

SIKKIM MANIPAL INSTITUTE OF TECHNOLOGY
A UNIT OF
SIKKIM MANIPAL UNIVERSITY
Majitar, Rangpo-737 136, Sikkim.

STATEMENTS ENCLOSED:

Independent Auditor's Report
Balance Sheet as at 31st March, 2023
Income & Expenditure Account for the year ended 31st March, 2023.

AUDITORS:

DEOKI BIJAY & CO.
Chartered Accountants
Suite – 607, 6th Floor,
“HMP House”, 4, Fairlie Place,
Kolkata – 700 001
Tel: - 033 4005 2013/16, (M) +91 98302 73819
Email: info.kolkata@dbcca.co.in
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DEOKI BIJAY & CO.
Chartered Accountants

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In preparing the financial statements, the management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

The management is responsible for overseeing the Institute's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our



BRANCHES : RANCHI | MUMBAI



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INDEPENDENT AUDITORS' REPORT

**To the Governing Council
Sikkim Manipal University**

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **SIKKIM MANIPAL INSTITUTE OF TECHNOLOGY** ("the Institute"), a constituent of Sikkim Manipal University, which comprise the Balance Sheet as at March 31, 2023, and the Income & Expenditure Account for the year then ended and schedules to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion, the accompanying financial statements are prepared in all material respects in accordance with the Sikkim Manipal University Act, 1995, and give a true and fair view of the state of affairs of the University as at March 31, 2023, its deficit for the year then ended in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Institute in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

The Institute's Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in India including the Accounting Standards specified by ICAI and for such internal controls as management determines, is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.





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auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on Other Regulatory Requirements
Further, we report that;

- a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Institute so far as appears from our examination of those books;
- c. The Institute's Balance Sheet, Income & Expenditure Account dealt with by this report are in agreement with the books of account.

Place: Kolkata

Date: the 30th day of May, 2023



For DEOKI BIJAY & CO.
Chartered Accountants
Firm Regn. No. 313105E

CA D.N. Agrawal
Partner
Memb No. 051157

UDIN-23051157BGWSKF7265

SIKKIM MANIPAL INSTITUTE OF TECHNOLOGY

(Constituent Unit of Sikkim Manipal University)

MAJITAR, RANGPO - 737 136, SIKKIM

BALANCE SHEET AS AT MARCH 31, 2023

(In ₹ Lakhs)

| | SCHEDULE | March 31, 2023 | March 31, 2022 |
|---|----------|------------------|------------------|
| SOURCES OF FUNDS | | | |
| Accumulated Surplus | | 3,607.75 | 3,682.19 |
| Revaluation Reserve | 1 | 10,290.57 | 10,314.62 |
| Government Grants | 2 | 45.71 | 79.14 |
| Other Funds | 3 | 237.98 | 227.90 |
| | | <u>14,182.01</u> | <u>14,303.85</u> |
| APPLICATION OF FUNDS | | | |
| FIXED ASSETS | | | |
| Gross Block | 4 | 32,759.43 | 32,397.51 |
| Less: Depreciation | | 18,565.77 | 17,760.46 |
| Net Block | | <u>14,193.66</u> | <u>14,637.05</u> |
| Capital Work-in-Progress | 5 | 8.20 | 79.08 |
| Advance against Capital Expenditure | | 11.12 | 8.87 |
| | | <u>14,212.98</u> | <u>14,725.00</u> |
| CURRENT ASSETS, LOANS AND ADVANCES | | | |
| Cash & Bank Balances | 6 | 130.36 | 244.19 |
| Receivables | 7 | 428.37 | 797.19 |
| Inventories / Stores | 8 | 84.60 | 68.18 |
| Loans & Advances | 9 | 104.81 | 89.48 |
| Balance with SMU | | 1,863.21 | 730.31 |
| | | <u>2,611.35</u> | <u>1,929.35</u> |
| Less: Current Liabilities & Provisions | 10 | 2,642.32 | 2,350.50 |
| NET CURRENT ASSETS | | <u>(30.97)</u> | <u>(421.15)</u> |
| | | <u>14,182.01</u> | <u>14,303.85</u> |
| Significant Accounting Policies and Notes on Accounts | 15 | | |

In terms of our report of even date.

For DEOKI BIJAY & CO.

