



## 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 financial statements of Management Development Institute, Gurgaon (The Institute), which comprise the Balance Sheet as at March 31, 2020, the Income & Expenditure Account for the year ended March 31, 2020 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the entity as at March 31, 2020, and of its financial performance for the year then ended in accordance with the applicable 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 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 entity in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs and results of operations of the entity in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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. In preparing the





financial statements, management is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

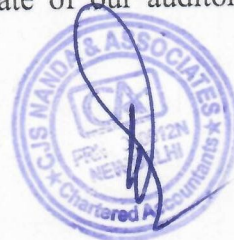
Those charged with governance are responsible for overseeing the entity's financial reporting process.

### **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 control.
- Obtain an understanding of internal control 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 entity's internal control.
- 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



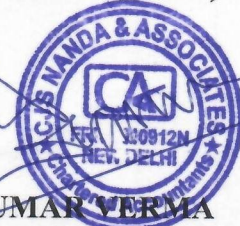


report. However, future events or conditions may cause the Institute to cease to continue as a going concern.

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 and on behalf of  
**C J S NANDA & ASSOCIATES**  
Chartered Accountants  
(Firm's Registration No. 010912N)



**UMESH KUMAR VERMA**  
(Partner)

(M. No. 089703)

UDIN : 20089703AAAADS5596

Place: New Delhi

Date: December 15, 2020

MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON

Balance Sheet as at March 31, 2020

(Amount in Rs.)

As at March 31, 2019	Liabilities	As at March 31, 2020	As at March 31, 2019	Assets	As at March 31, 2020
163,380,396	Corpus fund	165,405,396		Fixed assets	
2,025,000	Opening balance	2,025,000		Assets funded by grants from IFCI and other agencies (Schedule A)	157,755,269
165,405,396	Add: Interest Income transferred from Income and Expenditure Account	167,430,396	157,755,269	Gross block	(126,908,428)
			(125,450,915)	Less: Accumulated depreciation	
			32,304,354		
1,318,922,931	Surplus fund	1,493,022,216		Assets other than those funded from grants (Schedule B)	1,213,215,975
187,202,416	Opening balance	142,914,792	1,146,979,975	Gross block	(546,840,440)
(13,103,131)	Add: Surplus transferred from Income and Expenditure Appropriation Account		(487,323,043)	Less: Accumulated depreciation	666,375,535
			659,656,932	Add Capital work in progress	301,115,474
1,493,022,216	Less: Transferred to Income and Expenditure Appropriation Account		751,735,546		967,491,009
			1,635,937,008		
	<u>Earmarked funds</u>				
2,096,000,000	Infrastructure fund	2,566,000,000	2,259,715,031	Investments (Schedule C)	2,485,197,466
	Opening balance	310,000,000			
470,000,000	Add: Surplus transferred from Income and Expenditure Appropriation Account	2,876,000,000	384,361,257	Current assets, loans and advances (Schedule D)	639,037,673
2,566,000,000			1,321,226,459	MDI-Murshidabad	1,387,926,459
20,933,935	Campus and fixed assets fund	32,472,704			
13,103,131	Opening balance				
(1,564,362)	Add: addition during the year	(1,457,513)			
	Less: Transferred to Income and Expenditure Account				
32,472,704		31,015,191			
4,286,900,316	Carried forward	4,710,382,595	4,749,342,647	Carried forward	5,510,499,448





MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON

Balance Sheet as at March 31, 2020 (continued)

(Amount in Rs.)

As at March 31, 2019	Liabilities	As at March 31, 2020	As at March 31, 2019	Assets	As at March 31, 2020
4,256,900,316	Brought forward	4,710,382,595	4,749,342,647	Brought forward	5,510,499,448
94,472,054	Gratuity reserve fund	95,586,653			
6,463,167	Opening balance	9,834,000			
	Add: Interest Income transferred from Income and Expenditure Account	13,268,550			
6,063,227	Add: Contribution for the year	118,689,203			
106,398,448		(6,430,973)			
	Less: Payments made during the year	112,258,230			
95,586,653	Cumulative leave fund				
121,827,082	Opening balance	131,979,103			
8,502,167	Add: Interest Income transferred from Income and Expenditure Account	11,873,000			
15,195,571	Add: Contribution for the year	20,106,635			
145,524,820		163,958,738			
(13,545,717)	Less: Payments made during the year	(9,383,069)			
131,979,103	Other funds (Schedule E)	154,575,670			
41,322,511	Current liabilities and provisions (Schedule F)	45,501,437			
223,554,064		487,781,516			
4,749,342,647	Total liabilities	5,510,499,448	4,749,342,647	Total assets	5,510,499,448

