

**INDIAN COUNCIL OF AGRICULTURAL RESEARCH
KRISHI BHAVAN NEW DELHI**

Fin. No. 1-1/2023-Acctts.-II

Dated 24th March, 2023.

To

The Directors/Project Directors of All Research Institutes/Directorates/
Bureaus/NRCs/ATARIs/NASF/DKMA/NAHEP/F&A Unit

Subject:- Preparation of Annual Accounts for the year 2022-23 - regarding.

The Council is required to Consolidate and submit the Annual Accounts for the year 2022-23 to the Director General of Audit (Central Expenditure) on or before **30th June, 2023**. The same needs to be placed before the Governing Body of the Council also for approval prior to its submission to the CAG. Since Council must submit the Consolidated Annual Accounts, after obtaining approval from the Governing Body, **latest by 30th June, 2023** to CAG, it is required for all ICAR units to submit their respective Annual Accounts strictly in the prescribed format **latest by 30th April, 2023 positively**. Based on audit observations, few schedule wise amendments/modifications have been made in Consolidated Annual Accounts 2022-23.

2. Accordingly, the formats of Annual Accounts along with the relevant schedules in the prescribed format and necessary guidelines for preparation of Annual Accounts 2022-23 have been uploaded on the ICAR web site for information, guidance and necessary action. It is requested that the hard copy of Annual Accounts in prescribed format along with all annexure after validation, may be forwarded to Council by Speed Post on or before 30.04.2023. It is also requested that the same may also be forwarded through e-mail at accounts.icar@yahoo.com/accts2@gmail.com. Any delay in submission of Annual Accounts by the units **beyond 30-04-2023 will hamper the Consolidation work in the Council** and therefore needs personal intervention of the Directors and Finance Officers of the Institutes.

3. Certain modifications/amendments including those to be incorporated in the Format of Annual Accounts 2022-23 as mentioned below. **All the Heads of Finance wing of ICAR Units are requested to comply with the following instructions as well as audit observations 2021-22 strictly while preparing Annual Accounts 2022-23 of their respective unit:-**

Sl. No.	Schedule-wise amendments/modification	Action Suggested
1	Schedule- 3: Earmarked/ Endowment Fund	Interest earned on " Earmarked/Endowment Funds in term Deposit " should be properly reflected under Schedule 3 (B) (i) "Additions from Investments made form the Funds" . Hence, all units have to ensure that interest earned/generated on the Earmarked and Endowment Fund invested/kept in the form of FDRs/STDRs/CLTD during the Current Financial year must be depicted in Schedule-3 and should be added to the concerned funds in pursuance of ICAR Significant Accounting Policy in respect of Earmarked fund.
2	Schedule-4 : Current Liabilities & Provisions Sub Schedule-4	A Provision to all outstanding liabilities/ expenses of FY 2022-23 accrued but remained unpaid upto 31.03.2023 should invariably be created and depicted in Scheduel-4, Current Liabilities . Non-provisioning of the same results in understatement of Current Liabilities and Expenses, which must be avoided. (<i>Some institutes has not made provision of the same</i>). Under the Sub-Schedule-4 , bifurcation of externally aided projects needs to be shown as per the revised format by all ICAR units in the relevant category i.e (A) Projects funded by outside Ministries/Department (B) Projects funded out of Consultancy (C) Other external funded project .

