

BUREAU OF ENERGY EFFICIENCY (FORM OF ANNUAL STATEMENT OF ACCOUNTS & RECORDS) RULES, 2007

33004/99 REGI).NO.I.'I Che Gazette of •tidia 92] No. 921 EXIRAORDINARY PART 11—Section 3—Sub-section (i) S, 14, 1928 NEW DFIÄr, MONDAY, 'MARCH S, 2(M/PRALGUNA 14, 1928 28 2007 2001 (2001 52) 56 (2) (A) 25) grq gq, 2007 (qi) 3fi.frqq,2001 (2001 3. (1) 2004 -OS F 2 THE GAZETTE OF INDIA EXTRAORDINARY (PART frq tl VITTVFi 1 5 4--qrc (ii) (iii) 4. 30 fit*-é 15 31 2 e. 36)} t, 30 OTT 1 2 8 9 10 11 25 26 12 13 14 15 16 18 19 21 24 25 26 3 3 4 7äÜT, 31 4 1. (iii) VI. VII. (* X) THE GAZETTE OF INDIA : EXTRAORDINARY 3(4) (iii) 31 I. 20 (a) 21 11. (fift 111. lv. V. VI. () VIII. (ii) (iii) [PART 11 —SEC. o t 3(i)] : frf& ü(qzTR) 3. fiøa - Thi 3- (ii) (iii) 31 q q fiW 6 THE GAZETTE OF INDIA : EXTRAORDINARY [PART II—SEC. ii. (G+.a+TT) (2) vrq fift Fq QTfq fifu 31 qrå 7. 3âT 2. (fifaf#z 3. o 7 3?rt 3. 4. s. 2. 4. s. 6. (q) (37) 3. 4. 5. 7. 9. - THEGÄZETTEOYTDND1kEXTRÄORDTNXR'iE -qrq) C 30 J (fifiRz) i. 3&qi, 1. (37) 2. 3. 4. — (qfi3 Gql/07 —2 IO THE GAZETTE OF INDIA: EXTRAORDINARY (PART II—SW. .3(i) •o 11-vm s&qt, (FRT7) 1. (30 (q) (q) (1) 3-rra 13 2. 3. 4. 5. 6. 2. 3. 1. 2. 12 ÄVIE GÄZETTEOF (q) q•rf (q) 00 13 O [3(i) (q) (71) (31) (Z) ZTG, (7) (ani # \$) Q) '(ant # O 14 THE GAZETTE OF INDIA : EXTRAORDINARY [PART 30)) O (q) 24—qetOT 2.1 2.2 +râ pxq 3.1 fifivB" tl 3.2 3.3 5.1 qft7), 5.2 6.1 , I i fififkz t, I 6.2 6.3 o (7) (8) (9) (10) (11) (12) 3. 4. 9.1 9.2 I 9.3 I 10.2 sqq tl lil tl 1.2 1.3 1.4 a&z d, 1961 16 6. 7

8. THE GAZETTE OF INDIA: EXTRAORDINARY 6.r ZTfrz — •iSR, 6.2 6.3 6.4 [PAkr il —SEC. 3(i) .37 1 26 fi:rqi-ET fi-q-wff 3. *rfrqi t, qvi 6. frufftd (fâq fr fir, -g.,q-dv qt:- ft-q t trq, (F) e tl 1 50/00 soooo 10•. N•Erq gm 12. 13. 3TTF0r-1 72 S 6) 18 1. 3

4. THE GAZETTE OF INDIA: EXTRAORDINARY [PARr il—sw. 3qfr*üq, ri, 87: gTq 27 1 nfGr I trq T7fiqfO 00 - (7A) 30 fififkz fifi; I 19 fift Gi) â, fift Gi; (q) 3Fq fât:qfrzri-ærrqrvr (O fift fâq fiz#l I 1. 4. 5. ft-qvr-VIVTOT fr;-qT I 20 4. THE GAZETTE OF INDIA: EXTRAORDINARY [I—sw. (q) 12 QTfq t I zrq I 3Äfq a-PA (q) 12 I vara (1) 3FZ(12 21 3trt 1. 3. 4. 5. 1961 fift, #VFT, âF 3fiüq, t, 12 I qvi t t fâq frq%t 22 3&qi (q) THE GAZETTE OF INDIA : EXTRAORDINAR Y [PART SEC. .3(i)) qTft.T4 fifiFi fiRf<fiaa aqn, É-z, qfa). 00 —Tia _a.qt xfræ(31TffFi zq-?iâi 23 6. 7. 11. e .1 (q) (BFI, qfä) 3. v•rq 3*Tfâ7frzm QTfRT 24 l. 2. 3. 4. s. 1. 3. 4. 5. 6

7. THE GAZEITE OF INDIA: EXTRAORDINARY frzt"l t, zi 25 fifv t, "PRTt" "qq" I I füfiqFT I 3ft)l p.(frm (ii) (iii) (u) (if) 25 2. 3. 4. 5. 3. 4. 5. 6. 10 3Ä fif7 fifi) Qrzt—qq 2 1 25% fift t, 1 i, ta, fift fifiVFT, FTTTtâ, 3T<fû 3 FiZ I 26 2. — THE GAZETTE OF INDIA : EXTRAORDINARY tFRTfûqi fif@qä PARE . fâq o (qrffr 1 3&qi, (75) (q) (fifif& 37frm (11) Fqil) 4. 3âT - 01) VT, zq-ff 17KW o qfi 5. 5. (v) (fifif& Vt-a vrq 1 üqi 22 1 12 .E.,l grfraqi qgi I O Q) o 3(i)l (Ø 3Fq fifu 3?rr Gi) +R-3T*T (q) 29 J. 3. 4. 2 3. 4. 3fiq 7. fifiVFT 8. fifiVFT 30 a-FQ 2. fi•qfr (fqfiNZTt) THE GAZETTE OF INDIA: EXTRAORDINARY frq fifi, 37Tfk frTq 3idTffl 18 O 3ßffât-21 (t) ZIG, (q) 31 qvg, vzrq 16 37T@" fr;qT zzrâ 32 J. 3. 5. 2. (q) qiü) THE GA7EITE OF INDIA : EXIBAORDINARY 13 YTfrqi (3) 23 Q, fret, O €. 10/2/04-<.qq.] 9 MNISNY OF POWER N(JIIMCATION NewPelhi, the G.S.R. 173(E).— In exercise ofthe powers conferred by clause (p) pf Sub-section (2) of Section 56 and sub-section (1) of Section 25 of the Energy Conservation Act, 2001 (52 of 2(P1), the Central consultation with the comptroller and Auditor-General of India, hereby makes the following rules, namely I. Short title and commencement— (1) nese rules may be called the Bureau of Energy Efficiency (Form of Annual Statement of Accounts and Records) Rules, 2007. (2) ney shall come into force On the date of their publication in the Official Gazette

2. Definitions.— (l) In these rules unless the context otherwise requires,— (a) 'Aét'meanstheEnergy-ConservationAct,2b01 (52 of2M1); (O) 'Budit Officer' means Comptroller and Auditor General of IQdii or any appointed by him in with the audit of accounts of the Bureau; (c) 'Bureau' means Bureau of Energy Efficiency constituted under Section 3 of the Act; (d) "Director-General" means the Director-General oftheBureauappohted Under Section 9 ofthe Act; (e) ' 'Finanqe and AccountsOffcer'S means the Finance pnd Accounts Officer of the Bureau or any other Officer authorized to exercise the powers of the Finance aid Officer; (O "Form" means a form appended to these rules; (g) ßSecretary" means the Secretary oftheBureauofEnergy EfficiencyappointeduderSection 90oftheAct. (2) Words and expressions used and not

defined in these rules but defined in the Act, shall have the same meanings respectively assigned to them
'in the Act