Chartered Accountants

Firm Regn No. 313103E

(CA. D N AGRAWAL)

Partner

(Membership No. 051157)

Place: Kolkata

Date: The 30th day of May, 2023



Director

For SIKKIM MANIPAL INSTITUTE OF TECHNOLOGY

(S V RAVI SANKAR)
Sr. Finance Officer

(Dr. RAJAN S GREWAL)
Vice Chancellor

SIKKIM MANIPAL INSTITUTE OF TECHNOLOGY

(Constituent Unit of Sikkim Manipal University)

MAJITAR, RANGPO - 737 136, SIKKIM

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023

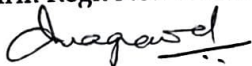
(In ₹ Lakhs)

| | SCHEDULE | March 31, 2023 | March 31, 2022 |
|---|----------|-----------------|-----------------|
| INCOME | | | |
| Fee & Services | | 5,523.83 | 4,935.72 |
| Interest Income | | 1.04 | 0.47 |
| Other Income | 11 | 222.27 | 112.25 |
| TOTAL INCOME | | 5,747.14 | 5,048.44 |
| EXPENDITURE | | | |
| Staff Compensation | 12 | 2,659.88 | 2,765.33 |
| Academic Expenses | | 490.63 | 311.48 |
| Utilities & Services | 13 | 860.22 | 673.98 |
| Office & General | 14 | 678.38 | 539.97 |
| Finance Cost | | 347.14 | 351.06 |
| Depreciation | | 781.31 | 912.89 |
| TOTAL EXPENDITURE | | 5,817.56 | 5,554.71 |
| (DEFICIT) | | (70.42) | (506.27) |
| Prior Period adjustments | | (4.02) | 16.81 |
| Balance Brought Forward From Previous Year | | 3,682.19 | 4,171.65 |
| BALANCE CARRIED FORWARD TO BALANCE SHEET | | 3,607.75 | 3,682.19 |
| Significant Accounting Policies and Notes on Accounts | 15 | | |

In terms of our report of even date.

For DEOKI BIJAY & CO.

Chartered Accountants
Firm Regn No. 313105E


(CA. D N AGRAWAL)
Partner
(Membership No. 051157)




(Dr. G L SHARMA)
Director

For SIKKIM MANIPAL INSTITUTE OF TECHNOLOGY


(S V RAVI SANKAR)
Sr. Finance Officer

Place: Kolkata

Date: The 30th day of May, 2023


(Dr. RAJAN S GREWAL)
Vice Chancellor

SIKKIM MANIPAL INSTITUTE OF TECHNOLOGY

(Constituent Unit of Sikkim Manipal University)

MAJITAR, RANGPO - 737 136, SIKKIM

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2023

(In ₹ Lakhs)

| | March 31, 2023 | March 31, 2022 |
|--|------------------|------------------|
| SCHEDULE 1 | | |
| REVALUATION RESERVE | | |
| Balance as per last Balance Sheet | 10,314.63 | 10,341.19 |
| Less: Depreciation on incremental value of assets for the Year | 24.06 | 26.57 |
| | <u>10,290.57</u> | <u>10,314.62</u> |
| SCHEDULE 2 | | |
| GOVERNMENT GRANTS | | |
| Opening Balance | 79.14 | 60.93 |
| Add: Received during the year | 53.72 | 54.15 |
| Add: Interest earned | 2.17 | 1.34 |
| | <u>135.03</u> | <u>116.42</u> |
| Less: Utilised during the year | 89.32 | 37.28 |
| Closing Balance | <u>45.71</u> | <u>79.14</u> |
| SCHEDULE 3 | | |
| OTHER FUNDS | | |
| Student Benevolent Fund | 118.04 | 113.58 |
| Consultancy Project | 9.48 | 8.71 |
| Alumni Association Fund | 110.46 | 105.61 |
| | <u>237.98</u> | <u>227.90</u> |



SIKKIM MANIPAL INSTITUTE OF TECHNOLOGY

(Constituent Unit of Sikkim Manipal University)

