

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

Fin. No. 1-1/2022-Accts.-II

Dated 28<sup>th</sup> March, 2022.

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 2021-22 regarding.**

The Council is required to Consolidate and submit the Annual Accounts for the year 2021-22 to the Director General of Audit (Central Expenditure) on or before **30<sup>th</sup> June, 2022**. 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 30<sup>th</sup> June, 2022** to CAG, it is required for all ICAR units to submit their respective Annual Accounts strictly in the prescribed format **latest by 30<sup>th</sup> April, 2022 positively**. Based on audit observations, few schedule wise amendments/modifications have been made in Consolidated Annual Accounts 2021-22.

2. Accordingly, the formats of Annual Accounts along with the relevant schedules in the prescribed format and necessary guidelines for preparation of Annual Accounts 2021-22 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 30.04.2022. It is also requested that the same may also be forwarded through e-mail at [accounts.icar@yahoo.com/accts2@gmail.com](mailto:accounts.icar@yahoo.com/accts2@gmail.com) Any delay in submission of Annual Accounts by the units **beyond 30-04-2022 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 2021-22 as mentioned below. **All the Heads of Finance wing of ICAR Units are requested to comply with the following instructions strictly which preparing Annual Accounts 2021-22 of their respective unit:-**

Sl. No.	Schedule-wise amendments/modification	Action Suggested
1	<b>Schedule 3: Earmarked/ Endowment Fund</b>	Interest earned on Earmarked/Endowment Funds in term Deposit should be properly reflected under Schedule 3 (B) (i) "Additions from Investments made from 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	<b>Schedule-4 : Current Liabilities &amp; Provisions</b>	A Provision to all outstanding liabilities/ expenses of FY 2021-22 accrued but remained unpaid upto 31.03.2022 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.
3	<b>Schedule 5 Fixed Assets</b>	<p>The Closing balance of Fixed Assets for the year 2020-21 should match the Opening Balance for the year 2021-22.</p> <p><b>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.</b></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>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. Accordingly, no asset should be shown under the head "OTHERS" in <b>Schedule-5</b> by any ICAR unit. Also, any existing entries in the said head as per the last FY annual accounts of a institute should be transferred and shown in the respective SUB-head of fixed asset in Schedule-5 so as to reflect <b>NIL</b> amount under "OTHERS".</p>

4	<b>Schedule 7 : Current Assets, Loans a&amp; Advances</b>	<p>Sch.7(A) - All ICAR units are required to clearly show the amount of stock-in-hand in Sch-7 (A) under the three categories vis-a-vis Finished Goods, Semi-Finished Goods and Raw Material as on the last date of financial year. Such closing stock-in-trade should be depicted as per its net realizable value and corresponding entry has to be shown in Sch-8, Income from Sales/Services to match the balance sheet figures.</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 regarding misclassifications of entries under the said heads resulting into under/over statement in Annual Accounts</p> <p>Cases have been observed by audit party where dormant bank accounts with funds lying therein are existing as on the date of close of financial year. All ICAR units are hereby instructed to ensure that any such dormant bank account at the institute level should stand closed by the last date of financial year i.e. 31<sup>st</sup> Mar 2022.</p> <p>Closing balances of all operative bank accounts at the institute level as on 31<sup>st</sup> Mar should invariably be shown in the Schedule7-Current Assets, including account meant for payment of Statutory dues.</p>
5	<b>Schedule 9 &amp; 9A Grants / Subsidies</b>	<p>To depict the amount of government grant lapsed in TSA in the respective schedule. Any amount which remains unutilised as on 31<sup>st</sup> March 2022 and lapsed in the TSA system should be shown separately in the respective schedules along with the amount. The e-kuber statement should be attached along with the Annual Account for verification of amount lapsed. Accordingly, format has been revised.</p>
6	<b>Annexure to Sch-9A-1</b>	<p>All units are instructed to invariably show the expenditure incurred under Institute and AICRP salary allocation separately as per the prescribed format. Format of Annexure to Sch.9A-1 has been revised.</p>
7	<b>Schedule-14, Other Income</b>	<p>Institutes are instructed to clearly show the amount of miscellaneous income bifurcated into respective categories as provided in prescribed format of Schedule-14.</p>
8	<b>Schedule 17</b>	<p>The format of Sch.17 have been modified in view of the observation of Audit Party related to Research &amp; Operational Expenses. Accordingly, all institutes are instructed to clearly show the expenditure bifurcated into respective head i.e. (i) Research Expenses (ii) Operational Expenses. Accordingly, format has been revised.</p>
9	<b>Schedule 21</b>	<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>
10	<b>Schedule-22 (Significant Accounting Policy)</b>	<p><b>SAP – 7 Investments (Head quarters only)</b> All Long-Term investments' are valued at cost except in case of permanent diminution in their value for which necessary provision is made. Current investments are valued at the lower of cost and fair/market value.</p> <p><b>Investments of General Provident Funds (GPF) (Head quarters only)</b> All Long-Term investments' are valued at cost except in case of permanent diminution in their value for which necessary provision is made. Current investments are valued at the lower of cost and fair/market value.</p> <p><b>SAP – 10.4 Grants from AP Cess fund:</b> <i>The Ministry of Agriculture has authorized to draw from the AP Cess fund, monies required for utilization against approved schemes, as and when necessary, the limit in the annual budget. The drawals take place against a Letter of Credit established by the Ministry of Agriculture with the State of India in favour of Department of Agricultural Research and Education (DARE).</i></p>

