



# C J S Nanda & Associates

CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of **Management Development Institute, Gurgaon**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Management Development Institute, Gurgaon (The Institute), which comprise the Balance Sheet as at March 31, 2019, the Income & Expenditure Account for the year ended March 31, 2019 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Institute as at March 31, 2019, and its surplus for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs). 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 *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Institute in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records, preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent, relevant to the preparation and presentation of the



financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

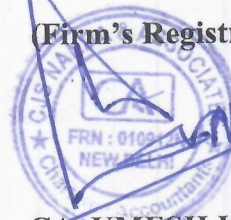


We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For **C J S NANDA & ASSOCIATES**  
Chartered Accountants

(Firm's Registration No. 010912N)



**CA. UMESH KUMAR VERMA**

Partner

(M. No. 089703)

**UDIN: 19089703AAAAA11335**

Place: New Delhi

Date: 22 August, 2019

**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**

Balance Sheet as at March 31, 2019

As at March 31, 2018	Liabilities	As at March 31, 2019	As at March 31, 2018	Assets	As at March 31, 2019
161,355,396	Corpus fund	163,380,396		Fixed assets	
2,025,000	Opening balance	2,025,000		Assets funded by grants from IFCI and other agencies (Schedule A)	
	Add: Interest income transferred from Income and Expenditure Account		157,923,619	Gross block	157,755,269
<b>163,380,396</b>		<b>165,405,396</b>	(123,886,553)	Less: Accumulated depreciation	(125,450,915)
			<b>34,037,066</b>		
1,162,090,983	Surplus fund			Assets other than those funded from grants (Schedule B)	
156,831,948	Opening balance	1,318,922,931	1,075,662,567	Gross block	1,146,979,975
	Add: Surplus transferred from Income and Expenditure Appropriation Account	187,202,416	(424,270,484)	Less: Accumulated depreciation	(487,323,043)
	Less: Transferred to Income and Expenditure Appropriation Account	(13,103,131)	651,392,083	Add Capital work in progress	659,656,932
			26,953,523		92,078,614
<b>1,318,922,931</b>		<b>1,493,022,216</b>	<b>678,345,606</b>		<b>751,735,546</b>
	<u>Earmarked funds</u>				
1,896,000,000	Infrastructure fund			Investments (Schedule C)	
	Opening balance	2,096,000,000	1,657,672,780		2,259,715,031
200,000,000	Add: Surplus transferred from Income and Expenditure Appropriation Account	470,000,000		Current assets, loans and advances (Schedule D)	
<b>2,096,000,000</b>		<b>2,566,000,000</b>	490,679,136		384,361,257
				MDI-Murshidabad	1,321,226,459
22,624,731	Campus and fixed assets fund	20,933,935	1,236,528,228		
	Opening balance	13,103,131			
	Add: addition during the year	(1,564,362)			
(1,690,796)	Less: Transferred to Income and Expenditure Account				
<b>20,933,935</b>		<b>32,472,704</b>			
<b>3,599,237,262</b>	<b>Carried forward</b>	<b>4,256,900,316</b>	<b>4,097,262,816</b>	<b>Carried forward</b>	<b>4,749,342,647</b>



**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**  
Balance Sheet as at March 31, 2019 (continued)

As at		Liabilities		As at		Assets		(Amount in Rs.)	
March 31, 2018	March 31, 2019	Brought forward	March 31, 2019	March 31, 2018	March 31, 2019	Brought forward	March 31, 2019	March 31, 2018	March 31, 2019
3,599,237,262	4,256,900,316			4,097,262,818	4,749,342,647		4,749,342,647		
70,544,051	94,472,054	Gratuity reserve fund							
6,155,027	6,463,167	Opening balance							
25,911,132	6,063,227	Add: Interest income transferred from Income and Expenditure Account							
102,610,210	106,998,448	Add: Contribution for the year							
(8,138,156)	(11,411,795)	Less: Payments made during the year							
94,472,054	95,586,653								
98,515,182	121,827,082	Cumulative leave fund							
8,194,027	8,502,167	Opening balance							
22,779,409	15,195,571	Add: Interest income transferred from Income and Expenditure Account							
129,488,618	145,524,820	Add: Contribution for the year							
(7,661,536)	(13,545,717)	Less: Payments made during the year							
121,827,082	131,979,103								
38,302,280	41,322,511	Other funds (Schedule E)							
243,424,140	223,554,064	Current liabilities and provisions (Schedule F)							
4,097,262,818	4,749,342,647	Total liabilities		4,097,262,818	4,749,342,647	Total assets	4,749,342,647		

For and on behalf of the Board of Governors

*Praveen Kumar*  
Registrar & Secretary  
(Director-Addl. Charge)

*Praveen Kumar*  
(Chairman)

*Praveen Kumar*  
(Member, Board of Governors)

*Praveen Kumar*  
(Member, Board of Governors)

This is the Balance Sheet referred to in our report of even date

For C J S Nanda & Associates  
Chartered Accountants  
FRN - 010912N

CA. Umesh Kumar Verma  
Partner  
Membership No. 089703  
Place: New Delhi  
Date: 22 August, 2019