Majitar, Rangpo - 737 132, Sikkim

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2023

SCHEDULE 4

| ASSET | Life of Assets | GROSS BLOCK | | | | DEPRECIATION | | | | | NET BLOCK | |
|------------------------------|----------------|------------------------|---------------|---------------|----------------------|------------------|---------------|---------------|--------------|----------------------|------------------|------------------|
| | | OPENING AS ON 01-04-22 | ADDITIONS | SALE/DELETION | TOTAL AS ON 31-03-23 | UP TO 31-03-22 | FOR THE YEAR | SALE/DELETION | REVALUATION | TOTAL AS ON 31-03-23 | AS ON 31-03-23 | AS ON 31-03-22 |
| Land | | 10,467.16 | - | - | 10,467.16 | - | - | - | | - | 10,467.16 | 10,467.16 |
| Building | 15 | 14,603.66 | 44.81 | - | 14,648.47 | 10,771.71 | 524.38 | - | 24.06 | 11,320.15 | 3,328.32 | 3,831.95 |
| Electrical Installation | 5 | 1,283.21 | 6.97 | - | 1,290.18 | 1,280.58 | 5.17 | - | | 1,285.75 | 4.43 | 2.63 |
| Plant & Equipment | 5 | 3,396.40 | 164.25 | 0.25 | 3,560.40 | 3,227.37 | 122.66 | 0.05 | | 3,349.98 | 210.42 | 169.02 |
| Computer/Peripheral | 3 | 1,027.67 | 114.14 | - | 1,141.81 | 912.15 | 89.54 | - | | 1,001.69 | 140.12 | 115.52 |
| Furniture & Fixture | 5 | 1,173.12 | 25.40 | - | 1,198.52 | 1,135.62 | 26.11 | - | | 1,161.73 | 36.79 | 37.50 |
| Vehicle | 5 | 117.26 | - | - | 117.26 | 104.00 | 6.85 | - | | 110.85 | 6.41 | 13.26 |
| Library | - | 329.04 | 6.59 | - | 335.63 | 329.04 | 6.59 | - | | 335.63 | - | - |
| TOTAL | | 32,397.51 | 362.16 | 0.25 | 32,759.43 | 17,760.47 | 781.30 | 0.05 | 24.06 | 18,565.77 | 14,193.66 | 14,637.04 |
| Previous year figures | | 32,174.71 | 222.79 | - | 32,397.51 | 16,821.01 | 912.89 | - | 26.57 | 17,760.46 | 14,637.05 | 15,353.70 |



SIKKIM MANIPAL INSTITUTE OF TECHNOLOGY

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MAJITAR, RANGPO - 737 136, SIKKIM

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2023

(In ₹ Lakhs)

| | March 31, 2023 | March 31, 2022 |
|--|-----------------|-----------------|
| SCHEDULE 5 | | |
| CAPITAL WORK-IN-PROGRESS | | |
| Building Work-in-Progress | 8.20 | 14.63 |
| Equipment Installation In Progress | - | 64.45 |
| | <u>8.20</u> | <u>79.08</u> |
| SCHEDULE 6 | | |
| CASH & BANK BALANCES | | |
| Cash in hand (As certified) | 0.01 | 0.36 |
| Balances with Banks | | |
| - Current Accounts | 67.00 | 134.32 |
| - Saving Accounts | 63.35 | 109.51 |
| | <u>130.36</u> | <u>244.19</u> |
| SCHEDULE 7 | | |
| RECEIVABLES | | |
| Fee Receivable | 380.58 | 829.18 |
| Less: Provision for Doubtful Debts | - | 61.21 |
| | <u>380.58</u> | <u>767.97</u> |
| Others | 47.79 | 29.22 |
| | <u>428.37</u> | <u>797.19</u> |
| SCHEDULE 8 | | |
| INVENTORIES / STORES | | |
| Store | 84.60 | 68.18 |
| | <u>84.60</u> | <u>68.18</u> |
| SCHEDULE 9 | | |
| LOANS & ADVANCES | | |
| Prepaid Expenses | 85.20 | 65.15 |
| Utility Deposits | 19.45 | 19.45 |
| Others | 0.16 | 4.88 |
| | <u>104.81</u> | <u>89.48</u> |
| SCHEDULE 10 | | |
| CURRENT LIABILITIES & PROVISIONS | | |
| Fee Received in Advance | 1,378.84 | 1,337.99 |
| University Examination Fee Received in Advance | 39.60 | 41.71 |
| Accounts Payable | 411.79 | 310.22 |
| Refundable Deposits | 807.65 | 657.62 |
| Other Liabilities | 4.44 | 2.96 |
| | <u>2,642.32</u> | <u>2,350.50</u> |