		<p>To the extent utilized for schemes in Headquarters and the Institutes and for financial assistance to scientific societies, the receipts against this grant are treated as income in the Income and Expenditure Account. To the extent it is utilized for capital expenditure as part of the schemes, it is transferred to the Capital Fund. The unutilized grants from AP Cess fund at the end of the year, pertaining to ongoing schemes are carried forward as a Liability as at the end of the year and for utilization in the subsequent years. Unspent balance of terminated AP Cess schemes and Revolving Fund recoveries from ICAR institutes, SAUs, NGOs are remitted to in the same financial year or in the next financial year.</p> <p>SAP No. 10.4 has been removed.</p>
11	<b>Notes to Accounts (Sch. 23)</b>	<ul style="list-style-type: none"> <li>- The value of <b>Re. 1/-</b> should be entered against the leasehold/ freehold land instead of 'Nil'. Detail of such land may be provided in 'Notes to Account'.</li> <li>- The reference of <b>GPF Accounts</b> which is maintained separately in the unit must be included in the '<b>Notes to Account</b>'.</li> <li>- Wherever, under various Schedules of Annual Account, the head "<b>Others</b>" has been indicated such as <b>Sch.4, 6, 7, 10, 11, 12, 13, 14, 16, 18 &amp; 20</b> is required to be indicated specifically in '<b>Notes to Accounts</b>'</li> <li>- <b>Disclosure of disputed/encroached land in the annual accounts:-</b> 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.</li> <li>- <b>Asset Register:</b> 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 31<sup>st</sup> 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.   <i>"It is hereby certified that the figures of Fixed Asset as show in the Annual Accounts of (name of institute) for the FY 2021-22 have been duly reconciled with the figures of Fixed Asset Register maintained at the institute level."</i> </li> <li>- <b>Accrued Interest:</b> 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   <i>"It is hereby certified that amount of Accrued interest shown in the Annual Accounts of (name of institute) for the FY 2021-22 has been duly reconciled with manual record registers maintained at institute level and no discrepancy has been observed in the same."</i> </li> <li><b>Interest Bearing Advances:</b> 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   <i>"It is hereby certified that the amount of Interest-Bearing Advances shown in the Annual Accounts of (name of institute) for the FY 2021-22 has been duly reconciled with manual record registers maintained at institute level and no discrepancy has been observed in the same."</i> </li> </ul> <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>