3. Accounts of the Bureau.— (1) The Bureau shall prepare the annual statement of accounts for every financial year commencing with 2004-05. The Director General of the Bureau may authorize the Finance and Accounts Officer to prepare the accounts on his behalf. (2) The Secretary of the Bureau shall supervise the maintenance of the accounts of the Bureau; the compilation of financial statement and return, and shall ensure that all accounts, books, other documents and papers of the Bureau required by the audit officer for the purpose of auditing the accounts of the Bureau are placed at the disposal of that officer; (3) The annual statement of accounts duly approved by the Governing Council of the Bureau and a certificate by the Comptroller and Auditor General of India or his authorized representative, shall be submitted by the Director-General of the Bureau to the Central Government by 15th November of each year or such other date as may be specified by the Central Government from time to time. (4) (a) The Bureau shall prepare the following financial statements along with necessary Schedules, notes on accounts and significant accounting policies in with the common format of financial statements prescribed by the Government of India, Ministry of Finance, Controller General of Accounts, namely (i) Balance Sheet in Form-A (ii) Income and Expenditure Account in Form-B, (iii) Receipt and



Form-C. authorized signatories to sign and authenticate the 'Receipts and Payment Account', 'Income and - Expenditure Account' and 'Balance Sheet' shall be Finance and Accounts Officer, Secretary and Director General Bureau; (c) The Bureau shall prepare these financial statements in accordance With the notes, instructions and accounting policies for compilation of financial statements as detailed in the common format of financial statements and the instruction issued by the Central Government from time to time



4. Audit of Accounts.— (1) The Annual statement of accounts shall be submitted to the Audit Officer on or before the 30th June, following year to which the accounts relate and the Audit Officer shall audit the accounts of the Bureau and report thereon. 72b GI/2007--5 34 THE GAZETTE OF INDIA:

EXTRAORDINARY [PART 11—SEC. (2) The Bureau shall, on receipt of the Audit Report, take action to remedy any defect or irregularity pointed out therein and the Annual Statement of Accounts together with the Audit Report and action taken note thereon to the Governing Council for approval. (3) The Annual Statement of Accounts, together with the Audit Report and action taken note thereon, duly approved by the Governing Council, shall be included in the Annual Report of the Bureau and submitted to the Central Government by 15th November of each year or such other date as may be specified by the Central Government from time to time. ORMA (See BALANCE SHEET AS AT 31st MARCH Corpus/Capital Fund and Liabilities Corpus/Capital Fund Reserves and Surplus Earmarked/Endowment Funds Secured Loans and Borrowings and Borrowings Deferred Credit liabilities • Current Liabilities and Provisions TOTAL Fixed Assets Investments—from Earmarked/Endowment Funds Investments—Others Current Assets, Advances etc. Miscellaneous (to the extent not Written off or adjusted) Significant Accounting Policies Contingent Liabilities and Notes on Accounts FORM B Schedule 1 2 3 4 6 7 8 '9 10 11 (Current Year AND EXPENDITURE AND INCOME FOR THE YEAR MARCH Schedule Current Year (Amount Rs.) Previous Year (Amount Rs.) O Previous Year Income from Sales/Services Grants/Subsidies Fees/Subscriptions Income from Investments (Income on Investment from earmarked/ endowment funds transferred to funds) Income from Royalty, Publication etc. Interest Earned Other Income Increase/(decrease) in stock of Finished goods and works-in-progress TOTAL (A) 12 13 14 15 16 17 18 19 35 (Amount-Rs.) Previous Year Schedule 21 2 24 Current Year O o Establishment Expenses Other Administrative Expenses etc. Expenditure on Grants, Subsidies etc. Interest Testing Depreciation (Net total at the year end • corresponding to schedule 8) TOTAL (B) Balance being excess of Income over Expenditure (A-B) Transfer to Special Reserve (Specify each) Transfer to/from General Reserve CAPITAL FUND SIGNIFICANT ACCOUNTING POLICIES UNABATED AND ON ACCOUNT OF

FORMC [See AND FOR YEAR 31st MARCH RECÜPIS 1 L Opening Balances (a) Cash in Hand (b) Bank Balances O) In current accounts deposite-accounts (iii) Savings IL Grants Received (a) From Government of India b) From State.Governrneng (c) From othersources (details) (Grantspfcapital & révenue expenditure to be shown separately) m. Income on Investmrnts from (a) Earmarked/Endowment Funcß (b) Own Funds (Other Investment) Interest Received (4) On Bank deposits (k) Louis, Advances etc. Chrrnt • Previous - Rs.) Current • Previous Year 2 Year PAYME•CIS 4 (a) Establishment E*enses (Corresponding to Schedule 20) (b) Administradve Expenses (Corresponding to Schedule 21) IL Payn*ntsnge funds for vadous pmJects 'Year Year 6 (Name ot. the fund or project should be shown along with the particulars of payments made for each project) m. Investmrntsand deposits made (â) Out of Earmarked/ Endowment funds (b) Out of Funds (Investment-Others) IV. Expenditure on Fixed Assets & Capital Work-jp-Prpgress (a) Purchase of.Fixed Assets (b) Expenditure on capital york-in-progress — 36 Sec.'3(i)) 1 V. Other Inconr (Spec\$) VL An»unt Borrowed THE GAZETTE OF INDIA :

EXTRAORDINARY 2 3 [PART 5 -e 6 VIL Any other receilis Wye details) 4 V. Refund of nxrplus moneynoans a) To the Government of India b) To the State Government c) To other providers of funds VI. Mnance Charges (Interest) VIL Other Paymrnts (Specify) VIIL Closing Balances a) Cash in Hand b) Bank Balances i) In current accounts ii) In deposit iii) Savings accounts SGIEDUIB FORMNG PART OF BALANCE SHELt AS AT 31st MARCH (Amount - Previous Year SCHEDUIÆ FUND/CAPrrALftJND Balance as at the beginning of the year Add: Contributions towards Chrpus/Capital Fuhld Add/(Deduct):

Balance ofxnet income/(expenditure) transferred from the Income and ExpenditureAccount BAIANCYASATn1EYFAR.D{D 1. Capital Reserve : As per last Account Addi@on during the year Less: Deductions during the year 2. Revaluation Reserve : As per last Account Addition during the year Less: Deductions during the year 3. Special Reserves : As per last Account Addition during the year Less: Deductions during the year 4. General Reserve : As per last Account Addition during the year Less: Deductions during the year Current Year ww (Amount - Rs.) "IUFAIS Current Previous Yer Yar (a) Opening balance orthe funds (b) Additionsto the Funds : i Donations/grants i. Income from investments made on account of funds iii Other additions (specify nature) TOTAL@+b) (c) towards objecdves of funds —'Fixed Assets Total iL ReVenue —Salaries, wages and allowances etc. —Other Administrative expenses Total '10TAL(c) NLTBA1.ANOASÂT'i1EYFARmd(8+.b.c) Notes (1) Disclosures shall be made-under relevant heads based on conditions attaching to the grants. (2) Plan Funds received from the Central/State Governments are to be shown as separate Funds and not to be mixed up with)any other Funds. (Amount - Rs.) Previous Year O e 1. 2 3. 4. 5. 6 7. Central Government Stage Governn±nt (Specify) . Financial Institutions (a) Term I-oars 0) Interest Accrued and due Banks : (a) Term Loans —Interest accrued and due (b) OtherLoans• (Specify) accrued and due Other Institutions and Agencies Debentures and Bonds Others (Specify) TOTAL Note: Amounts due within one year. 38 THE GAZETTE OF INDIA : EXTRAORDINARY SCHEDULE S--UNSECUREDIOANSAND BORROWINGS 1. 2 3. 4. 5

7. Central Government State Government (Specify) Financial Institutions Banks : (a) Term O) Other Loans(Specify) Other Institutions and Agencies Debentures and Bonds Fixed Deposits Others (Specify) Note: Amounts due within one year.SCHEDULE (R) Acceptances secured by hypothecation of capital equipment Current Year Current Year other assets 0) Others Note: Amounts due within one year. SCHEDULE I—CURRENT UABIUTIFSANDPROVISIONS A. CURRnÜUAB11-X11ß 1. • Acceptances 2 Sundry Creditors: (a) For Goods Current Year [PART 11—SEC. 3(i)) (Amount - Rs.) Previ Year Previous Year (Amount - Rs.) Previous Year 3. 4. (b) Others Advances Received Interest accrued but not due on (a) Secured Loans&orrowings (b), Unsecured -I-nansmorrowings Statutory Liabilities: (a) Overdue (b) Others Other current Liabilities TOTAL(A) B. PROVISIONS 1. 2 3. 4