UDIN: 19089703AAAAAI1335

**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**

**Income and Expenditure Account for the year ended March 31, 2019**

Year ended March 31, 2018	Expenditure	Year ended March 31, 2019	Year ended March 31, 2018	Income	Year ended March 31, 2019
257,003,792	<b>Programme expenses</b>		1,007,623,840	<b>Fees from programmes</b>	1,018,289,357
16,363,965	Salaries and allowances (Faculty)	270,533,430		Research and technical advisory fees	
43,543,092	Traveling and conveyance	12,647,430		Research	
35,323,926	Boarding and lodging	59,709,702		Consultancy	21,255,852
18,990,937	Honorarium to guest faculty	47,138,543		Interest on long term investments (other than earmarked investments)	146,555,107
60,417,320	Printing and stationery	18,375,826		Interest from banks on fixed deposits, Saving Deposit & Interest on Personal Loan to Employee	9,466,257
431,643,032	Other expenses	62,819,787		Interest on earmarked investments	23,109,200
		471,224,718		Less: Transferred to :	
	<b>Research and technical advisory services and other activities</b>			Corpus fund	2,025,000
				Gratuity reserve fund	6,463,167
18,695,623	Research expenses	15,782,445		Cumulative leave fund	8,502,167
18,695,623	Consultancy expenses	15,782,445		Meritorious students award fund	65,625
				Raman Munjal endowment fund	210,000
	<b>Pay and allowances</b>			Unspent research grant	262,500
85,667,931	Staff remuneration and allowances	90,177,810		Profit on sale of fixed assets	5,580,741
3,959,608	Staff welfare expenses	6,455,040		Profit on sale of Land	85,610
3,240,820	Raman Munjal Chair Expenses	4,366,267		Miscellaneous Income	258,868,931
25,911,132	Gratuity	6,063,227		including Provision of expenses written back of Rs 81,21,746/- (Previous year Rs. 4,86,748/-) and Amount of Rs. 3,03,150/- written back on account of state cheques more than 3 years (Previous year Rs 1,66,700/-)	36,825,872
22,779,409	Contribution to Leave Fund	15,195,571			
141,558,900		122,247,915			
581,887,554	<b>Carried forward</b>	609,255,078	1,163,429,598	<b>Carried forward</b>	1,496,927,728



**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**

**Income and Expenditure Account for the year ended March 31, 2019 (continued)**

		(Amount in Rs.)			
Year ended March 31, 2018	Expenditure	Year ended March 31, 2019	Year ended March 31, 2018	Income	Year ended March 31, 2019
591,897,554	Brought forward	609,255,078	1,163,429,598	Brought forward	1,496,927,728
4,986,409	<u>Traveling and conveyance</u>	2,852,411			
1,334,574	Board and committee meeting expenses	1,675,322			
160,704	Staff transport	136,857			
585,483	Repair, maintenance and running cost of Vehicle	537,139			
7,067,170	Local conveyance	5,201,729			
	<u>Office expenses</u>				
681,049	Rent	746,208			
34,009,689	Electricity and water expenses	31,436,189			
77,547	Postage and telegram	96,852			
1,189,705	Printing and stationery	1,296,348			
2,587,339	Staff recruitment expenses	738,887			
2,977,587	Telephones expenses	2,509,903			
4,519,888	Corporate publicity	4,970,679			
534,300	Insurance expenses	155,509			
46,577,114		41,952,575			
	<u>Repair and maintenance</u>				
30,593,088	Repair to building	38,403,412			
908,905	Repairs to office equipments	1,508,655			
1,425,845	Repair to air conditioners	2,339,255			
10,374,303	Watch and ward expenses	10,626,783			
4,516,730	Garden maintenance	5,618,424			
9,537,578	Internet expenses, maintenance of Computer & Software	12,017,349			
57,356,449		70,513,878			
702,698,287	Carried forward	726,923,260	1,163,429,598	Carried forward	1,496,927,728



MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON

Income and Expenditure Account for the year ended March 31, 2019 (continued)

Year ended March 31, 2018		Year ended March 31, 2019		Year ended March 31, 2018		Year ended March 31, 2019	
702,898,287		726,923,260		1,163,429,598		1,496,927,728	
Expenditure		Expenditure		Income		Income	
Brought forward		Brought forward		Brought forward		Brought forward	
<b>Auditors' remuneration</b>							
Audit fees	647,473		345,618				
	647,473		345,618				
<b>Other expenses</b>							
Subscription to journals	24,559,791		30,485,214				
MDI journal and bulletin	338,058		194,900				
Miscellaneous expenses	1,340,437		516,659				
Rates and taxes	15,663,513		10,847,703				
Service Tax paid under VCES	-		-				
Provision for Doubtful Debts	-		123,005				
Legal & professional	8,139,077		4,400,246				
	50,040,876		46,567,727				
<b>Depreciation</b>							
(Refer note 1 (iii) (c) of Schedule G)							
As per Schedule 'A'	1,690,796		1,564,362				
As per Schedule 'B'	52,202,014		64,592,358				
	53,892,810		66,156,720				
Less : Transferred from Campus and Fixed assets fund (As per Schedule 'A')	(1,690,796)		(1,564,362)				
	52,202,014		64,592,358				
<b>Balance of income over expenditure before prior period items</b>	<b>357,640,948</b>	<b>Balance of income over expenditure before prior period items</b>	<b>658,498,765</b>	<b>Balance of income over expenditure before prior period items</b>	<b>658,498,765</b>	<b>Balance of income over expenditure before prior period items</b>	<b>657,202,416</b>
Prior period expense	809,000	Prior period expense	27,349	Prior period expense	809,000	Prior period expense	27,349
Less : Prior period income	-	Less : Prior period income	(1,269,000)	Less : Prior period income	-	Less : Prior period income	(1,269,000)
Prior period items (net)	809,000	Prior period items (net)	1,296,349	Prior period items (net)	809,000	Prior period items (net)	1,296,349
<b>Balance of income over expenditure carried to Income and Expenditure Appropriation Account</b>	<b>356,831,948</b>	<b>Balance of income over expenditure carried to Income and Expenditure Appropriation Account</b>	<b>657,202,416</b>	<b>Balance of income over expenditure carried to Income and Expenditure Appropriation Account</b>	<b>657,202,416</b>	<b>Balance of income over expenditure carried to Income and Expenditure Appropriation Account</b>	<b>657,202,416</b>
	1,163,429,598		1,496,927,728		1,163,429,598		1,496,927,728





