest on House Building Advances are accounted for on recovery basis.
- d. Receipts of Interest on Endowment Funds are accounted for on realization basis.
- e. Expenditure on charges prepaid, except subscription of journals, is accounted on cash basis.

2. FIXED ASSETS

- 2.1 Fixed assets of the University are acquired out of grants received from the Government of India. Funds utilized for acquisition of assets are shown under Capital Fund (Fixed Assets) in the corresponding schedule and taken to Balance Sheet.
- 2.2 Fixed Assets are valued at cost of acquisition including inward freight, duties and taxes and incidental and direct expenses related to acquisition, installation & commissioning.

3. DEPRECIATION

3.1. Fixed assets are valued at cost less accumulated depreciation. Depreciation on fixed assets is provided on Straight line method, at the following rates:

SI No.	Assets	Percentage of Deprecation
1	Land	0
2	Buildings	
	a) Semi Permanent	5
	b) Other	2
3	Roads & Bridges	2
4	Tube Wells & Water Supply	2
5	Sewerage & Drainage	2
6	Electrical Installation & Equipment	5
7	Plant & Machinery	5
8	Scientific & Laboratory Equipment	8
9	Office Equipment	7.5
10	Audio Visual Equipment	7.5
11	Computers & Peripherals	20
12	Furniture, Fixtures & Fittings	7.5
13	Vehicles	10
14	Library Books & Scientific Journals	10
15	Campus Development	10
16	Others	10

3.2. Depreciation on additions during the year has been provided for the actual days of acquisition.

3.3. Value of an asset, when fully charged to depreciation, but in use, is carried over at residual value of Re. 1.

4. INVENTORY:

Closing stocks of chemicals, glassware, consumables, stationery & other stores, net of addition and consumption that are charged to revenue account, are exhibited under current assets.

5. **INVESTMENTS**

6.1 All investments are valued at cost.

6.2 Fixed deposits with banks are classified as Investments [Schedule V] irrespective of the duration.

6.3 Interest received and accrued on investments are credited and accounted for to respective funds to which the corpus belongs. Interest accrued on term deposits for a period of less than 1 (one) month has been ignored.

6. **EARMARKED/ENDOWMENT FUNDS**

All externally / internally funded earmarked / endowment funds, viz, Endowment Fund, Mobilised Resource Fund, Pension Fund, House Building Advance Fund, University Development Fund, are accounted for under distinctive heads.

Closing balance of these funds are depicted as liability in the Balance Sheet

Assets created out of Earmarked Funds and sponsored projects where the ownership of such assets vests in the University are set up by credit to capital Fund & merged with the Fixed Assets of the University. Depreciation is charged at the rates applicable to the respective assets.

7. **FOREIGN CURRENCY TRANSACTIONS**

Transactions denominated in foreign currencies are recorded at exchange rate applicable at the time of settlement.

8. **INCOME TAX**

The income of the University is exempt from Income Tax under Section 10(23c) (iiiab) of the Income Tax Act 1961. No provision for tax is therefore made in the accounts.

FINANCE OFFICER

ASSAM UNIVERSITY, SILCHAR

SCHEDULE: XVII

Notes on Accounts

1. CONTINGENT LIABILITIES

1.1	Claims against the University not acknowledged as debt	NIL
1.2	In respect of	
	a. Bank guarantee given on behalf of the University	NIL
	b. Bills discounted with banks	NIL
1.3	Disputed demands in respect of	
	a. Rates and taxes	NIL
	b. Litigation	NIL

Suits filed against the university are pending in various courts of judicature. Financial liability, if any, in these cases is not ascertainable.

2. CAPITAL ACCOUNT

Includes rectification made on account of depreciation and outstanding liabilities for expenses during previous year.

3. PENSION FUND

- 3.1 Value of Pension Fund, worked out on 31st March 2012, to **Rs. 3, 24, 09,583.00**, has been shown as liability under earmarked Funds (Schedule 2).

4. CURRENT ASSETS, LOANS AND ADVANCES

- 4.1 In the opinion of the Management, the Current Assets, Loans and Advances have a value on realization in the ordinary course, equal to at least the aggregate amount shown in the Balance Sheet.
- 4.2 The details of balances in Savings Bank Accounts are depicted in as Attachment 'A'.
- 4.3 Previous years' figures have been regrouped / adjusted wherever necessary.
- 4.4 As the Provident Funds and the New Pension Scheme Fund are owned by the employees as members of these funds and not by the University, accounts of these funds have been kept under distinct Receipts & Payments Account, Income & Expenditure Account for the year ended 31st March 2012 and Balance Sheet as on that date separately. The consolidated position of respective funds as on 31st March 2012 has been depicted in the Balance Sheet.
- 4.5 Schedules I to XVIII are annexed to and form an integral part of the Balance Sheet as at 31st March 2012 and the Income & Expenditure account for the year ended on that date.

FINANCE OFFICER.