5. For Taxation Gratuity SuperannuationfPension Accumulated leave Encashment Trade Warranties/Claims Others (Specify) IOTAL(A+B) 11 11 11 III 1 OF u:NPIAEXTRAOR D 1 NAR Y FROM EARMARKA>FNDOwMDNTFUND Current Year 1.In Government Secnrnties 2 Other approved Securities 3. Shares Debentures and Bonds Subsidiaries and Joint Ventures 5. Others (to be specified) Oil-IFRS 1. 2 3, 4. In Government Securities Other :Apéroved Securities Shares DebentUres and Bonds Subsidiaries and Joint Ventures Others (to be specified) Q•rreot Yeay Current Yer [PART II—sec. 3(i)) (Amount - Rs.) Previous Year (Amount - Rs.) Previ»us Year SCHEDULE 11-.,CIJRRNT ASSEIS, IOANS, ADVAN A.CIJRRD,T.A.SEIS 2. 3. 4. 5. (a) Stores and Spares O) TPTs (c) Stock-in-trade Finished Goods Materials Sundry Debbrs (a) *Outstanding for a }grid exceeding six months 0)

Others balances in hand (including cheques/drafts and inprest) Bank Balances (a), With Scheduled Banks —On Curralt Accounts. ---On Deposit Accounts (includes margin money) —On-Savings Accoupts (b) With Non-Schedufed Banks —On Current Accounts —On Dep6sit Accounts (includes margin money) •— On Savings Accounts Post Office-Savings Accounts— IOTAL(A) SCHEDULE 11—CURRENT ASSEIS, 11)ANS, ADVANCES (Contd.) B. LOANS, ADVANæs AND 011-1ER ASSETS Current Year 1. loans (a) (c) Staff Other Entities engaged in activities/objectives similar to that of the Entity Other (specify) 2. Advances and other amounts recoverable in cash or in End or for value to be received (a) Oa Capital Prepayments (c), Others 3. Income Accrued (a) (c) (d) On Investments from Earmarked/Endowment Funds On Investments-Others On Loans And Advances Others (includes income due unrealised-Rs.....) 4. a,åims Receivable, tvrAL(B) 'IVrAL(A+B) SCHEDULE 12—INCOME FROM Current Year 41 (Amount - Rs.) Previous Year (Amount - Rs.) Previous Year 1. 2 Incong from Sales (a) Sales of Finished Goods SaleofRaw Material (c) Sale of Scraps Income from Services (a) (b) (c) (d) Labour and Processing Charges ProfessionaVConsultancy Services Agency (>mmission and Brokerage Maintenance Services (EquipmenUProperty). Others (specify) 726 GV2007—6 42 THE GAZETTE OF INDIA : EXTRAORDINARY SCHEDULE (Irrevocable Grants and Subsidies received) 1. 2 3. 5. 6 SCHEDULE 1. 2 3. 4. 5. Central Government State Goverment(s) Government Agencies Institutions,'Welfare Bodies Intemational Others (Qecified) Entrance Fees Annual FeestSubscriptions Seminar/Progam Fees Consultancy Fees Others (Specify) Current Year Qu-rent Year Note : Accounting Policies towards each item are'to.be disclosed. ART II—SEC. (Amount - Rs.) Previous Year 0 (Amounts-Rs.) Previous Y (Amount - Rs.) SQ-IEDULÆIS—INCOMEFROM INVFSIMEMIS Invstnntfromparrnadcdfund Qu-rent Year Previous Year Cu•rentYear Previous Yea• (Income• on Investment from Earmarked/Endowment Funds transferred to Funds) 1. Interest (a) On Govt. Securities (b) Other Bonds (Debentures) 2 Dividends (a) On ShGes 0) On Mutual Fund Securities 3. Rents 4. Others (Specify) Transferred to Earmarked/Endowment Funds Current Year (Amount-Rs. Previous Yc SCHEDULE 16—4NCOMEFROM ROYAITY, (a) Income from Royalty (b) income from Publications (c) Others (Specify) SCHEDULE I. 2 3

4. On Term Deposits (a) With Scheduled Banks (b) With Non-Scheduled (c) With Institutions (d) Others On Savinp Accounts (a)With Banks Q)) With Non-Scheduled Banks (c) Post Office Saving Accotmts (d) Others On I.Jans (a) EmployeeegStaff 0) Others• Interest on Debtors and Othet Receivables Note Tax dedected at source to be indicated 1, 2 3

4. Profiton sale'diqosar of (a) Owned assets (b) Assets acquired out of gants, or received free of cost Export Incentives realized Fees for Miscellaneous Services Miscellaneous bEome SCHEDULE SIOCKOFFINSHED GOODS& WORK m PROGRBS Current Year Year Yar (a) Closing Stock Finished Goods —Work-in-progress l.zss : stock — Finished Goöds — Work-in-progres Net Increase/Deacase [a+b] 43 Previous Year Previoæ Year Prevk)tB Year (Anx)unt-Rs.)' Previo•syar (RAP) SC-IEDULÆ20—ßTABrzmmttr (a) Salaries and Wages 0) {pd Bonus (c) Cdritribution to Piovident Fund (d) 'Cöhtribution to Other Fund (Specify) (ej StåffWelfare (f) Expenses on Employees' Retirement and Terminal Benefits (g) Others (specify) THE GAZETTE OF INDIA : EXTRAORDINARY Current year Previous i. (a) Purchases Labour and Processing Expenses (c) Cartage and Carriage Inwards (d) Electricity and Power (e) Water Garges (O Insurance Repairs and Maintenance 0) Exase Duty Rent, Rates and Taxes G) Vehicle Running and Maintenance Postage. Telephone & Communication (m) (n) (o) (p) (q) (r) (s) (v) Printing & Stationery Travelling and &nveyance Expenses —Overseu Committee —Offc&s & Staff Members —Comrnitee Memtxrs Expenses on Seminarsworkshops Subscription Expenses Expenses on Fees •Auditor Remuneration Hospitality Expenses Professional Chrg& Provision for Bad and Doubtful Debts/ Advances Written-off Packing Carges Freight Forwarding Expenses Distribution Expenses (y} Advertisement and Publicity G) -Others (specify) SCHEDULEI EZ--*XPENDTIURE ON GRANT, SUBSIDIES (a) • Grants given to Institutions/Organisations (b) Stbsidies given to Institutions/Organisations Current Year [PART II—SEC. 3(i) (Amountf - Rs (Ardoun Previoits Note — Name dfthe Entities along With the-amouhtof Grants/Sebsidies are to be disclosed. 3(i)l SCHEDULEIÆ 23 —4MIERßr (a) On Fixed Loans (b) On Other Loans (including bank charges) (c) Other (specify) (a) Testing fee paid to outside laboratories • Market Samples (c) Laboratory apparatus and stores Current Year Qu-rent Year 45 (Amount - Rs.) mvious Year Previous Year -o -o -o SCHEDULEIB FORMNG PARr OF "ITIE ACCOUNIS FOR '1üE YEAR AS AT 31sr MARCH SCHEDULE 25—SIGNIFICANT POUcIB

(IUIJSIRA'TWE) 1. ACCOUNTING CONVENTION The financial statements are prepared on the basis of historical cost convention, unless otherwise stated and on the accrual method of accounting

2. INVENTORY VALUATION 2.1 Stores and Spares (including machinery spares) are valued at cost. 2.2 Raw materials, semi-finished goods and finished goods are valued at lower of cost and net realizable value. The post are based on weighted average cost. Cost of finished goods and semi-finished goods is determined by considering material, labour and related overheads

3. INVESTMENTS 3.1 Investments classified, as "long term investment" are valued at cost. Provision for decline, other than temporary, is made in carrying cost of such investments. 3.2 Investment classified as "current" is carried at lower of cost and fair value. Provision for shortfall on the value of investments is made for each investment considered individually and not on a global basis. 3.3 Cost includes acquisition expenses like brokerage, transfer stamps