**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**

**Income and Expenditure Appropriation Account for the year ended March 31, 2019**

Year ended March 31, 2018	Expenditure	Year ended March 31, 2019	Year ended March 31, 2018	Income	(Amount in Rs.) Year ended March 31, 2019
200,000,000	Surplus transferred to Infrastructure fund	470,000,000	356,831,948	Excess of income over expenditure brought forward from Income and Expenditure Account	657,202,416
156,831,948	Surplus transferred to surplus fund	187,202,416		Transferred from Surplus fund	-
356,831,948		657,202,416	356,831,948		657,202,416

For and on behalf of the Board of Governors

*[Signature]*  
 (Registrar & Secretary)  
 (Director-Addl. Charge)  
 (Chairman)

*[Signature]*  
 (Member, Board of Governors)

*[Signature]*  
 (Member, Board of Governors)

This is the Balance Sheet referred to in our report of even date

For C.J.S. Nanda & Associates  
 Chartered Accountants  
 FRN - 010912N

*[Signature]*  
 CA. Umesh Kumar Verma  
 Partner  
 Membership No. 089703  
 Place : New Delhi  
 Date: 22 August, 2019



UDIN : 19089703 AAAAAI1335

MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON

Schedules forming part of Accounts

Schedule 'A' - Fixed assets (Assets funded by grants from IFCI and other agencies)

S. No	Description of assets	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
		As at March 31, 2018	Additions during the year	Disposals/ adjustments during the year	As at March 31, 2019	Charge for the year	On Disposals/ adjustments during the year	As at March 31, 2019	As at March 31, 2018
1	Land	4,829,818	-	168,350	4,661,468	-	-	4,661,468	4,829,818
2	Buildings	96,260,560	-	-	96,260,560	-	-	96,260,560	96,260,560
3	Furniture and fixtures	9,925,335	-	-	9,925,335	-	-	9,925,335	9,925,335
4	Air conditioners and coolers	11,051,486	-	-	11,051,486	-	-	11,051,486	11,051,486
5	Furnishings	2,158,763	-	-	2,158,763	-	-	2,158,763	2,158,763
6	Typewriters and duplicators	449,582	-	-	449,582	-	-	449,582	449,582
7	Library equipment	473,735	-	-	473,735	-	-	473,735	473,735
8	Books	6,400,935	-	-	6,400,935	-	-	6,400,935	6,400,935
9	Office equipments	264,785	-	-	264,785	-	-	264,785	264,785
10	Telephone installations	1,437,389	-	-	1,437,389	-	-	1,437,389	1,437,389
11	Electrical equipments	159,991	-	-	159,991	-	-	159,991	159,991
12	Teaching aid equipment	3,992,750	-	-	3,992,750	-	-	3,992,750	3,992,750
13	Canteen equipment	24,691	-	-	24,691	-	-	24,691	24,691
14	Hostel equipment	804,863	-	-	804,863	-	-	804,863	804,863
15	Electrical installations	1,272,084	-	-	1,272,084	-	-	1,272,084	1,272,084
16	Electrical installations (internal)	8,726,027	-	-	8,726,027	-	-	8,726,027	8,726,027
17	Sign boards	54,444	-	-	54,444	-	-	54,444	54,444
18	Generators	1,310,524	-	-	1,310,524	-	-	1,310,524	1,310,524
19	Colony equipment	13,280	-	-	13,280	-	-	13,280	13,280
20	Films	272,437	-	-	272,437	-	-	272,437	272,437
21	Computer	8,040,140	-	-	8,040,140	-	-	8,040,140	8,040,140
<b>Total</b>		<b>157,923,619</b>	<b>-</b>	<b>168,350</b>	<b>157,755,269</b>	<b>-</b>	<b>-</b>	<b>123,886,553</b>	<b>122,195,757</b>
<b>Previous Year</b>		<b>157,923,619</b>	<b>-</b>	<b>-</b>	<b>157,923,619</b>	<b>1,690,796</b>	<b>-</b>	<b>123,886,553</b>	<b>35,727,862</b>



MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON

Schedules forming part of Accounts

Schedule 'B' - Fixed assets (other than from grants)