SIKKIM MANIPAL INSTITUTE OF TECHNOLOGY

(Constituent Unit of Sikkim Manipal University)

MAJITAR, RANGPO - 737 136, SIKKIM

SCHEDULES FORMING PART OF INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023

(In ₹ Lakhs)

SCHEDULE 11

OTHER INCOME

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Mess/Shop Rent | 26.68 | 6.56 |
| Recovery: House Rent | 71.04 | 70.84 |
| Utility Charges: Hostel & Infra. Development | 62.98 | 12.04 |
| Liabilities written back | 30.98 | - |
| Miscellaneous Income | 30.59 | 22.81 |
| | <u>222.27</u> | <u>112.25</u> |

SCHEDULE 12

STAFF COMPENSATION

| | | |
|---|-----------------|-----------------|
| Salary and Allowances | 2,417.98 | 2,527.74 |
| Gratuity | 36.61 | 72.79 |
| Ex-Gratia | - | 0.10 |
| Contribution to: | | |
| Employees Provident Fund | 123.95 | 129.53 |
| Employees Deposit Linked Insurance Scheme | 2.34 | 2.28 |
| Employees Group Term Insurance Scheme | 15.16 | 14.00 |
| Employees' State Insurance | 4.02 | 5.52 |
| Employees Group Mediclaim Scheme | 18.63 | 13.37 |
| National Pension Scheme Contribution | 41.19 | - |
| | <u>2,659.88</u> | <u>2,765.33</u> |

SCHEDULE 13

UTILITIES & SERVICES

| | | |
|--------------------------------|---------------|---------------|
| Electricity/Generator/Boiler | 153.78 | 154.50 |
| Water Charges | 3.29 | 2.80 |
| Swerage & Sanitation | 12.35 | 9.95 |
| Transport Services | 12.53 | 11.71 |
| Repairs and Maintenance | | |
| Estates & Grounds | 6.16 | 1.67 |
| Building | 574.18 | 407.77 |
| Electrical | 23.02 | 15.27 |
| Furniture & Fixtures | 6.92 | 2.53 |
| Equipment | 51.81 | 44.35 |
| Computer | 11.08 | 20.65 |
| Vehicle | 5.10 | 2.78 |
| | <u>860.22</u> | <u>673.98</u> |



SIKKIM MANIPAL INSTITUTE OF TECHNOLOGY

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MAJITAR, RANGPO - 737 136, SIKKIM

SCHEDULES FORMING PART OF INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023

(In ₹ Lakhs)

| | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| SCHEDULE 14 | | |
| OFFICE & GENERAL EXPENSES | | |
| OFFICE EXPENSES | | |
| Bank Charges | 2.54 | 0.24 |
| Payment to Auditors | | |
| Audit Fee | 2.07 | 1.28 |
| Certification Fee | 0.05 | 0.11 |
| Reimbursement of Expenses | 0.13 | - |
| Payment to Internal Auditors | | |
| Internal Audit Fee | 3.82 | 3.47 |
| Certification Fee | - | 0.20 |
| Reimbursement of Expenses | 0.07 | 0.06 |
| Hospitality | 3.84 | 2.61 |
| Periodicals/Publications | 0.41 | 0.33 |
| Telephone/Fax | 1.43 | 1.63 |
| Internet Connection Charges | 61.22 | 26.73 |
| Printing/Stationery/Xerox | 7.67 | 5.35 |
| TOTAL OFFICE EXPENSES | 83.25 | 42.01 |
| GENERAL EXPENSES | | |
| Advertisement & Publicity | 2.98 | 0.08 |
| Affiliation / Membership Fee | 9.13 | 15.44 |
| Insurance | 18.21 | 21.32 |
| Miscellaneous Expenses | 2.16 | 0.84 |
| Rent/Rates/Taxes | 0.45 | 0.92 |
| Contribution to AIC SMUTBI | 5.05 | 6.39 |
| Security Services | 65.84 | 64.23 |
| Hostel Fee Refund : Covid 19 | 81.67 | - |
| Housekeeping / Laundry | 0.55 | 0.62 |
| Travelling & Conveyance Expense | 6.80 | 3.77 |
| Interest on late payment of TDS & Service Tax | 0.02 | 0.07 |
| Professional Fee & Expenses | 381.15 | 314.05 |
| Covid-19 Expenses | 0.19 | 8.20 |
| Provision for Doubtful debt | - | 61.21 |
| Sundry Balance Written Off | 20.54 | 0.82 |
| GST Expenses on Miscl.Income | 0.23 | - |
| Staff Welfare | 0.16 | - |
| | 595.13 | 497.96 |
| TOTAL OFFICE & GENERAL EXPENSES | 678.38 | 539.97 |