4. EXCISE 4.1 Liability for excise duty in respect of goods produced by the entity, other than for exports, is accounted upon completion of manufacture and provision is made for excisable manufactured goods as at the year-end. 5. FIXED ASSETS 5.1 Fixed Assets are Stated at cost of acquisition inclusive of freight, duties and taxes and incidental and Construction, Tied pre-operational direct expenses related to acquisition. In respect of projects in completion), form part of the value of the assets capitalized. 5.2 Fixed Assets received from the Government, are capitalized at value stated, by corresponding credit to Capital Reserve. 6.1 Depreciation is provided on straight-line method at rates specified in the Income Tax Act, 1961 except depreciation on cost adjustments arising on account of conversion of foreign currency, liabilities for acquisition of fixed assets, which is amortized over the residual life of the respective assets. 6.2 In respect of additions to/deductions from fixed assets during the year, depreciation is considered on pro-rata basis. 6.3 Assets costing Rs. 5,000 or less each are fully provided

7. MISCELLANEOUS Deferred revenue expenditure is written off over a period of 5 years from the year it is incurred. [PART 11 — SEC. Q(i)] 8. ACCOUNTING FOR SALES Sales include excise duty and are net of sales returns, rebate and trade discount

9. GOVERNMENT OR SUBSIDIES 9.1 Government grants of the nature of contribution towards capital cost of setting up projects are treated as Capital Reserve. 9.2 Grants in respect of specific fixed assets acquired are shown as a deduction from the cost of the related assets. 9.3 Government grants/subsidy are accounted on realization basis. 10. TRANSACTIONS 10.1 Transactions denominated in foreign currency are accounted at the exchange rate prevailing at the date of the transaction. 10.2 Current assets, foreign currency loans and current liabilities are converted at the exchange rate prevailing as the year end and the resultant gain/loss is adjusted to cost of fixed assets, if the foreign currency liability relates to fixed assets, and in other cases is considered to revenue

11. LEASE 11.1 Lease rentals are expensed with reference to lease terms. 11.2 based on actuarial valuation. 11.3 for accumulated leave encashment benefit to the employees is accrued and Computed on the assumption that employees are entitled to receive the benefit as at each year end. 12. CONTINGENCIES 12.1 Claims against the Entity not acknowledged as debts (Previous year Rs. 12.2 In respect of Bank guarantee given by/on behalf of the Entity (Previous year Rs. (Previous year Rs. 12.3 Bills discounted with Banks Rs. 12.4 Discounted demands in respect of : (Previous year Rs. 12.5 Income Tax Rs. Sales Tax Rs. (Previous year Rs. 12.6 Municipal Taxes year Rs. 12.7 In respect of claims from parties for non-execution of orders but contested by the Entity Rs. (Previous year Rs. 12.8 CAPITAL COMMITMENTS 12.9 Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances) (Previous year Rs

13. LEASE OBLIGATIONS Future obligations for lease under finance lease arrangements for plant and machinery amount to (Previous year Rs. 14. CURRENT ASSETS, LOANS AND ADVANCES In the opinion of the Management, the current assets, loan and advances have a value on realization in the ordinary course of business, equal at least to the aggregate amount shown in the Balance Sheet

15. TAXATION In view of there being no taxable income under Income Tax Act, 1961, no provision for Income Tax has been considered necessary.

6. CURRENCY TRANSACTIONS 47 (Amount RSJ Previous Year 61 6-2 63 64 7. Current Year Value of imports calculated on C.I.F. Basis — Purchase of finished goods — Raw materials & components (including in transit) — Capital Goods — Stores, Spares and Consumables Expenditure in foreign currency a) Travels b) Remittances and Interest payment to Financial Institutions Banks in Foreign Currency c) Other expenditure on Sales Inland and professional expenses Earnings Value of Exports on FOB basis Remuneration to auditors As Auditors • Taxation • Fees — For Management services For certification Others Corresponding figures for the previous year have been regrouped/rearranged wherever necessary in the Balance Sheet as at Income and Expenditure Account for the year ended on said date. and the Form OF (i) financial statements (viz., Balance Sheet and Account) shall be prepared on e) e). Rupee basis and shall be in accordance therewith. If the information required to be given under either item or sub-item is conveniently in the Balance Sheet or account itself, as the case may be, it can be appended thereto. Schedule 8 Annexed to form part of the Balance Sheet by the general expenditure recommended here A statement of all significant accounting policies adopted in the preparation of the Balance Sheet and the Expenditure Account shall be included in the financial statements, and the significant Accounting Policies should be disclosed at once place. Accounting Policies refer to the specific accounting principles and the method of applying those principles adopted by the Entity in the preparation of the financial Statements. Wherever the accounting policy is not in conformity with accounting standards, and the effect of departures from accounting standards is material, the particulars of the departure shall be disclosed, together with the reasons therefor and the financial effect thereof, except where such effect is not ascertainable. Accounting policies shall be applied consistently from one financial year to the next. Any change in the policies which has a material effect in the current period or which is reasonably expected to have a material effect in later periods, shall be disclosed. In case of change in accounting policies which has a material effect in the current period, the amount by which any item in the financial statements is affected by such change shall also be disclosed to the extent ascertainable. Where such amount is not ascertainable, wholly or in part, the fact shall be disclosed. 48 (4) The accounting treatment and presentation in the Balance Sheet and the Income and Expenditure Account of transactions and events shall be governed by their substance and not merely by the legal form. (5) In determining the accounting treatment and manner of disclosure of an item in the Balance Sheet and/or the Income and Expenditure Account, due consideration shall be given to the concept of materiality. (6) Provision shall be made for all known liabilities and losses even though the amount cannot be determined with substantial accuracy (and the amount of provision represents only a best estimate in the light of available 'Provision' means any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets, or retained by way of providing for any known liability, the amount of which cannot be determined with substantial accuracy. Provisions shall be made for loss if : (a) it probable that future events will confirm that, after taking into account any related probable recovery, an asset has been impaired or a liability has been incurred at the balance sheet date, and a reasonable estimate of the amount of the resulting loss can be made. If either of the above conditions is not met, the existence of the contingent loss shall be disclosed by way of a note to the Income and Expenditure unless the probability of the loss is remote. 7. any amount written off or retained by way of depreciation, renewals or diminution in the value of retained by way of providing for any known liability is in excess of the amount which is considered reasonably necessary for the purpose, the excess shall be treated reserve and not as a provision. Revenue shall not be recognized unless : (a) the related performance achieved; 9. Or) uncertainty exists regarding the amount of the consideration; and (C) it not unreasonable to expect realisation and ultimate Separate disclosure shall be made in the Income and Expenditure Account in respect of : (a) "Prior period" items, Which comprise material item of income or expenses Which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods. "Extraordinary" items which are material items of income or expense that arise from events or that are clearly distinct from the activities Of the entity and, therefore, are not to recur frequently or regularly. (c) Which exceeds per Cent Of the total turnover/ or Rs. 50,000/- whichever is higher. as shown again in an appropriate in the Income and Expenditure Any item "Miscellaneous Expenses" More than Rs. 1 per cent of the total turnover/ of entity or Rs. is shown. It shall be shown as a separate and distinct item against head in the Income Statement and Expenditure Account. (10) Notwithstanding the form, the accounts and explanatory notes shall be an integral part of the financial statements. (11) Notwithstanding the Balance Sheet and the Income and Expenditure Account shall contain

the Explanatory material pertaining to tie iterx in the Balane Sheet and the bcome "d Account. (12) Sheet and Income and Accoutti if rounded off, Shail be rounded off as below Amount of turnover (in Rs) Less than One lakh One lakh or more but Essthan one crore One crore or but less than one hundred crore One hundré&ör but less thai on thousand crore Rounding off to (Rs.) Hundred nousand (13) Reference may also be mude to the enclosed Notes •nd Instructions for compilation in relation tc in the formats suggested. 49 o 00 O o o O AND INSIRUCIIONS FOR SCHEDUIES CORPUS/CAPITALFUNDAND SCHEDULE 1- (X)RPVSCAPTALFUND (a) Corpus,jCapitdFund fs to Capital, Shfe Capital or Owners'Funds. It comprises amounts received by way of contributions specifically to the Corpus, as increased/decreased by the net operating results shown in the Iriéöine and Expenditure Account (other than surplus, if any transferred to any Reserves or Earmarked Funds); (b) The Opening Balânee, Additions to, Deductions from and Closing Balance of the Corpus/Capital Fund shall be shown head, (c) Additions to the. Corpus Fund shall bé net of transfers, if any, to any Reserve or Earmarked Fundrequired under Statute or asper âpplieabWregulations.