S. No	Description of assets	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
		As at	Additions during	Disposals/	As at	As at	Charge for the	On Disposals/	As at	As at	As at
		March 31, 2018	the year	adjustments during the year	March 31, 2019	March 31, 2018	year	adjustments during the year	March 31, 2019	March 31, 2019	March 31, 2018
1	Buildings	687,652,360	15,975,945	-	703,628,305	164,872,367	26,937,797	-	191,810,164	511,818,141	522,779,993
2	Furniture and fixtures	49,706,922	3,064,136	735,240	52,035,818	39,703,024	3,263,001	719,209	42,246,816	9,789,002	10,003,898
3	Air conditioners and coolers	29,492,051	4,744,030	-	34,236,081	24,962,100	1,854,796	-	26,816,896	7,419,185	4,529,951
4	Furnishings	3,525,233	1,323,273	-	4,848,506	3,119,497	345,802	-	3,465,299	1,383,207	405,736
5	Books	55,120,880	3,506,644	-	58,627,504	52,073,130	3,277,187	-	55,350,317	3,277,187	3,047,730
6	Office equipment	1,076,901	272,528	-	1,349,429	952,133	79,459	-	1,031,592	317,837	124,768
7	Telephone installations	5,816,359	828,995	-	6,645,354	5,391,254	250,820	-	5,642,074	1,003,280	425,105
8	Electrical equipment	4,615,931	2,098,662	430,775	6,283,818	2,573,704	820,586	392,815	3,001,475	3,282,343	2,042,227
9	Teaching aid equipment	11,500,278	423,424	-	11,923,702	10,273,256	660,178	-	10,933,434	690,268	1,227,022
10	Vehicles	1,739,790	-	-	1,739,790	1,428,127	77,916	-	1,506,043	233,748	311,664
11	Canteen equipment	2,727	-	-	2,727	2,657	14	-	2,671	56	70
12	Hostel equipment	5,085,740	3,325,049	402,356	8,008,433	4,474,458	782,009	376,071	4,880,396	3,128,037	611,282
13	Sign boards	18,400	-	-	18,400	18,095	76	-	18,171	229	305
14	Generators	42,898,314	-	-	42,898,314	25,957,563	3,388,150	-	29,345,713	13,552,601	16,940,751
15	Colony equipment	340,838	-	-	340,838	124,613	43,245	-	167,858	172,980	216,225
16	Films	1,941,405	1,899	-	1,943,304	1,922,802	10,251	-	1,933,053	10,252	18,604
17	Computers (including Software)	90,711,126	39,528,025	64,192	130,174,959	76,063,795	21,665,147	51,704	97,677,238	32,497,721	14,647,331
18	Gym equipments	2,413,219	267,270	-	2,680,489	2,353,145	163,672	-	2,516,817	163,673	60,075
19	Lift	12,866,025	-	-	12,866,025	8,004,764	972,252	-	8,977,016	3,889,009	4,861,261
20	Land (EDC)	69,138,088	-	2,409,909	66,728,179	424,270,484	64,592,358	1,539,799	487,323,043	66,728,179	69,138,088
	Capital Work in Progress-Building	1,075,662,567	75,359,880	4,042,472	1,146,979,975	424,270,484	64,592,358	1,539,799	487,323,043	659,656,932	651,392,083
	Capital Work in Progress-Computers	15,490,597	75,314,936	7,061,158	83,744,375	-	-	-	-	83,744,375	15,490,597
	Capital Work in Progress- AC	8,334,239	-	-	8,334,239	-	-	-	-	8,334,239	8,334,239
	Previous Year	987,245,744	91,600,240	3,183,417	1,075,662,567	375,222,776	52,202,014	3,154,306	424,270,484	651,392,083	612,022,968
	Progress-Building	3,677,424	11,613,173	-	15,490,597	-	-	-	-	15,490,597	415,884,379
	Progress-Computers	3,871,739	4,462,500	-	8,334,239	-	-	-	-	8,334,239	3,871,739
	Progress-AC	-	3,128,687	-	3,128,687	-	-	-	-	3,128,687	-



**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**

Schedules forming part of Accounts

**Schedule 'C' - Investments**  
(Long term, non-trade at cost)

(Amount in Rs.)

As at March 31, 2018	Nos. (Previous Year)		As at March 31, 2019
		<b><u>E A R M A R K E D</u></b>	
		<b>Corpus fund</b>	
		<b>Bonds</b>	
40,000,000	40 (40)	9.75% Taxable redeemable non-convertible bonds of Rs.10,00,000 each fully paid of IFCI Limited.(quoted) (1certificates)	40,000,000
40,000,000	4000 (4000)	10.5% Taxable redeemable non-convertible bonds of Rs.10,000 each fully paid of IFCI Limited.(quoted) (1certificates)	40,000,000
<b>80,000,000</b>			<b>80,000,000</b>
		<b>Gratuity fund</b>	
		<b>Bonds (quoted)</b>	
25,800,000	258 (258)	10.5% Taxable redeemable non-convertible bonds of Rs.100,000 each fully paid of IFCI Limited (quoted)	25,800,000
-		Fixed Deposit @ 7.65% of PNB	100,000,000
50,000,000		Fixed Deposit @ 7.00% of PNB	-
<b>75,800,000</b>			<b>125,800,000</b>
		<b>Cumulative leave fund</b>	
22,600,000	2,260 (2260)	10.5% Taxable redeemable non-convertible bonds of Rs.10,000 each fully paid of IFCI Limited.(quoted)	22,600,000
12,500,000	125 (125)	10.5% Taxable Redeemable non-convertible bonds of Rs.1,00,000 each fully paid of IFCI Limited (quoted)	12,500,000
10,000,000	10	10.75% Taxable Redeemable non-convertible bonds of IFCI Venture Capital Ltd.	10,000,000
50,000,000		Fixed Deposit @ 7.00% of PNB	-
-		Fixed Deposit @ 7.65% of PNB	100,000,000
<b>95,100,000</b>			<b>145,100,000</b>
		<b>Meritorious student award fund</b>	
		<b>Bonds</b>	
425,000	43 (43)	10.5% Taxable redeemable non-convertible bonds of IFCI Limited.(Quoted)	425,000
200,000	2 (2)	10.5% Taxable redeemable non-convertible bonds of Rs.100,000 each fully paid of IFCI Limited (quoted)	200,000
<b>625,000</b>			<b>625,000</b>
<b>251,525,000</b>		<b>Carried forward</b>	<b>351,525,000</b>



MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON

Schedules forming part of Accounts

Schedule 'C' - Investments (continued)  
(Long term, non-trade at cost)

As at March 31, 2018	Nos. (Previous Year)		As at March 31, 2019
251,525,000		Brought forward	351,525,000
15,000	2 (2)	<b>Employees excellence award fund Bonds (quoted)</b> 10.5% Taxable redeemable non-convertible bonds of IFCI Limited.(Quoted)	15,000
15,000			15,000
2,000,000	200 (200)	<b>Raman Munjal endowment fund Bonds (quoted)</b> 10.5% Taxable redeemable non-convertible bonds of IFCI Limited.(Quoted)	2,000,000
2,000,000			2,000,000
2,500,000	25 (25)	<b>Unspent research grant Bonds (Unquoted)</b> 10.5% Taxable redeemable non-convertible bonds of Rs.100,000 each fully paid of IFCI Limited	2,500,000
2,500,000			2,500,000
		<b><u>O T H E R S</u> Bonds</b>	
60,000	60 (60)	10.5% Taxable Redeemable non-convertible bonds of IFCI Limited	60,000
20,000,000	20,000	9.35% Tax Free Redeemable non-convertible bonds of IFCI Limited	20,000,000
6,100,000	6,100	9.35% Tax Free Redeemable non-convertible bonds of IFCI Limited (Earmarked for Research Project)	6,100,000
		<b>Fixed deposits</b>	
15,472,780	-	Corporation Bank ( FDR for AICTE Purpose & others pledged against Bank Guarantees issued by Bank)	17,515,031
-	-	Fixed Deposit @ 7.40% of IDFC Bank	100,000,000
-	-	Fixed Deposit @ 7.75% of IDFC Bank	200,000,000
-	-	Fixed Deposit @ 7.90% of IDFC Bank	450,000,000
-	-	Fixed Deposit @ 7.40% of HDFC Bank	420,000,000
40,000,000	-	Fixed Deposit @9.15% of PNB Housing Finance	-
80,000,000	-	Fixed Deposit @8.5% of PNB Housing Finance	-
70,000,000	-	Fixed Deposit @8.45% of PNB Housing Finance	-
231,632,780			1,213,675,031
487,672,780		Carried forward	1,569,715,031



**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**

**Schedules forming part of Accounts**

**Schedule 'C' - Investments (continued)  
(Long term, non-trade at cost)**

As at March 31, 2018	Nos. (Previous Year)		As at March 31, 2019
487,672,780		Brought forward	1,569,715,031
		<b>Fixed deposits</b>	
-		Fixed Deposit @ 7.65% of PNB	100,000,000
-		Fixed Deposit @ 7.26% of Corporation Bank	200,000,000
-		Fixed Deposit @ 7.31% of Corporation Bank	250,000,000
70,000,000		Fixed Deposit @8.4% of LIC Housing Finance	-
30,000,000		Fixed Deposit @8.5% of LIC Housing Finance	30,000,000
-		Fixed Deposit @ 7.37% of PNB	110,000,000
100,000,000		Fixed Deposit @ 7.00% of PNB	-
220,000,000		Fixed Deposit @ 7.20% of LIC Housing Finance	-
400,000,000		Fixed Deposit @ 6.65% of IDFC Bank	-
100,000,000		Fixed Deposit @ 7.20% of LIC Housing Finance	-
250,000,000		Fixed Deposit @ 7.50% of IDFC Bank	-
<b>1,657,672,780</b>		<b>GRAND TOTAL</b>	<b>2,259,715,031</b>



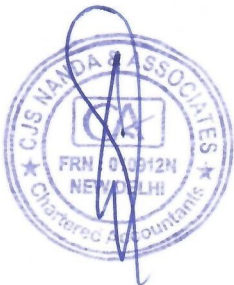
**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**