3	Schedule-5: Fixed Assets	<p>The Closing balance of Fixed Assets for the year 2021-22 should match the Opening Balance for the year 2022-23.</p> <p>Figures should be rounded off in all Schedule of Annual Accounts especially with respect to Depreciation under Schedule 5 "Fixed Assets" of the Annual Accounts.</p> <p>Due care may be taken in booking of Capital expenditure in respect of Works and proper classification of the same under heads "Work in Progress" (WIP)(Sch.5) in the Annual Accounts may be carried out.</p> <p>Utmost care should be taken while classifying expenditure under Capital Advances and Capital Work-In-Progress. A number of cases has been observed by Audit regarding misclassifications of entries under the said heads resulting into under/over statement in Annual Accounts.</p> <p>Non – Uniformity in accounting of assets acquired out of Grant-in-Aid Capital of SCSP funds and given to SCSP beneficiaries has been observed in respect of various ICAR units. Accordingly, it has been decided by the Competent Authority that assets acquired out of "Grant-in-Aid Capital SCSP funds" during the financial year needs to be shown under in column "Additions during the year". Further, in case of assets gifted away to SCSP beneficiaries needs to be deducted from "Capital Fund in Schedule - 1 under the head Adjustment from Capital Fund". Details of all such assets gifted away using SCSP during the financial year shall be provided in "Notes to Accounts".</p> <p>Instructions are reiterated regarding items of fixed assets shown under "OTHER" head in Schedule-5. As per Companies Act 2013, no such category of "OTHERS" exist in which fixed assets can be classified. In the last year, any institute has not mentioned any figure against the OTHERS column. Accordingly, Column of "OTHERS" under Schedule-5 is deleted.</p> <p><i>In response to audit observation, depreciation policy has been modified.</i></p> <p>Depreciation will be charged at the applicable rate for the full financial year on assets acquired during April-September. For assets acquired during October-March of the year, depreciation will be charged for half-yearly basis at the applicable rate. The change will be effective from the financial year 2022-23.</p>
4	Schedule 7 : Current Assets, Loans & Advances	<p>A separate table has been created in Schedule-7 to show the break-up of Bank Closing Balance ^{under} of Revenue and Other than Revenue.</p> <p>Sch.7(B)- Utmost care should be taken while classifying expenditure under Capital Advances and Capital Work-In-Progress. A number of cases has been observed by Audit party regarding misclassifications of entries under the said heads resulting into under/over statement in Annual Accounts.</p> <p>Closing balances of all operative bank accounts at the institute level as on 31st Mar should invariably be shown in the Schedule7-Current Assets, including account meant for payment of Statutory dues.</p>
5	Annexure to Schedule 9A-1	<p>Separate column has been included to show the Expenditure incurred under G-I-A salary of AICRPs/CRPs/Network Projects by the Institute during the financial year. All ICAR units are required to provide details of expenditure incurred under G-I-A Salary in AICRPs/CRPs/Network Projects separately in Annexure to Schedule 9A-1. Accordingly format has been revised.</p>

6	Schedule – 17, 18 & 19	<p>Column of Govt. Grant is bifurcated in “Scheme and Non- Scheme”.</p> <p>The expenditure column under Govt. Grant in respective Schedule has been bifurcated into Scheme and Non- Scheme. Expenditure incurred out of Scheme and Non- Scheme budget allocation provided to ICAR units shall be shown separately in the relevant columns. Format of Sch. 17, 18 & 19 has been revised.</p>
7	Schedule-21	<p>Any expenses of a prior period (not pertaining to the Current Financial Year) paid during the current financial year should invariably depicted as Prior Period Expenses in Sch.21 in the annual accounts of that year.</p> <p>Prior Period Expenditure such as arrears etc. may be shown in Schedule-21.</p>
8	Schedule-22 (Significant Accounting Policies)	<p><u>SAP 3.5 Full depreciation is provided on additions during the year.</u></p> <p>Depreciation will be charged at the applicable rate for the full financial year on assets acquired during April-September. For assets acquired during October-March of the year, depreciation will be charged for half-yearly basis at the applicable rate. The change will be effective from the financial year 2022-23.</p>
9	Schedule- 23 (Notes to Accounts)	<ul style="list-style-type: none"> - The value of Re. 1/- should be entered against the leasehold/ freehold land instead of ‘Nil’. Detail of such land may be provided in ‘Notes to Account’. - The reference of GPF Accounts which is maintained separately in the unit must be included in the ‘Notes to Account’. - Wherever, under various Schedules of Annual Account, the head “Others” has been indicated such as Sch-4, Sch-6, Sch-7, Sch-10, Sch-11, Sch-12 and Sch-14(Other Misc. Income) is required to be indicated specifically in ‘Notes to Accounts’ - Disclosure of disputed/encroached land in the annual accounts:- Details of any such case of encroached/disputed land in respect of the institute should be disclosed in the Notes to Accounts by concerned unit. - Disclosure of disputed/encroached land in the annual accounts:- Details of any such case of encroached/disputed land in respect of the institute should be disclosed in the Notes to Accounts by concerned unit. - Asset Register: All units are hereby instructed to reconcile the figures of Fixed Assets provided in their annual accounts with Fixed Asset Register maintained at the institute level. Physical verification of Fixed Assets as on 31st March of the financial year should be completed and figures of all Fixed Assets should invariably be shown in the Annual Accounts duly matched with the Asset Register maintained by the institute. . Reconciled figures need to be put in the Accounts and it should be duly certified as per proforma. <p><i>“It is hereby certified that the figures of Fixed Asset as show in the Annual Accounts of (name of institute) for the FY 2022-23</i></p>