SIKKIM MANIPAL INSTITUTE OF TECHNOLOGY

(Constituent Unit of Sikkim Manipal University)
MAJITAR, RANGPO - 737136, SIKKIM

SCHEDULES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

SIGNIFICANT ACCOUNTING POLICIES AND NOTES OF ACCOUNTS SCHEDULE 15

I BACKGROUND

SIKKIM MANIPAL INSTITUTE OF TECHNOLOGY(SMIT) The institute was established under the Sikkim Manipal University Act 1995(Act No.9 of 1995) (The University) which came into existence from the date of notification in the Sikkim Government Official Gazette, i.e., Wednesday, the 15th of November,1995.

The University is registered under Section 12A of the Income-tax Act, 1961.

SMIT offers programs in engineering, management, basic science, and other recognized courses.

II SIGNIFICANT ACCOUNTING POLICIES

1 **Basis of preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention (except in the case of Land & Building which are stated at revalued figures) and on the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP) in India. These financial statements comply with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI). The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.

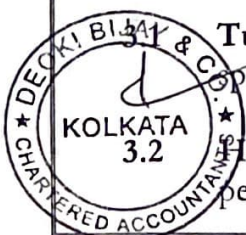
2 **Use of Estimates**

The preparation of the financial statements in conformity with the generally accepted accounting principles (Indian GAAP) requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities and the reported Incomes and Expenses during the year. Management believes that the estimates used in the preparation of financial statements are prudent, reasonable, and based on the best knowledge of current events & actions. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Differences between the actual result and estimates are recognized in the period in which the results are known/materialized.

3 **Revenue Recognition:**

Tuition & Other Fee – Tuition and other fees are accounted for on an accrual basis and spread over the academic year.

Hostel and other facilities - Hostel receipts are accounted for on an accrual basis over the period of Stay or as and when facilities are provided over the academic year, August to July.



SIKKIM MANIPAL INSTITUTE OF TECHNOLOGY

(Constituent Unit of Sikkim Manipal University)
MAJITAR, RANGPO - 737136, SIKKIM

SCHEDULES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

- 3.3 **Interest and Other Income** – Interest is recognized using the time-proportion method, based on rates implicit in the transaction.
- 3.4 **Other Income** - Other Incomes are recognized at the time of rendering of service.
- 3.5 **Scholarship** – The scholarships awarded to eligible meritorious students are considered as income and the same is shown as expense under scholarship to students. The same is revenue neutral.
- 3.6 Expenses are shown as net recovery wherever applicable.

4 **Property, Plant, and Equipment**

Property, Plant, and Equipment are stated at the cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. The Cost of assets comprises of cost of acquisition and all costs directly attributable to bringing the asset to the present condition for its intended use. Property, Plant, and Equipment received free of cost or donation are carried at NIL value.

Capital work-in-progress comprises of all directly attributable costs of bringing the assets to their working condition for their intended use, Property, Plant, and Equipment that are not yet ready for their intended use, and outstanding advances paid to acquire Property, Plant, and Equipment at the reporting date.

5 **Depreciation and Amortisation**

- 5.1 Depreciation is provided on Straight Line Method (except on Library) based on the expected useful life of the assets. The useful life of the assets is decided by the management as under:

| Sl. No. | Asset's Name | The expected useful life of the assets (years) |
|---------|-------------------------|--|
| 1 | Building | 15 |
| 2 | Electrical Installation | 5 |
| 3 | Plant and Equipment | 5 |
| 4 | Vehicles | 5 |
| 5 | Furniture and Fixtures | 5 |
| 6 | Computer System | 3 |

- 5.2 Depreciation on assets acquired during the year and used for less than 6 months is provided @ 50% of applicable depreciation. Depreciation on assets disposed of during the year is not provided if it was in use for less than 6 months, whereas if it was used for more than 6 months, half of the normal depreciation is provided.



