

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

Fin. No. 1-1/2019-Accts.-II

Dated 28 Feb., 2019.

To

The Directors/Project Directors of All Research Institutes/Directorates/
Bureaus/NRCs/ZPDs/NFBSFARA/DKMA/NAHEP/ASRB/Education Division

Subject:-Preparation of Annual Accounts for the year 2018-19 regarding.

The Council is required to Consolidate and submit the Annual Accounts for the year 2018-19 to the Director General of Audit (Central Expenditure) on or before **30th June, 2019**. 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, 2019** to CAG, it is required for all ICAR units to submit their respective Annual Accounts strictly in the prescribed format **latest by 30th April, 2019 positively**. Based on audit observations, few schedule wise amendments/modifications have been made in Consolidated Annual Accounts 2018-2019.

2. Accordingly, the formats of Annual Accounts along with the relevant schedules in the prescribed format and necessary guidelines for preparation of Annual Accounts 2018-19 have been uploaded on the ICAR web site for information, guidance and necessary action. It is requested that the softcopy of the Annual Accounts in prescribed format along with all annexure may also be forwarded through e-mail at accounts.icar@yahoo.com. Any delay in submission of Annual Accounts by the units **beyond 30-04-2019 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 are to be incorporated in the Format of Annual Accounts 2018-19 as mentioned below. **All the Heads of Finance wing of ICAR Units are requested to comply with the following instructions strictly while preparing Annual Accounts 2018-19 of their respective unit:-**

Sl.No.	Schedule-wise amendments/modification	Action Suggested
1.	Current Liabilities & Provisions (Schedule 4)	Under Sch.4 Current Liabilities & Provision , all expenses payable during Current Financial Year but not paid, should be accounted for as Current liability on the basis of accrual accounting.
2.	Sch. 4, Sch.7 and Sch.9A	In case of any negative balance of Govt. Grant in Schedule 9A , this amount is to be added under " Claim Receivable " at Sch. 7 and not to be accounted for in Sch. 4 under " Unutilized grants from Govt. Of India – to be refunded – Govt. Grant ".
3.	Annexure to Sch. 5A	The budgetary head of Plan and Non-Plan in previous year had been merged and this has been renamed as ' Govt. Grant '. As the project NAIP is over, the same has been removed from Annexure to Sch. 5A and new head NAHEP has been added.

4.	Current Assets, Loans & Advances (Schedule 7)	Prepaid expenses paid during current financial year are to be shown under the Current Assets on the basis of accrual accounting and same to be reduced from total expenditure.
5.	Sub-Sch. to Sch. 4	The total of all Negative Closing balances of any Sponsored Projects/schemes as shown in Sub-Schedule to Schedule 4 should be taken to Schedule 7B "Claim Receivable" , whereas only sum of Positive Closing balances should be shown in Schedule 4, Current Liabilities & Provisions No. A.7(c) . Netting off, of the negative and positive closing balances should not be carried out.
6.	Land Status (Schedule 5)	<ul style="list-style-type: none"> - The value of land has to be mandatorily shown in Sch-5, Fixed Asset by all units as provided in the format under the "Freehold" or "Leasehold" category as applicable. Further in case of leasehold land, where the value has become Zero/Nil after amortization or is categorized as "gifted land" the same should be shown at a Nominal value of Rs. 1/- in the annual accounts and details of the same may be brought in Notes to Accounts in such cases. It may be ensured that no annual account is submitted with 'Nil' balance showing under Land in Schedule-5 by any unit, if it possesses Land. If not, suitable disclosure in notes to accounts would be necessary. - Details of all the assets added/ acquired/ capitalized during the Current Financial Year in Schedule-5, under "Others" should be disclosed in Notes to Accounts. As far as possible, assets should be classified under different Sub-heads and use of "Others" should be minimized.
7.	Sch. 9A & 9 B	<p>According to 7th CPC, the Scientific arrear payment: -</p> <p>The break-up of funds received from Ministry of Finance (Govt. Grant) to be shown in Sch. 9A and the remaining funds as allocated from "Additional amount provided by ICAR Hqrs. out of Council's share during 2018-19" to be shown in Sch. 9B.</p>
8.	Annexure to 9A-1	An additional column has been added in the table showing Break-up of expenditure related to Schemes/Project , as PFMS Scheme Code , which needs to be filled mandatorily by all ICAR units to show the correct disclosure and accounting of ICAR Funded Schemes. Under the said column, every units needs to mention the PFMS Scheme Code under which expenditure has been incurred. Besides, one column has also been added in the Annexure to 9A-1 namely "SCSP"
9.	Annexure to 9A-2	An additional proforma has been included in the format of Annual Account 2018-19 viz., "Annexure to 9-A2" reg. Break-up of Unspent Balance of Govt. Grant as reflected in Annual Account.
10.	Sch. 13	An additional column of Calculation Sheet of Accrued Interest has been included in Schedule 13 for the purpose of Calculation of Interest Accrued on Loans & Advances .

11.	Notes to Accounts (Sch. 23)	<ul style="list-style-type: none"> - The depreciation charged for Assets shown under "Others" in Sch.5 is to be maintained at 10% per annum. The same will also be reflected in the Notes to Accounts. Assets booked under 'Others' may be shown item wise in the Notes to Accounts. The sub-head "Others" should be used sparingly. As far as possible, Assets should be classified under the various sub-heads. - The reference of GPF Accounts which is maintained separately in the unit has to be included in the 'Notes to Accounts'.
12.	Bank Reconciliation Statement (BRS)	<ul style="list-style-type: none"> - All ICAR units are required to provide BRS in respect of all bank accounts maintained at Institute/Regional office level wherein grants/funds have been received during the Current Financial Year. Since, providing BRS of all bank accounts of respective units to Auditors have become a mandatory requirement all units are instructed to adhere to the same. - 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.
13.	Worksheet	Worksheet for Calculation of Expenses, Income & Assets Capitalised have been included in the formats of Annual Accounts 2018-19.

1. The Director General of Audit (Central Expenditure) had also made certain observations on the Annual Accounts for the year 2018-19 of some of the institutes which have already been communicated to the concerned unit. Due care may also be taken to rectify these discrepancies at the time of preparation of Annual Accounts for the year 2018-19.
2. Bank Reconciliation Statement for the month of **March, 2019 pertaining to all the bank accounts operational in the unit** may be appended along with Annual Accounts 2018-19 and it is **mandatory**.
3. The **exact coding/numbering of Scheme** may be mentioned in the Annual Accounts 2018-19 as per the Scheme list uploaded by the Council.
4. **You are, therefore, requested to send the Annual Accounts for the year 2018-19 complete in all respects with all the schedules/annexure to the Council latest by 30-04-2019, positively.**

Yours faithfully,

(Signature)
27/02/2019

(V.R. SRINIVASAN)

DEPUTY DIRECTOR (FINANCE)

List of Enclosures uploaded on ICAR website under 'Financial Circulars->Annual Accounts 2018-19.

1. Format of Annual Accounts 2018-19
2. Format of Receipts & Payments (Old Format) 2018-19
3. Format of Receipts & Payments (New Format) 2018-19
4. Revised Significant Accounting Policy 2018-19 and Notes to Accounts
5. Worksheet for Calculation of Expenses, Income & Assets Capitalised 2018-19.
6. List of Plan Schemes 2018-19 with Scheme Code – Revised