NCIÜANDNSI*RUCIIONSFORSGIDUIB Cl)RPUscaPrALFUNDAND'i.iÂBIMfrS 1. CAPITAL O•æg Balance • Additions during the year during 2. OpenGlg Balance Additions during the year • Deductions during.thé year SPECIALkLSFßVß;• Opening Balance • year • Deductions the year 4, • Additions during the year • Deductions ducing the year Notes • General ny.%pressipn 'gapital reservestsha!not as free fordistr(buiiön the Income and Pxpendingg•Account. Surplus on should be treated as (hPital Reservi and separately. Surplus on •statements of foreign branches, if any, is not a revaluaGonteserve. To renect effects of changing prices; fixed assets Otherwise stated at historical cosß, are revalued Gld,the historicalcost steituted bya revaluation, normally valuers.Such substitution resulting inat&Frd revaluation i9 required to be shöwn as a "Revaluation Reserve" _ms-reserve is4n unrealized gain and should not be credited as income in the iname and Expenditure Thé"wou14comprise Special reserves requires to-be created pursuant to any staiutory 0Frégulatory. requirement applicable to the Entity; and ifso, should NotesonAccounts in Schedule 27, General Reserve! shall mean any reserveother than capitalres«ve reserye. This item will include all reserves, other than those separatelyclassified. (a) Movement: in variouscategories of reserves should be shown as indicated in the schedule. The ooreession 'reserve•shallnot include any amount written ofproyidingfor depreciation, repewals qtdiminution in value of assets oi retained by way" providing for any liabiiiW, ANP INSTRUCTIONS FOR SCHDUIES CORPUS'CAPrrAL FUND AND SCHEDULE Amount received as grants or assistance, or retained by the entity to be utilized for specific orearmarked purposes and remaining to be purpose for Which these are intended, are required to be disclosed under this head. Such frnds may bé feceived in cash or kind from Government, Govt. agencies, institutions and ouwr agencies etc.,and are subject to- qompliWi* by the entity, of certain stipulated terms and conditions. For thisreason, the balances available and their utilization should be disclosed in the manner suggested in the Schedule. Thé Plan Funds receiVed fibm the Central and/or State-governments are to be shown as distinct category of Fund. 726 GI/2007—7 50 THE GAZETIE OF INDIA : EXTRAORDINARY (PART 11— SEC. 3(i)) Other plan funds earmarked/endowed for any chair, house, building, Trust etc. are to be shown as distinct category of Pund. The following shall not be reckoned as part of Earmarked Funds • (a) Grants/funds which have the characteristics ofpromoters' contribution which are ofthe nature ofadditions• to the accretion Fund; (b) Funds/grants received by the Entity as compensation for expenditure/losses incurred in the earlier years,_as these would be reckoned only in the Income and Expenditure Account for the year. .(c)' Non-monetary grants by way of capital assets or.öther resour,ces, corresmpding credit of which is of the nature of capital reserve, unless such grants are specified as irrevocable congibution to the Corpus. Notes •General (a) It is appropriate to ensure that the accretions toand utilization of earmarked funds i' in accordance with the terms and conditions attaching to the same. Earmarked Funds, considered their nature, are represented specifically earmarked investments or other assets. (c) Plait Funds received from the Central/State Governments are tb be Shown as separate Funds and not to b. mixed up widi any other Funds. (d) Records relating to fixed assets be maintained foi each earmarked However, for-the purpose of the annual financial-Statements disclosure may •be made of the aggreg;• accumulated upto each yearand ofsuch fixed assets• in respect ofeach fund, unless the assets are taken Over and are incorporated in Schedule 8. CORBJ*CAPrrAL FUNP AND. IAABII.XIL SCHEDULE 4--SECURED LOANS*ND L Central Government 2 StateOovemment Financial Institutions 4 Banb (a) Term Inans (b) Other IOans S. Other institutions and agencies Debentures and Bonds Notes General Indicate the nätureofsecurity and

terms of repayment, Indicate the name of State Govt. and nature of security-and terms of repayment, Include obtained from Industrial Development Bank of India. Export-Import Bank of India, National Bank for Agriculture and Rural Development (including liability against participation certificates, if any) Normally these may be in the form of Term Loans. Includes borrowings/ refinance obtained from commercial banks (including co-operative banks). -Term Loans need to be segregated from other facilities, Includes institutions/agencies other than those mentioned above. The terms of redemption of debentures and bonds should be stated with the earliest date of their redemption; (a) Information shall be given in each case as regards the nature of security given. Secured loans and 'shall be such' as are against (hypothecation/pledge/charge on the assets of the entity. (e) The aggregate amount of loans under each head, guaranteed by the Central/State Govt. may also be mentioned along with the fact that these are BO guaranteed. (d) loans and borrowings include refinance from institutions and agencies and liability against participation certificates. (e) Amount received by way of discount of debtors' or receivables or rediscount of bills, shall not be shown as borrowings. (f) Interest accrued and due shall be included under each sub-head. Interest accrued but not due shall not be included under this head, but shall be shown as part of current liabilities. Unreconciled inter-branch outstanding entries at credit should not be shown as borrowings. (h) Amount due within a period of less than 12 months as at the balance sheet date need to be disclosed. i

CORPUS CAPITAL AND SALES—UNSECURED LOANS AND BORROWINGS 50

1. 2 3 4 5

7. Central Government State Government(s) Financial Institutions Banks Other institutions and agencies Debentures and Bonds Fixed Deposits Indicate the terms of repayment Indicate name of the State Government and the terms of repayment. Includes obtained from Development Bank of India. Export- Import Bank of India, National Bank for Agriculture and Rural Development. Normally these may be in the form of term loans, pending creation of charge on assets, bridge loans may be given as 'unsecured' loans. Include borrowings obtained from Commercial Banks (including Co-operative Banks) Indicate the nature of Advances. Overdrawn balances as per books do not constitute loans and generally arise due to cheques in excess of book balances. Such balances can be shown as loans Only where the entity enjoys or is granted overdraft facility. Include loans from institutions/agencies other than those above. The terms of redemption of debentures and bonds should be stated with the earliest date of their redemption. Interest received from public or otherwise for fixed deposits and against no security, Notes General (g) Unsecured loans comprise amounts in respect of which no assets of the entity is charged (f) Interest accrued and due shall be included under each sub-head. Interest accrued but not due shall not be included under this head, but shall be shown as part of current liabilities, (c) due within a period of less than 12 months as at the balance sheet date need to be disclosed, similarly long-term obligations contracted in respect of acquisition of assets, the liability payment of which falls in period longer than 12 months at the date of the balance sheet should be included (e) If the asset is charged as security or encumbered in respect of the liability, this fact should be stated. (g) If any Govt. guarantee, in whole or in part, is given for the liability, act (4) one year of the date of the balance sheet need to be shown separately disclosed

FUND AND LIABILITIES 2 3. A. Current Liabilities Sundry (a) For goods (b) Others Advance received under bills sub-head would be the drawer's assent on bills of exchange to the order of the draw". The amount to be shown sub-head shall comprise amounts owned by the entity in favour of Others in account of goods purchased or services rendered or in respect of contractual obligations. These need to be segregated for goods shown separately; The liabilities against this sub-head shall comprise amounts received in respect of which goods or services have yet to be supplied/rendered or for which value has yet to be given, and includes advance subscriptions, 52 4 5. THE GAZETTE OF INDIA : EXTRAORDINARY (PART II) Section 3(1) Interest accrued but not due Includes interest accrued up to the year-end but not due secured/unsecured (a) Secured loans/Borrowings loans and borrowings. (b) Unsecured Loans/Borrowings Statutory Liabilities (a) Overdue (b) Others Other. Current Liabilities Notes General ; These comprise liabilities in term of the Central/State laws governing the Entity; and includes unpaid liability for tax deducted at source under the Income Tax Act, 1961, statutory bonus, provident fund, pension, gratuity, ESI interest to SSI Units on their overdue, sales tax, exercise, customs duty, and other statutory Overdue liabilities are undisputed amounts which are due and remain unpaid beyond the normal due date/stipulated period i.e. those are in default. These would include amounts not covered by the other sub-heads. Any material amount included under this sub-head may be separately shown indicating the nature thereof. Overdrawn bank balances as per books, where the entity does not have any

sanctioned limits/overdraft facilities, shall also be included under this sub-head, or separately disclosed as "Overdrawn bank balances in excess of book balances" O C) A Current Liability is one which falls due for payment within a relatively short period, normally not more than 12 months. B. PROVISIONS 1. 3. 4. 5. 6

Foi Taxation Gratuity Superannuation/Pension Accumulated Leave Trade Warranties Jaams Others Provision needs to be made and retained based on the status of Tax matters as at the year-end. Provision for liability towards gratuity payable on death retirement of employees needs to be accrued on actuarial basis, and provided the year-end. Provision for liability payable towards superannuation of employees needs to be accrued on actuarial basis and provided up to the year-end, Provision for liability towards accumulated leave encashment of employees needs to be accrued on actuarial-basis, and provided up to the year-end.