SIKKIM MANIPAL INSTITUTE OF TECHNOLOGY

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MAJITAR, RANGPO - 737136, SIKKIM

SCHEDULES FORMING PART OF ACCOUNTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

- 5.3 Library (Books and Journals) is fully depreciated in the year of purchase.
- 5.4 Assets costing up to Rs.5,000/- are not capitalized and charged to revenue.
- 5.5 Leasehold Land is amortized over the period of the lease.
- 5.6 The incremental value due to revaluation is amortized over the remaining useful life of the assets. Depreciation on incremental value due to revaluation is adjusted with a revaluation reserve.

6 Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as Short-term investments. All other investments are classified as long-term investments. Short-term investments are stated at lower cost and fair value. Long-term investments are carried individually at cost. However, provision for diminution in value of Long-term investment is made only if such decline is other than temporary.

7 Funds

7.1 Designated Fund

Funds set aside by the trustees/ management of the university for specific purposes or to meet future commitments are accounted as designated funds. The expenditures related to these commitments are met from these funds.

7.2 Endowment Fund

Funds received with a stipulation from the contributor/donor that the amount received/income accrued on the funds should be used for purposes are accounted under Endowment funds. It also includes funds allocated by the trust for specific purposes. The Income earned from these funds is credited to the accretion of funds and is used for the purpose, depending on the terms of the contribution made.

8 Leases

Leases are classified as finance or operating leases depending upon the terms of the lease agreements.

8.1 As a Lessee

Assets acquired under Leases, where the Lessor has substantially transferred all the risks and rewards incidental to ownership, are classified as finance leases. Such leases are capitalized at the inception of the lease at a lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, to obtain a constant periodic rate of interest on the outstanding liability for each period.



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Assets acquired as leases, where a significant portion of the risk and rewards of ownership are retained by the lessor, are classified as operating leases. Lease rentals are charged to the Income and Expenditure account on an accrual basis as per the terms of the lease.

8.2 As a Lessor

Assets subject to Operating lease are included in Property, Plant, and Equipment. Lease income and expenses including depreciation are recognized in the income and expenditure account on an accrual basis.

9 **Inventory:** Inventories have been valued at a lower cost or net realizable value on a First in First out (FIFO) basis.

10 **Cash and Cash Equivalents:** Cash for the purposes of cash flow statement comprise cash on hand and at a bank in demand deposits and cash equivalents comprise of short term highly liquid investments that are readily convertible into known amounts of cash, and which are subject to insignificant risk of changes in value.

11 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of an asset that necessarily takes a substantial period to get ready for its intended.

Use or sale are capitalized as part of the cost of that asset till the date of capitalization. All other borrowing costs are expensed in the period in which they occur.

12 Foreign Currency Transactions

All foreign currency transactions are accounted for at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities denominated in foreign currency at the year-end are restated at the rates ruling at the year-end and all exchange gains/ losses arising therefrom are adjusted to the Income and Expenditure Account.

13 Retirement Benefits to employees:

i) Provident Fund

All eligible employees receive benefits from the provident fund, which is a defined contribution plan. The university makes a monthly contribution to the Employees' Provident Fund Organisation towards the employees and the employer contribution which is equal to a specified percentage of the covered employee's basic salary. The university has no further obligation under this plan beyond its monthly contribution. The monthly contribution made by the university is charged to the Income and Expenditure Account.



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ii) Gratuity

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined based on actuarial valuation using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Income and Expenditure Account in the period in which they occur. The university has established the Sikkim Manipal University Employee's Gratuity Trust for the gratuity liability of the university. A defined Benefit Plan covering all employees is taken with SBI.

iii) Leave Encashment

The employees of the university are entitled to leave encashment. The expected cost of accumulating leave encashment is determined based on actuarial valuation using the Projected Unit Credit Method. The annual obligation is recognised in the Income and Expenditure Account. The university has earmarked SBI Life Cap Assure Gold Fund for payment of liability of leave encashment.

14 Government Grants

i) Government grants are accounted:

a) Where there is reasonable assurance that the University will apply with the conditions attached to therein.

b) Where such benefits have been earned by the University and it is reasonably certain that the ultimate collection will be made.

ii) The grants received for projects are considered as liability and corresponding expenses are netted off with the grant.

iii) Grants received for the purpose of the University is considered as income for the year.