		<p>have been duly reconciled with the figures of Fixed Asset Register maintained at the institute level.”</p> <p>- Accrued Interest: A certificate with regard to the amount of accrued interest shown in Sch-7 vis-a-vis Sch-13 should be furnished in Notes to Accounts, as follows</p> <p><i>“It is hereby certified that amount of Accrued interest shown in the Annual Accounts of (name of institute) for the FY 2022-23 has been duly reconciled with manual record registers maintained at institute level and no discrepancy has been observed in the same.”</i></p> <p>- Interest Bearing Advances: A certificate with regard to the amount of accrued interest shown in Sch-7 vis-a-vis Sch-4 should be furnished in Notes to Accounts, as follows</p> <p><i>“It is hereby certified that the amount of Interest-Bearing Advances shown in the Annual Accounts of (name of institute) for the FY 2022-23 has been duly reconciled with manual record registers maintained at institute level and no discrepancy has been observed in the same.”</i></p> <p>(Institute also required to maintain detailed record in this regard which may be made available to internal audit team at the time of conduct of audit).</p>
10	Annexure A	Column No.17 at Annexure ‘A’ i.e. “Unspent Balance of Grants of previous years” has been bifurcated into two sub-head i.e. (i) Unspent amount refunded by the Institute and (ii) Unspent amount refunded by SAUs/KVKs.
11	Annexure C	Necessary modification has been made in the format by adding column for showing Funds lapsed under TSA . All ICAR units must depicts the details of funds lapsed under TSA during the financial year in the relevant column.
12	Register	All Units are instructed to maintain Expenditure Control Registers, Register of Contracts, Grants in Aid, FDR Register/TDR Register, Expenditure Control Register by units.
13	Physical verification of Fixed Assets	Physical verification of Fixed Assets as on 31 st March of the financial year should be completed and figures of all fixed assets should invariably be shown in the Annual Accounts duly matched with the Asset Register maintained by the Institute. Accordingly, all units are instructed to update Fixed Asset Register in the prescribed format.
14	Assurance certificates in respect of Bank and FD balances as on the last date of Financial year	A certificate duly issued by the respective bank authorities in respect of the closing bank balances and fixed deposits/STDR/CLTD in respect to all the operating Bank Accounts need to be annexed with the bank Reconciliation Statement submitted along with the Annual Accounts.
15	Disclosure of disputed/encroached land in the annual accounts	Details of any such case of encroached/dispute land in respect of the institute should invariably be disclosed in the Notes to Accounts (Sch. 23) by each unit.
16	Freehold/Leasehold	In case of showing amount against Freehold/Leasehold land under Sch.5., details of the same to be provided in Notes to Account.