**Schedules forming part of Accounts**

**Schedule 'D' - Current assets, loans and advances**

*(Amount in Rs.)*

As at March 31, 2018	PARTICULARS	As at March 31, 2019
2,798,206	<b>Stock of paper, stationery and other stores &amp; spares - (At cost)</b> (as certified by the Registrar and Secretary of the Institute)	2,949,670
1,316,717	<b>Accumulated expenses on incomplete research projects</b>	
734,498	Opening Balance	2,051,215
2,051,215	Add: Expenses incurred during the Year	657,449
		2,708,664
-	Less : Transferred to Income and Expenditure Account on account of Completed Projects	-
2,051,215	Closing balance	2,708,664
	<b>Accumulated expenses on incomplete consultancy projects</b>	
3,715,380	Opening Balance	5,095,820
5,206,699	Add: Expenses incurred during the Year	3,993,484
8,922,079		9,089,304
(3,826,259)	Less : Transferred to Income and Expenditure Account on account of Completed Projects	(1,641,946)
5,095,820	Closing balance	7,447,358
	<b>Sundry Debtors (Unsecured - considered good)</b>	
3,495,406	Debts exceeding six months	3,576,702
28,898,974	Other debts	49,910,515
32,394,380		
	<b>Interest accrued but not due</b>	53,487,217
108,644,715		97,390,078
-	<b>Interest due but not received</b>	-
	<b>Cash and bank balances</b>	
78,072	Cash in hand	181,927
	Balances with scheduled banks:	
(5,513,938)	On savings accounts (including Infrastructure fund)	(75,430,241)
397,833	On current accounts	405,694
118,020,791	On deposit accounts	124,760,000
112,982,758		
	<b>Amount recoverable in cash or in kind or for value to be received</b>	49,917,380
29,486,541		5,829,014
4,293,289	<b>Security deposits</b>	4,375,889
1,258,364	<b>Loans and advances to employees</b>	2,011,957
15,626,939	<b>Pre-paid expenses and deferred expenses</b>	19,351,366
176,046,909	<b>Tax deducted at source</b>	138,892,663
490,679,136	<b>Total</b>	384,361,257



**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**

**Schedules forming part of Accounts**

**Schedule 'E' - Other funds**

*(Amount in Rs.)*

As at March 31, 2018	PARTICULARS	As at March 31, 2019
	<b>Alumni association fund</b>	
29,922,728	Opening balance	32,752,171
5,716,850	Add: Contribution received during the year	6,321,903
35,639,578		<u>39,074,074</u>
(2,887,407)	Less: Payments made during the year	<u>(3,269,472)</u>
32,752,171		35,804,602
	<b>Meritorious students award fund</b>	
2,500,187	Opening balance	2,456,787
65,625	Add: Interest income transferred from Income and Expenditure Account	65,625
(109,025)	Less: Payment made during the year	<u>(97,825)</u>
2,456,787		2,424,587
15,000	<b>Employees' excellence award fund</b>	15,000
	<b>Raman Munjal chair endowment fund</b>	
2,078,322	Opening balance	2,078,322
210,000	Add: Interest income transferred from Income & Expenditure Account	210,000
2,672,037	Add: Allocation against shortfall	4,356,267
4,960,359		<u>6,644,589</u>
(2,882,037)	Less: Payments made during the year	<u>(4,566,267)</u>
2,078,322		2,078,322
	<b>Corporate membership fund</b>	
1,000,000	Opening balance	1,000,000
-	Less : Transfer to library membership fees	-
1,000,000		1,000,000
38,302,280	<b>Total</b>	41,322,511





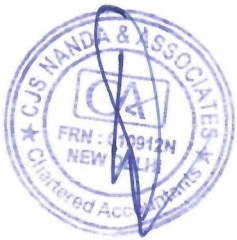
MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON

Schedules forming part of Accounts

Schedule 'F' - Current liabilities and provisions

(Amount in Rs.)

As at March 31, 2018	PARTICULARS	As at March 31, 2019
81,301,687	Sundry creditors	88,250,597
27,676,459	Other liabilities	15,719,884
		103,970,481
	<b>Accumulated receipts on incomplete research projects</b>	
13,655,494	Opening Balance	14,453,556
-	Less: Amount returned during the year	-
833,950	Add: Amount received during the year	1,303,500
14,489,444		15,757,056
(35,888)	Less : Transferred to Income and Expenditure Account on account of Completed Projects	-
14,453,556	Closing balance	15,757,056
	<b>Accumulated receipts on incomplete consultancy projects</b>	
9,232,968	Opening Balance	11,934,282
-	Less: Transferred to Consultancy Projects	-
16,023,149	Add: Amount received during the year	12,537,737
25,256,117		24,472,019
(13,321,835)	Less : Transferred to Income and Expenditure Account on account of Completed Projects	(8,566,941)
11,934,282	Closing balance	15,905,078
66,296,300	Fees received in advance	41,995,960
33,257,945	Security deposits from participants	36,780,368
	<b>Unspent research grant</b>	
3,984,821	Opening balance	4,247,321
262,500	Add: Interest earned during the year, transferred from Income & Expenditure Account	262,500
-	Add: Transferred from research projects	-
-	Less: Research expenses	-
4,247,321		4,509,821
4,256,590	Director's medical relief fund	4,635,300
<b>243,424,140</b>	<b>Total</b>	<b>223,554,064</b>



**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**  
**Schedules forming part of the Accounts for the year ended March 31, 2019**

**Schedule – G Significant Accounting Policies and Notes to Accounts**

**1. Significant accounting policies**

**i. Basis of preparation**

The financial statements are prepared under the historical cost convention, on accrual basis, in accordance with Generally Accepted Accounting Principles and to comply with the applicable accounting standards. The accounting policies have been consistently applied by the Institute unless otherwise stated.