Where the entity is manufacturing goods for sale; it may be liable to trade warranty risks, Which need to be provided for on a reasonable/rational basis. These need to be specified, and shall not include provision for doubtful debt advances, which shall be reduced from the relevant asset heads. Notes. Provision is an amount written off or retained by way of providing for depreciation or diminution in the value of assets, or retained by way of providing for a known liability, the amount of which cannot be determined with substantial accuracy. SCHEDULE L 2 LAND (a) Freehold (b) Leasehold BUILDINGS (a) On freehold land Where immovable properties are purchased/acquired by paying a composite cost, a reasonable/reliable estimate should be made of the land cost and shown separately: • Leasehold land should be amortised over the period of lease unless the lease is in perpetuity. As far as practicable, distinction may be made between factory and office buildings for purposes of provision for depreciation at different rates. 4. 5, (b) On leasehold land (c) Ownership Flats/Premises (d) Superstructures on Land and Not belonging to the Entity PLANT, MACHINERY & FURNITURE, FIXED ASSETS OFFICE BUILDING premises Shall be those which are intended to be wholly/partly used for the purposes of the activities of the Entity and would not include "Investment Properties" Superstructures on leasehold lands should be depreciated to be co-terminus with the amortization of land, unless the superstructures have a shorter life. Buildings shall include roads, bridges, and culverts. included under this Sub-head would be items like • Earth moving Machinery Boilers Furnaces Generators Dieselmould Machinery used for specific industry/services like Building contractors, hospital/clinics processing units, hydraulic works (including pipelines), Toolroom. Other items used for manufacture/processing etc. Separate heads should be in the ledgers and kept reconciled with the Fixed Assets register. Disclosure of information under the above sub-heads is encouraged. included under this Sub-head would be items like • Trucks, Jeeps and Vans Motor Cars Motor Cycles, Scooters, Three Wheelers and Mopeds Rickshaws Separate Account heads should be maintained in the ledgers and kept reconciled with the Fixed Assets registers. Disclosure of information Under the above sub-heads is encouraged. included under this Sub-head would be items like : (a) Building Plant (c) Air Coolers (d) Water coolers (e) Table Lamps Carpets Windows potted plants etc. (g) Voltage Stabilisers, UPS Systems. Separate Account heads should be maintained in ledgers and kept reconciled with the Fixed Assets register. Disclosure of information under the above sub-head is material amounts. included under this Sub-head would be items like : Typewriters (c) Fax Machines Separate Account heads should be maintained in the ledgers and kept reconciled with the Fixed Assets registers. Disclosure of information under the above sub-heads is encouraged, for material amounts. 54 7. THE GAZETTE OF INDIA : EXTRAORDINARY [PART II—SEC. 3(i)] COMPUTER/PERIPHERALS ELECTRIC INSTALLATIONS LIBRARY BOOKS IN IUBEWELLS & W. SUPPLY SYSTEM 11. CAPITAL WORK-IN-PROGRESS Notes General Computers, Printers and their peripherals like the Floppies, CDs, Software etc. would be the items under this head. Separate Account heads should be maintained in the ledgers and kept reconciled with the Fixed Assets registers. Disclosure of information under the above sub-heads is encouraged, for material equipment. included under this Sub-head would be items like (a) Electrical Machinery (b) Electric Lights/Fans (c) Switch gear instruments (d) Transformers (e) Electric Wiring and fitting Separate Account heads should be maintained in respect of the above items and kept reconciled with the Fixed Assets registers. Disclosure of information under the above sub-heads is encouraged, for material amounts. • In some cases the number of library Books could be very large or there may be an established Library. In such cases these books may be disclosed as a separate category of assets. Library books will include book journals/ information stored in CD ROMs. Tubewells and Water Supply Systems may be shown as distinct category. Fixed assets in the

course of construction should be shown against this head till they are ready for their intended use. Plant, machinery and equipment acquired and pending installation should also be included here

1. Fixed Assets are those assets which are held with the intention of being used for the purpose of producing or the normal Course of trade. Under each sub-head should be shown : the cost the valuation as at the beginning of the year. additions during the year (both acquisitions and by way of grants) (c) deductions (including sales, disposals, write-offs) during the year. (d) the total cost valuation as at the year-end. (e) depreciation up to the previous year-end that on additions/deductions during the year and the total accumulated depreciation up to the year-end. (f) the net block of the assets as at the year-end

3. The accounting policy relating to accounting for fixed assets acquired (including by way of grants or at concessional rates), or as constructed should be disclosed along with the method adopted for depreciation/ amortisation. 4 Where sums have been written up for any assets due to their revaluation, the basis thereof should be disclosed; and every balance sheet after the first Balance Sheet subsequent to the revaluation should show the revised figures for a period of five years with the date and amount of revision. 5 Where grants relating to specific fixed assets are received and these are equal to the whole or virtually the whole of the cost of the asset, the Fixed assets should be shown in the Balance Sheet at a nominal value. Alternatively, grants relating to depreciable assets may be treated as deferred Income and recognized in the Income and Expenditure Account on a systematic and rational basis over the useful life of such assets i.e. such grants should be allocated to Income over the periods and in the proportions in which depreciation is charged. Grants relating to non-depreciable assets should be credited to "Capital Reserve", unless there are pre-conditions requiring fulfilment. 55 6. Depreciation shall be provided so as to charge the depreciable amount of a depreciable asset over its useful life. Depreciation is a measure of the wearing out, or other loss of value of a depreciable asset arising from use, obsolescence through technology and market changes. It includes amortization of assets the useful life of which is determined and depletion of wasting assets. For this purpose : (a) (c) Depreciable asset means an asset which— (i) is expected to be used during more than one accounting period, and (ii) has a limited useful life, and is held by the entity, for the production or supply of goods and services, for rental to others, or for administrative purpose and not for the purpose of sale in the ordinary course of its business/operational activities, 'depreciable means its original cost,' or other amount substituted for original cost in the financial statements less the residual value. Useful life means depreciable asset is expected to be used by the entity, or number of production or similar units expected to be obtained from the use of the asset by the entity. SCHEDULE - NOTIFIED EARMARKED/ENIX)WBENT FUNDS: 1. Government Securities 2 4