15 Provisions, Contingent Liabilities, and Contingent Assets

i) A provision is recognized when there is a present obligation because of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions, other than gratuity and leave liabilities, are not discounted to their present value and are determined based on management's best estimates of the expenditure required to settle the obligation as of the balance sheet date.

ii) Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate for each such obligation.



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A contingent liability is disclosed when there are possible or present obligations that may, but probably will not, require an outflow of resources, the outcome of which cannot be ascertained with reasonable certainty, unless the possibility of such outflow is remote.

(ii) Provision for bad and doubtful receivable from the student is made if the student is not attending the classes and in the opinion of the management, it requires provisioning.

(iii) Written-off of receivables is done as per the policy of the university.

16 Taxes on Income:

The University is registered under 10 (12A) of the Income Tax Act, 1961, and hence is exempt from tax.

17 Impairment

An impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. The recoverable amount is higher than the asset's selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the entity estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss has been recognized for the asset in prior years. Such a reversal is recognized in the Income and Expenditure Account unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

III. NOTES ON ACCOUNTS:

- 1) The government of Sikkim (GOS) has provided 7 acres of land for the construction of the Engineering College and fixed assets of the Sikkim Manipal Institute of Technology. The said land is not included in the value of land in the accounts.
- 2) The amount of Rs. 265.01 lacs (Previous Year Rs. 264.88 lacs) scholarships being awarded to eligible meritorious students is considered as income and the same is shown as an expense under scholarship to students. The same is revenue neutral.

Rs. 519.44 Lacs (Previous Year Rs. 483.63 lacs) were allowed as a concession in fees during the year to Sikkim Category students in various courses as per agreement dated 15th May 2003 as amended in 2021 between the Government of Sikkim, the University, and Manipal Education Foundation.



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- 4) Finance cost being the interest of Rs. 346.56 lacs (Previous Year Rs. 351.06 lacs) on loan taken by The University for the purpose of projects of the institute and allocated based on project cost.
- 5) Rs. 24.05 lacs (Previous Year Rs. 26.57 lacs) related to depreciation on the incremental value of assets on revaluation is adjusted with revaluation reserve.
- 6) Yes Bank has created an exclusive charge on property, movables, and fixed assets, and exclusive hypothecation of current assets (including receivables and collections), etc. for the credit facilities sanctioned by the Bank to the University.
- 7) An appropriate scholarship fund is yet to be created for differential fees as per the agreement dated 15th May 2003 as amended in 2021 between the Government of Sikkim, Sikkim Manipal University, and Manipal Education Foundation.
- 8) SMIT has promoted a section 8 company (a company whose profit is not distributable) under the Companies Act, 2013 in an agreement between NITI Aayog, Government of India, and AIC-SMU Technology Business Incubation Foundation (hereinafter referred to as "The SPV") together with SMIT under Atal Innovation Mission of NITI Aayog with a view to promoting a culture of innovation and entrepreneurship in the country, for which the government of India has also sanctioned a grant of Rs. 800.00 lacs to AIC-SMU to provide financial support. SMIT has provided a built-up space of 10000 Sq. Ft. to SPV including electrical facilities the cost of which is borne by SMIT itself. SMIT has contributed Rs.5.05 lacs (31/03/2022 Rs. 5.69 lacs) to SPV during the year.
- 9) Previous year's figures have been regrouped, rearranged, and reclassified wherever necessary, to conform to the current year's classifications.

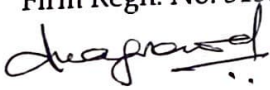
Signature to schedules 1 to 15

In terms of our report of even date

For DEOKI BIJAY & CO.

Chartered Accountants

Firm Regn. No. 313105E



(CA. D N AGRAWAL)

Partner

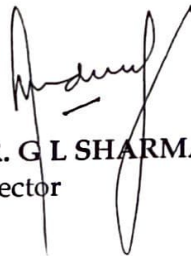
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For SIKKIM MANIPAL INSTITUTE OF TECHNOLOGY

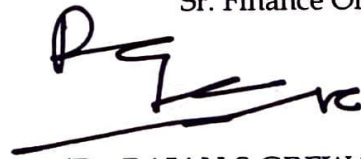
DR. G L SHARMA

Director



(S V RAVI SANKAR)

Sr. Finance Officer



(Dr. RAJAN S GREWAL)

Vice Chancellor

Place : Kolkata

Dated : The 30th day of May , 2023.