**ii. Use of estimates**

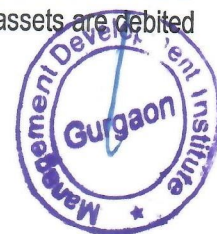
The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in the current and future periods.

**iii. Fixed assets and depreciation**

- a) Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes and other incidental expenses.
- b) Depreciation is provided on written down value method at the rates given below:

<b>Fixed assets</b>	<b>Rate of depreciation</b>
Buildings	5%
Furniture and fixtures	25%
Air conditioners and coolers	20%
Furnishings	20%
Typewriters and duplicators	20%
Library equipment	20%
Books	50%
Office equipment	20%
Telephone installations	20%
Electrical equipment	20%
Teaching aid equipment	40%
Vehicles	25%
Canteen equipment	20%
Hostel equipment	20%
Electrical installation and electrical installation (Internal)	20%
Sign boards	25%
Generators	20%
Colony equipment	20%
Films	50%
Computers, Servers & IT installations including Software	40%
Gym equipment	50%
Lifts	20%

These rates are indicative of expected useful lives of the assets. Assets costing less than Rs.5,000/- are directly charged to Income & Expenditure Account. Assets funded by grants from IFCI and other agencies are credited to Campus and Fixed Assets fund and depreciation on such assets are debited to the fund.



**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**  
**Schedules forming part of the Accounts for the year ended March 31, 2019**

**Schedule – G Significant Accounting Policies and Notes to Accounts**

- c) In respect of additions to fixed assets made during the year, depreciation is provided for the full year and in respect of sale/disposal of fixed assets, no depreciation is provided for in the year of sale / disposal.

**iv. Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost; however, provision for diminution in value, other than temporary, is made.

Profit / loss on sale of investments are computed with reference to their average cost.

**v. Inventories**

Stock of paper, stationery and other stores & spares is valued at cost. Cost is determined on a weighted average basis.

**vi. Revenue recognition**

Revenue is recognized as under:

- a) Fees from programs on an accrual basis.
- b) Research and technical advisory fees in the year of completion of the projects on the basis of the completed service contract method on acceptance of services by the client.
- c) Interest on investments in deposits, bonds and saving bank balances on a time proportion basis.

**vii. Accounting for grants related to specific fixed assets**

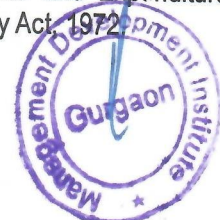
Grants related to depreciable fixed assets are recognized in the Income and Expenditure Account over the useful life of the assets to which they relate.

**viii. Employee Benefits**

*Gratuity*

Gratuity is a post employment benefit and is in the nature of defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation as at the balance sheet date together with adjustments for unrecognized actuarial gains or losses.

The defined benefit/ obligation is calculated at the balance sheet date by an independent actuary using projected unit credit method. The actuarial gains or losses arising from past experience and Change in actuary assumptions are charged or credited to in the Income and Expenditure Account. The payment of gratuity is made as per the provisions of the Gratuity Act, 1972.



**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**  
**Schedules forming part of the Accounts for the year ended March 31, 2019**

**Schedule – G Significant Accounting Policies and Notes to Accounts**

*Provident fund*

Contribution towards provident fund is a post employment benefit and is in the nature of defined contribution plan is charged to the income and expenditure account on accrual basis.

*Compensated absences/ contribution to leave fund*

Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on March 31, 2016.

**ix. Foreign exchange transactions**

*Initial recognition*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

*Conversion*

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

*Exchange differences*

Exchange differences arising on the settlement of monetary items or on reporting Institute monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**x. Income and expenditure of earmarked funds**

- a) Donations/Capital grants are directly credited to the earmarked/general funds. Other income (including interest on earmarked funds) is routed through the Income and Expenditure Account and credited to respective earmarked fund. Expenditure relatable to earmarked funds is directly charged to such funds.
- b) As per the directions of Board, 25% of the income from investments of additional corpus of Rs. 8 crores received from IFCI vide letter No.PAD/45 (ii)/94-446 dated 3<sup>rd</sup> January, 1994 is transferred to the Corpus Fund of the Institute.



**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**  
Schedules forming part of the Accounts for the year ended March 31, 2019

**Schedule – G Significant Accounting Policies and Notes to Accounts**

**xi. Contingent liabilities**

The Institute makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made. A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Institute;
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- Present obligation, where a reliable estimate cannot be made.

**2. Notes to Accounts**

**i. Contingent liabilities (Amount is Rs)**

Particulars	2018-19	2017-18
a) Income tax matters	-	5,72,98,861
b) Claims against the Institute not acknowledged as debts	731,000	731,000

The Institute, vide an order dated December 26, 1975 had been Registered u/s 12A of the Income Tax Act, 1961 and is claiming exemption u/s 11 & 12 of the Income Tax Act, 1961. The Institute has also, in an earlier year, applied to the prescribed authority u/s 10(23C)(vi) of the Income Tax Act, 1961 for Income Tax exemptions in respect of the assessment years 1999-2000 to 2007-08.