12	<b>Register</b>	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	<b>Physical verification of Fixed Assets</b>	Physical verification of Fixed Assets as on 31 <sup>st</sup> 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	<b>Assurance certificates in respect of Bank and FD balances as on the last date of Financial year</b>	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	<b>Disclosure of disputed/encroached land in the annual accounts</b>	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.
	<b>Freehold/Leasehold</b>	In case of showing amount against Freehold/Leasehold land under Sch.5., details of the same to be provided in Notes to Account.
16	<b>Settlement of pending/unreconciled items in Bank Reconciliation Statement/TSA</b>	<p>The pending issues in the Bank Reconciliation Statement of the institute and all items pertaining to the period prior to December 2021 may be settled and compliance be reported by 31<sup>st</sup> March 2022. 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, 2022 may be sent to the Council.</p>
17	<b>Other Income / Expenses</b>	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.
18	<b>AP Cess</b>	The Column of AP Cess has been removed from the format.
19	<b>Bank Reconciliation Statement (BRS)</b>	<p>ICAR units are required to provide Bank Reconciliation Statement (BRS) in respect of <b>ALL BANK</b> 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 31<sup>st</sup> March, 2022. 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 <b>mandatory requirement all units are instructed to adhere to the same.</b></p> <p>BRS of all accounts maintained at Institute <b>Closing Balance of Cash Book of all accounts</b> maintain by Institute should match with <b>closing balance shown in R&amp;P and Schedule 7 Current Asset.</b> Accordingly, two proforma have been attached with <b>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 31.03.2022 should be sent to the Council separately after the closing of Financial Year 2021-2022 for submitting to Audit Party in time.</b></p> <p><b>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, 2022. may be sent to the Council separately.</b></p>



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

Sl. No.	Particulars	Worksheet
a.	<b>Outstanding Liabilities</b>	Details of amount of <b>outstanding liabilities</b> shown in <b>Schedule-4</b> should be provided in <b>Worksheet-1</b> as per the format
b.	<b>Prepaid Advances</b>	Details of all <b>Capital and Revenue Advances</b> shown in <b>Sch-7B</b> should be provided in <b>WS-2</b> as per the format. (TA/LTC/Medical/CPWD Capital Adv./ Revenue Adv./ Others)
c.	<b>EMD/Security Deposit</b>	Details of amount of <b>EMD / Security Deposit</b> shown in <b>Schedule-4</b> should be provided in <b>WS-3</b> as per the format.
d.	<b>U-Remittances</b>	Details of closing balances of <b>U-Remittances</b> show in <b>Annex 'G'/Sch-4</b> should be provided in <b>WS-4</b> as per the format.
e.	<b>Imprest / Cash-in-hand</b>	List of holders of <b>imprest/cash in hand</b> shown in <b>Annex-G / R&amp;P Account/ Sch-7</b> should be provided in <b>WS-5</b> as per the format.
f.	<b>Closing stock</b>	Details of amount of <b>Closing stock</b> shown in <b>Schedule-7</b> should be provided <b>WS-6</b>
g.	<b>Non-Interest-Bearing Advances</b>	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 <b>non-interest-bearing advances</b> needs to reconcile and settle the same in the annual account for the FY 2021-22.

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 2020-21 while preparing the Annual Accounts for the year 2021-22.
2. Bank Reconciliation Statement up to the month of **March, 2022 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 2021-22 and it is **mandatory**.
3. The **exact coding/numbering of Scheme** may be mentioned in the Annual Accounts 2021-22 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 2021-22 complete in all respects with all the schedules/annexure to the Council latest by 30-04-2022, positively.**

Yours faithfully,



**(G.P. Sharma)**  
**Director (Finance)**

List of Enclosures uploaded on ICAR website under 'Financial Circulars->Annual Accounts 2021-22.

1. Format of Annual Accounts 2021-22
2. Format of Receipts & Payments (Old Format) 2021-22
3. Format of Receipts & Payments (New Format) 2021-22
4. Revised Significant Accounting Policy 2021-22 and Notes to Accounts
5. List of Plan Schemes 2021-22 with Scheme Code and PFMS Codes
6. Work Sheets on the various object heads in the Annual Accounts 2021-22.
7. Check Points for preparation of Annual Accounts 2021-22.
8. Copy of Annexure to Management letter and SAR 2020-21 along with Institute-wise list of Audit observation.
9. Closing Balance of 2020-21.