17	Settlement of pending/unreconciled items in Bank Reconciliation Statement/TSA	<p>The pending issues in the Bank Reconciliation Statement of the institute and all items pertaining to the period prior to December 2022 may be settled and compliance be reported by 31st March 2023. Accordingly, this may also be reported in Annual Accounts.</p> <p>As far as BRS of TSA is concerned, there must not be any difference under Column C1 and C2 in the prescribed format of TSA. In case of a difference, the same should be traced and Nil amount for the month of March, 2023 may be sent to the Council.</p>
18	Other Income / Expenses	<p>Details of all items whether income or expenditure shown under the head "OTHERS" in all the Income & Expenditure Schedules needs to be clearly specified in the respective Schedule itself or Notes to Accounts. Number of observations are made by the Audit Party in this regard and therefore due care must be taken to specifically provide details of all items booked/shown under "OTHER" head in the Annual Account.</p>
19	Bank Reconciliation Statement (BRS)	<p>ICAR units are required to provide Bank Reconciliation Statement (BRS) in respect of ALL BANK accounts maintained at Institute/Regional office level along with details of all Bank accounts and its Bank Certificate to be obtained in respect to each of Bank Accounts from Bank informing the bank balance as on 31st March, 2023. Since, providing BRS (Proforma I-IV) of all bank accounts along with Bank details and Bank Certificate of respective units to Auditors have become a mandatory requirement, therefore, all units are instructed to adhere to the same.</p> <p>BRS of all accounts maintained at Institute Closing Balance of Cash Book of all accounts maintain by Institute should match with closing balance shown in R&P and Schedule 7 Current Asset. Accordingly, two proforma have been attached with Sch. 7 i.e. Annexure to 7-A and Annexure to 7-B. Further all Institutes are requested the BRS (Proforma I-IV) of all accounts along with Bank Details in the prescribed proforma (Annexure to Sch.7-A and Sch.7-B and its Bank Certificate up to 31.03.2023 should be sent to the Council separately after the closing of Financial Year 2022-2023 for submitting to Audit Party in time.</p> <p>In case of BRS of Treasury Single Account (TSA), there must not be any difference under Column C1 and C2 in the prescribed format of TSA. In case of a difference, the same should be traced and Nil amount for the month of March, 2023 may be sent to the Council separately.</p>

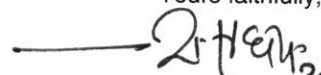
Worksheets seeking details on the various object heads shown in the Annual Accounts has been added as follow: -

Sl. No.	Particulars	Worksheet
a.	Outstanding Liabilities	Details of amount of outstanding liabilities shown in Schedule-4 should be provided in Worksheet-1 as per the format
b.	Prepaid Advances	Details of all Capital and Revenue Advances shown in Sch-7B should be provided in WS-2 as per the format. (TA/LTC/Medical/CPWD Capital Adv./ Revenue Adv./ Others)
c.	EMD/Security Deposit	Details of amount of EMD / Security Deposit shown in Schedule-4 should be provided in WS-3 as per the format.
d.	U-Remittances	Details of closing balances of U-Remittances show in Annex 'G'/Sch-4 should be provided in WS-4 as per the format.
e.	Imprest / Cash-in-hand	List of holders of imprest/cash in hand shown in Annex-G / R&P Account/Sch-7 should be provided in WS-5 as per the format.

f.	Closing stock	Details of amount of Closing stock shown in Schedule-7 should be provided WS-6
g.	Non-Interest-Bearing Advances	As per the instructions already issued by Council, all non-interest-bearing advance have been discontinued from FY 2017-18 onwards. Accordingly, in case of any unit showing the amount of non-interest-bearing advances needs to reconcile and settle the same in the annual account for the FY 2022-23.

1. The Institute may also rectify any discrepancies or/and show compliance to the audit observations made as per SAR and Annexure to Management Letter 2021-22 while preparing the Annual Accounts for the year 2022-23.
2. Bank Reconciliation Statement up to the month of **March, 2023** pertaining to all the bank accounts **operational in the unit and Bank details and its Bank Certificate of all account and BRS in respect of TSA** may be appended along with Annual Accounts 2022-23 and it is **mandatory**.
3. The **exact coding/numbering of Scheme** may be mentioned in the Annual Accounts 2022-23 as per the Scheme list uploaded by the Council on the ICAR web-site.
4. **You are, therefore, requested to send the Annual Accounts for the year 2022-23 complete in all respects with all the schedules/annexure to the Council latest by 30-04-2023, positively.**

Yours faithfully,


 (Rajesh Sahay)
 Director (Finance)

29/03/2023

List of Enclosures uploaded on ICAR website under 'Financial Circulars->Annual Accounts 2022-23.

1. Format of Annual Accounts 2022-23
2. Format of Receipts & Payments (Old Format) 2022-23
3. Format of Receipts & Payments (New Format) 2022-23
4. Revised Significant Accounting Policy 2022-23 and Notes to Accounts
5. Work Sheets on the various object heads in the Annual Accounts 2022-23.
6. Format of BRS & TSA
7. List of Plan Schemes 2022-23 with Scheme Code and PFMS Codes
8. Check Points for preparation of Annual Accounts 2022-23.
9. Copy of Annexure to Management letter and SAR 2021-22 along with Institute-wise list of Audit observation.
10. Closing Balance of 2021-22.