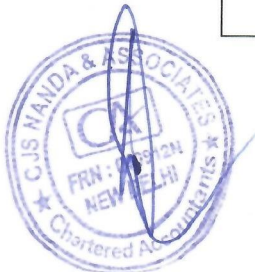
The Institute got the favorable order from CIT (Appeals) against the assessment order raising the demand of Rs. 5,72,98,861/- for the assessment year 2009-10 vide their order dated 12/11/2013 on all issues including set off of losses of previous year. The Income Tax Department has filed an appeal to ITAT against the order of CIT (Appeals) which again disposed off in the favour of the Institute. Hence, the contingent liability of 2017-18 has been made "NIL".

Since the Institute has complied with all the conditions laid down for the purposes of Section 12A of the Income Tax Act, 1961 and the Institute has already got favorable orders in previous years on the similar grounds, no provision for aforesaid income tax demand has been made in the books of accounts.

**ii. Valuation for Gratuity and Compensated absence**

During the year ended March 31, 2019 the actuarial valuation for Gratuity and Compensated absence has been done with the following assumptions -

Particulars	Gratuity	Compensated absence
Discount rate (previous year)	7.65% (7.71 %)	7.65% (7.71 %)
Rate of increase in compensation levels (previous year)	6.50% (6.50%)	6.50% (6.50%)
Expected rate of return on plan assets (previous year)	7.65% (7.71%)	7.65% (7.71%)



**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**  
**Schedules forming part of the Accounts for the year ended March 31, 2019**

**Schedule – G Significant Accounting Policies and Notes to Accounts**

**iii. Goods & Service Tax**

The Goods and services tax (GST) was introduced by the Government of India on the 1st day of July, 2017 and effective from the same day. The GST has been implemented in MDI from the said date and majority of the programs run by MDI are exempted through the notification no. 12/2017 Central Tax (Rate) dated 28th June, 2017 issued by the Government of India and the programs having AICTE approval are exempted from GST. Hence only Management Development Programs (MDP) which is run by MDI is subject to tax and correct GST as applicable to MDP has been deposited. All GST returns like GSTR-3B, GSTR-1, etc. have been filed and there are no irregularities found on part of MDI with regard to either payment of GST or filing of GST returns also there is no penalty levied or paid by the MDI during the financial year.

**iv. Funds accumulated or set apart u/s 11 (2) of the Income Tax Act, 1961**

During the previous financial year 2013-14, 2014-15, 2015-16, 2016-17 & 2017-18 the Institute has set apart, as an earmarked funds, a sum of Rs.22,00,00,000/-, Rs. 5,00,00,000/-, Rs. 17,00,000/-, Rs. 25,00,00,000/- & 20,00,00,000/-respectively in compliance under section 11(2) of the Income Tax Act, 1961 for purposes of leveraging infrastructural facilities at Gurgaon and Construction of Murshidabad Campus. As specified under section 11 (2) (b) of the Income Tax Act, 1961, the aforesaid earmarked funds have been invested in the forms or modes specified in section 11 (5) of the Income Tax Act, 1961 by way of deposit in a separate bank account.

Further, during the current financial year 2018-19, the Institute has set apart a sum of Rs 47,00,00,000/- for aforesaid earmarked fund under section 11 (2) of the Income Tax Act , 1961 for the purposes of "Re-development of Campus, Replacement/ Refurbishing of Buildings including Lecture Halls, augmenting the residential facilities for students and employees of the Institute and General improvement of Infrastructure at its Campuses" to be spent in the following years. The aforesaid earmarked fund is yet to be invested or deposited in the forms or modes specified in section 11 (5) of the Income Tax Act, 1961 as on the date of balance sheet as specified under section 11 (2) (b) of the Income Tax Act, 1961.

**v. Income Tax Refunds**

During the financial year 2018-19, the Income tax department has released the following refunds- Till A.Y 2009-10, a total of Rs. 9,75,08,560/- including Rs. 2,50,35,131/- on account of Interest on 20.04.2018.

For A.Y 2016-17, a total of Rs. 2,70,29,950/- including Rs. 27,98,760/- on account of Interest on 10.05.2018.

**vi. Land for campus at Gurgaon**

The Institute has a land amounting to Rs. 48.29 lakhs purchased in 1975-76. The EDC amounting to Rs 691.38 lakh has been paid uptill date and the title deed of the same has been registered in the name of the Institute on 04<sup>th</sup> July, 2017.

**vii. During the financial year 2018-19, The Institute has received an amount of Rs. 26,14,47,190/- against the compulsory acquisition of Land (Area 5131 Sq. Mt.) by National Highway Authority of India (NHAI). Further, as per the Gazette notification 7735 sq meter land was to be occupied but actually 5131 Sq m land has been transferred to NHAI and compensation for the same has been received in 2018-19 and**



**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**  
**Schedules forming part of the Accounts for the year ended March 31, 2019**

**Schedule – G Significant Accounting Policies and Notes to Accounts**

necessary entries for reduction of proportionate land and the booking of profit on sale of land have been made in the books.

- viii. There are no amounts which are required to be reported / provided under the provisions of Micro, Small and Medium Enterprises Act 2006.
- ix. All Account Receivables & Payables are subject Reconciliation & Confirmation.
- x. Previous year figures have been regrouped / rearranged wherever considered necessary.