5. Other approved Securities Shares Debentures and Bonds Subsidies and/or Joint ventures Others (to be specified in the Central and State Government securities and Government Treasury bills. These securities should be shown at value. However, the difference between such value market values should be given in the notes to Sheet, Securities other than Government Securities, treated as approved securities (such as Trustee securities), should be included here. In shares of companies and corporations not included in item 2 should be included here, 'Investments in debentures and bonds of companies and Corporations not included in item 2 should be included here. Investments in subsidiaries and other entities should be included here. An entity shall be treated as a 'subsidiary or joint venture, if the entity exercises control over composition of management/governing body, With or without any financial investment therein. considered as subsidiary for this classification 25% of the corpus is held by the entity as at the beginning of the year Includes residual investments, investments (to be specified) Mutual Funds and other investments not being in the nature of hedge securities. Investments in Properties, if any, would also be included Notes • General • If The value of investments are to be separately disclosed. Approved securities (covered and 2 Above) are required to be bifurcated into 'Permanent' and 'Temporary' categories for and determination of shortfall in value. 2 Investment term" or or "Current". Current investments are those investments which are readily realizable and intended to be held (not more than One year from the date on which it is made. Such investments should be shown at lower of cost or their fair value, Which shall be determined on individual investment basis and shortfall shall be provided, while appreciation shall be ignored, THE GAZETTE OF INDIA : EXTRAORDINARY [PART 11—SEC. 3(i)] 3. 4. 5. 7, (c) 1.1) long-term investments are those investments which are other than current investments, and these are intended to be held for the purposes of capital appreciation and yield. Such investments are held at cost and shall be reduced when there is a decline, other than temporary, in their value-reduction being

made for each investment. Investments held against earmarked/endowment funds need to be separately disclosed. Investment in properties, if held, shall be shown at cost less depreciation in the same manner as in the case of fixed assets. The entity shall disclose the Accounting Policy relating to investments, their cost, depreciation and Carrying value - both for long-term & current investments. Any premium paid on acquisition of permanent investments, shall be amortised on a time proportion basis upto the date of their maturity. Discount on acquisition shall not be amortised. Matured investments, not realized may be separately disclosed. SCHEDULE 10—INVESTMENT-OTHERS: 2 3. 4. 5. 6 Government Securities Other approved Securities Shares Debentures and Bonds Subsidiaries and joint Ventures Others Includes Centrals and Sugg Government Treasury Bills. These securities should be shown at cost/book value. However, the difference between such value and market value should be given in the notes to the Balance sheet. Securities other than Government Securities, treated as approved securities (such as Trustee securities), should be included here. Investments in shares of companies and corporations not included in item 2 should be included here. Investments in debentures and bonds of companies and Corporations not included in item 2 should be included here. Investments in subsidiaries/associate entities should be included here. An entity shall be treated as a 'subsidiary' or joint venture, if the entity exercises control over the composition of management/governing body, with or without any financial investment therein. An entity will be considered as subsidiary for the purpose of this classification if more than 25% of the corpus of that entity is held by the entity as at the end of the year. Includes residual investments, if any, like commercial paper, investments (to be specified) in Mutual Fund and other instruments not being in the nature of shares/debentures/bonds. Investment in Properties, if any, would also be included. General

1. Gross value in aggregate, the depreciation in aggregate and net value of Investments are to be separately 2 3. 4. [covered by 1 and 2 above) are required to be bifurcated into "permanent" and "current" categories for valuation and determination of shortfall in value. (a) Investments can either be "Long term" or "Current" "Current investment" means an investment which is by its very nature readily realizable and is intended to be held for not more than one year from the date on which it is made. Such investments should be shown at lower of cost or their fair value, which shall be determined on individual investment basis and the shortfall shall be provided, while appreciation shall be ignored. (c) Long term investments are those which are other than current investments and these are intended to be held for the purpose of capital appreciation and yield. Such investments are held at cost and shall be reduced when there is a decline, other than temporary, in their value. Disclosure to be made for each investment. Investments held against earmarked/endowment funds are disclosed in Schedule 9. Investment in Properties, if held, shall be shown at cost less depreciation in the same manner as in the case of fixed assets.

5. The entity shall disclose the Accounting and carrying value - both for long-term and current investments. Any premium paid on acquisition of permanent investments shall be amortised on a time proportion basis upto the date of their maturity. Discount on acquisition shall not be amortised

7. Matured investments, not realized may be separately disclosed. SCHEDULE 11—CURRENT Mr Assrs, IOANS, ADVANCES etc: A. CURRENT Assrs o I. 2 3. 4

5. Inven!QiA (a) Stores and Spares (b) Loose Tools (c) Stock-in-trade •Finished - RAW Materials (a) Dgts Outstanding for a period exceeding" (b) Off"rs (including cheques/drafts and imprest bank-ENanæ: (a) With Scheduled Bank - On Current Accounts - On Deposit Accounts (includes margin money) On Savings Accounts (b) - (h Current - On Accotmts (includes margin money) - On Savings AcSunß Post Accqts. Inventories comprise tangible property held for sale in the ordinary course of business, or in the process of production for such sales, or for consumption in the production of goods or services for sale, including maintenance supplies and other than machinery parts. Basis of valuation of inventories should disclose Finished goods and lying in hand at all parts of the entity. Raw materials would also include parts or components used or consumed in the process of production of goods for sale. Debtors to persons from whom amounts are due for goods sold or services rendered or in respect of contractual obligations. Debts considered good for recovery and those considered doubtful shall be shown separately. Provision for doubtful debts, if made, should be shown as reduction from the amount of doubtful. Amounts held as bank balances against earmarked/endowment funds should be separately disclosed. Where any deposit accounts are pledged or charged as security or are encumbered, the fact should be disclosed. Overdue/Matured Deposits be separately

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11—CURRENT ASSETS, LOANS, ADVANCES ETC. : B. LOANS, ADVANCES AND OTHER ASSETS

1. 2 4. Loans (a) Staff (b) Other entities engaged in activities/ objective similar to that of the entity (c) Other (specify) (a) On Capital Account (b) Prepayments (c) Others (a) On Investment from Earmarked/ Endowment fund (b) On Investments-Others (c) On Loans and Advances (d) Others (includes income due unrealized-Rs.)

Cairns Receivable : Loans and Advances as are considered good and recoverable should be disclosed. Doubtful amounts, if any, should be stated under each sub-head, and provision if made, should be shown as a reduction therefrom Interest accrued on interest bearing staff 'loans should be accounted notwithstanding that actual recoveries of interest might commence after repayment of principal. Irrevocable grants/subsidies/donation to such entities shall not be included here. If interest-bearing, the amount of interest earned up to the year-end should be adjusted, Advances to suppliers/contractors for capital work should be shown against this sub-head This includes prepaid expenses. This would comprise receivables other than the debtors. Both 'Income accrued and due' and 'income accrued but not due' up to the year-end should be included under this head. Income on Investment from Earmarked/Endowment Funds and that on Other Investment should be shown separately. If uncertainty attaches to realization or ultimate collection, income should not be recognized, and if recognized, should be provided for Dividends should be recognized based on the date(s) of their declaration Separate disclosure should be made in respect of income accrued, due but not realized. Only claims, which are considered good and realizable, should be included. INCOME AND APPENDIX ACCOUNTS—INCOME SCHEDULE 12—INCOME FROM SERVICES INCOME FROM 1. from (a) Sale of finished Goods (b) Sale of Raw materials (c) Sale of Scraps Sales comprise the aggregate amount for which sales are effected. These would be shown net of trade discounts, rebate and returns. Sales are complete when significant risks and rewards of ownership transferred from the seller to the buyer, irrespective of the time of payment or delivery of the goods Disclosure of export sales should be made separately. 59 2 (a) Labour and Processing Charges (b) Professional/consultancy Services (c) Agency and brokerage (d) Maintenance Service (Equipment Property) (e) Other (Specify) SCHEDULE* (irrevocable Grants & Subsidies Received) O. L 2 3. 5; L 4, S. On the Stage Government(s) Government Agencies Institutional Welfare Bodies International Organizations Others (Specify) Entrance fees annual Fees Subscription Seminar/Forum Fees Consultancy Fees Others (Specify) Income must be shown at gross figures and Tax Deducted at Source Should be indicated separately Labour and processing charges realizable for procuring/fabrication of goods/materials of other entities should be disclosed against this sub-head Consultancy charges and fee for rendering professional services by the entity should be included under this Where the entity acts as a broker or agent for arranging supply of goods/ services of others, i.e. without acting on a principal to principal basis, the commission and brokerage income earned would be shown against this sub-head. Where the entity undertakes maintenance contracts on equipment or property etc. the income earned up to the year-end should be included under this sub-head. Grants, Subsidies or other assistance received for the general purposes and objectives of the Entity, on an irrevocable basis, or to cover expenditure in prior periods, shall be included in this Schedule. These grants etc. are without any conditions attached as to their utilization and are of the nature of non-refundable amounts are to be appropriated to income. The gross receipt shall be shown against each sub-head, and grant/ subsidy which are given in turn to other institutions/organizations on irrevocable basis, the expenditure should be considered in Schedule 22. Accounting policies on each item will have to show the nature of the receipt in the nature of capital receipt, such as the Corpus Fund/Capital Fund. Otherwise such items will be in the miscellaneous account of the Entity go to organize seminar/workshop and/or provide consultancy service", which should form part of the Schedule 12. The receipts should be shown here, Expenditure Incurred on Seminars/ Workshops, etc. should be shown under administrative expenditure" In the Schedule 21. 60 THE GAZETTE OF INDIA : EXTRAORDINARY (PART 11—SBC. 3(i) MJ—SCHEDULE IS—INCOME FROM 1. 3

4. Interest (a) On Govt. Securities (b) Other Bonds/Debentures Dividends (a) On Shares (b) On Mutual fund Securities Rents • Others (Specify) 1. 2 3. 4. 5 6 7. Income from investments shall be disclosed at gross figures and tax deducted at source is to be stated separately. Interest on Govt. securities shall comprise (a) interest earned at Coupon rate upto the last applicable date of interest, i.e. interest accrued & due; and (b) interest accrued thereafter upto the year-end at the coupon rate Interest on bonds and debentures would include discount accrued upto the year-end on bonds issued at a discount, to be redeemed at par or on premium, based on the terms of their issue. Dividends shall be accrued, based on the

dates of declaration thereof i.e. when the entity has a right to receive the same. RenG shall be shown as on Investment of properties, any Interest claimed on overdue/matured investments shall not be recognized unless pre-conditions for such recognition are satisfied. Distinction should be made in respect of income on Investments : a) Owned by the Entity; and b) those held against earned/endowment funds. the year-end total of the income on investment from earmarked/ endowment funds should be transferred to the funds through Schedule 3. SCHEDULE 16—INCOME FROM ROYALTY, HJBUCAIIONET: L 2 3. Income from Royalty income from Publications Others (Speci\$) Sd-IEDULE 1. 2 3

4. On Term Deposits : (a) With Schedules Banks With Non-Scheduled Banks (e) With Institutions (d) Others On Savings Accounts : (a) With Schedules Banks (b) With Non-Scheduled Banks (c) Post Office Savings Accounts (d) Others On Inans : (a) Employee Staff (b) Other Interest on Debtors & Other Receivables

1.2 Accounting policies on each item will have to be disclosed. In case the major activities of the Entity are to publish books, journals, documents etc. such income should form part of the Schedule 12. net gross receipts should be shown here. Expenditure incurred on publication etc. should be shown as other administrative expenses in the schedule 21. interest income earned should be shown as gross figures and tax deducted at source is to be stated separately. Distinction should be made in respect of income; a) on assets owned by the Entity; and b) those held against earmarked/endowment funds; SCHEDULE 18—OTHER Profit on Sale/disposal of Assets (a) Owned assets (b) Assets acquired Out of grants or received 2 3. 4 free of cost Export incentives realized Fees for Miscellaneous Services Miscellaneous Incon* Sales proceeds/realization. net of the book value of the assets shall, if a surplus, be included under this sub-head. incentives claimed and not realized upto the year-end shall not be included in Income. Items of materials amounts included in Miscellaneous Income should be separately disclosed. SCHEDULE 19—STOCK OF GOODS & WORK-IN-PROGRESS: (a) Closing stock • Finished goods -Work-in-progress (a) Leg : Opening Stock - Finished goods • Work-in-progress Accounting policies regarding valuation of stock should be declared. SCHEDULE 20; Salaries and wages (b) Allowances and Bonus to Provident Fund 4) Contribution to other fund (specify) (e) Staff (b) Expenses on employees' Retirement and Terminal Benefits (g) Other. (specify) Notes—General Prior Period Items The gross expenditure against each head including in respect of staff on deputation should be disclosed. Statutory obligations of the entity towards provident fund, Employees' state insurance, retirement benefits etc. should be disclosed clearly item-wise. In case of recoveries like fines, penalties etc. the same should not be deducted from the expense heads but included under 'Other Income' in the Schedule 18. o. Prior period and Extraordinary shall be separately disclosed so that the effect thereof on the net expenditure for the year is known. SCHEDULE 21 (a) (c) (d) (e) (O G) Purchase • Labour and processing expense Cartage and Carriage Inwards Electricity and Power Water charges Insurance Repairs and maintenance gross expenditure against each head should be disclosed In case of recoveries e.g. rent recoveries, freight charges recovered, fines, penalties, damages from suppliers etc. the amount of such recoveries should not be deducted from the expense heads but included under "Schedule 16-Other Income" 62 O) (1) G) (k) (1) (m) (n) (o) (p) (q) (r) (s) (v) (w) (x) (y) (z) THE GAZETTE OF INDIA : EXTRAORDINARY (PART 11—SEC. 30)) Excise Duty Rent, Rates and Taxes Vehicles running and Maintenance Prior period and Extraordinary Items shall be separately disclosed so that the effect thereof on the net Expenditure for the year is known. Postage, Telephone and Communication The list of heads is not exhaustive but illustrative. As far as possible Charges Printing and Stationery Travelling and Conveyance Expenses Expenses on Seminar/Workshops Subscription Expenses Expenses On Fees Auditors Remuneration Hospitality. Expenses Professional Charges only these heads of account should be used unless there are compelling reasons [to add or delete any Of these heads. *Purchases should be segregated between raw materials and stores for manufacture and for finished goods traded in. In case of manufacturing entities, 'Consumption of Raw Materials' and 'Stores' may be given instead of 'Purchases'. Provision for Bad and Doubtful debts/Advances Irrecoverable Balances Written-off Packaging Charges Freight and Forwarding Expenses Distribution Expenses Advertisement and Publicity Others (specify) INCOME AND EXPENDITURE ACCOUNT—EXPENDITURE SCHEDULE ON GRANTS, SUBSIDIES ETC (a) Grants given to Institutions/Organisations Grants, Subsidies or other similar assistance given to the Institutions/ O G) Subsidies given to Institutions/ Organisations Organisations for general purposes and objectives of the Entity, on an irrevocable basis shall be included in this Schedule. Name of the Institutions/Organisations, their activities along with the amounts in each case should be disclosed These grants etc. are given or

without any conditions attached as to utilization and the nature of non-refundable amounts which are to be appropriated as expenditure. The gross receipts shown against each sub-head in the Schedule 13, could be the sources of the • grants/subsidies that are given. in turn, to other institutions/organizations on irrevocable basis. The gross expenditure against each head should be disclosed. NOME AND DQNDIIVRE ACCOUNT—E.VENDIIVRE SCHEDULE 23—INIERFST: On Fixed Loans I. (b) (e) On Other Loans (including-Bank Charges) 2 Others (specify) 3. Interest would include commitment charges. Fixed Loans are loans which are for fixed period, like Term Loans. Expenditure by way of interest as per Schedule 23 is the minimum disclosure requirement. The Entity should be encouraged to disclose Interest expended asked on the sources of loans and borrowings 8s per' the heads Schedules 4 and 5. 63 SCHEDULE 26—CONTINGENT LIABILITIES, AND NOTES AND ACCOUNTS 1. 2 3

4. Claims against the Entity not acknowledged as debts Liability of partly-paid investments Liability on account of outstanding forward exchange contracts Guarantees and Letters of credit outstanding

5. Bills discounted 6 Other items for which the entity is contingently liable B. NOTES ON ACCOUNTS L Commitment on capital Account not provided for 2 Other Notes Liability on partly paid shares, debentures etc. is required to be stated. Amount of outstanding forward exchange contracts at the exchange rates applicable as at the year-end should be stated. Liability towards Guarantees given by the entity or on its behalf and Letter of Credits outstanding as at the year-end are required to be disclosed. Bills discounted Outstanding as at the year-end need to be disclosed. Included here Would be disputed statutory and other demands/claims, Bills rediscounted, commitments under underwriting contracts and other for which the entity is contingently liable; Would arise in terms of which amounts would have to be paid for acquisition/ construction of assets. The amount, net of advances is required to be disclosed. (F. No. 10/204-EMI HARISH CHANDRA JL secy. Printed by the Manager. Govt. 01 Indi* Press, Ring road, Mayapuri, New Delhi-110064 •nd Published by' the Outer Office Publications. Delhi-110054.