For and on behalf of the Board of Governors

*[Signature]*  
(Registrar- I / C)

*[Signature]*  
(Secretary)

*[Signature]*  
(Director)

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

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

CA. Umresh Kumar Verma  
Partner

Membership No. 088703

Place : New Delhi

Date: 15.12.2020

UDIN : 20089703AAAADS5596



MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON

Income and Expenditure Account for the year ended March 31, 2020

(Amount in Rs.)

Year ended March 31, 2019	Expenditure	Year ended March 31, 2020	Year ended March 31, 2019	Income	Year ended March 31, 2020
270,533,430	Programme expenses	298,835,147	1,018,289,357	Fees from programmes	1,256,115,016
12,647,430	Salaries and allowances (Faculty)	25,280,306		Research and technical advisory fees	
59,709,702	Traveling and conveyance	54,106,554		Research	994,062
47,138,543	Boarding and lodging	138,900,259	21,255,852	Consultancy	22,973,745
18,375,826	Honorarium to guest faculty	18,457,598	146,555,107	Interest on long term investments (other than earmarked investments)	161,441,098
62,819,787	Printing and stationery	55,992,437	9,466,257	Interest from banks on fixed deposits, Saving Deposit & interest on Personal Loan to Employee	5,313,001
471,224,718	Other expenses	591,572,301	23,109,200	Interest on earmarked investments	29,609,200
	<b>Research and technical advisory services and other activities</b>			Less: Transferred to :	
15,782,445	Research expenses	592,837	2,025,000	Corpus fund	2,025,000
15,782,445	Consultancy expenses	16,381,656	6,463,167	Gratuity reserve fund	9,834,000
		16,974,493	8,502,167	Cumulative leave fund	11,873,000
			66,625	Mentorship students award fund	65,625
			210,000	Raman Murtal endowment fund	210,000
			262,500	Unspent research grant	262,500
	<b>Pay and allowances</b>		5,580,741		5,339,075
90,177,810	Staff remuneration and allowances	99,611,716	86,610	Profit on sale of fixed assets	337,750
6,455,040	Staff welfare expenses	9,743,932	258,868,931	Profit on sale of Land	-
4,356,267	Raman Murtal Chair Expenses	4,740,569	36,825,872	Miscellaneous Income	2,323,788
6,063,227	Gratuity	13,268,550		Including Provision of expenses written back of Rs 3,80,795/- (Previous year Rs. 81,21,746/-) and Amount of Rs. 4,39,064/- written back on account of stale cheques more than 3 years (Previous year Rs 3,03,795/-)	
15,195,571	Contribution to Leave Fund	20,106,635			
122,247,915		147,471,402			
609,256,078	<b>Carried forward</b>	756,018,195	1,486,927,728	<b>Carried forward</b>	1,464,811,535





MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON

Income and Expenditure Account for the year ended March 31, 2020 (continued)

(Amount in Rs.)

Year ended March 31, 2019	Expenditure	Year ended March 31, 2020	Year ended March 31, 2019	Income	Year ended March 31, 2020
609,255,078	Brought forward	756,013,196	1,496,927,728	Brought forward	1,454,811,535
2,852,411	Traveling and conveyance	1,765,477			
1,675,322	Board and committee meeting expenses	1,406,510			
136,857	Staff transport	99,710			
537,139	Repair, maintenance and running cost of Vehicle	585,357			
5,201,729	Local conveyance	3,857,054			
	<b>Office expenses</b>				
746,208	Rent	761,808			
31,436,189	Electricity and water expenses	31,929,852			
96,852	Postage and telegram	50,136			
1,298,348	Printing and stationery	1,176,933			
738,887	Staff recruitment expenses	202,546			
2,509,903	Telephones expenses	2,248,144			
4,970,679	Corporate publicity	5,325,447			
155,509	Insurance expenses	623,952			
41,952,575		42,318,818			
	<b>Repair and maintenance</b>				
38,403,412	Repair to building	36,905,121			
1,508,655	Repairs to office equipments	814,030			
2,339,255	Repair to air conditioners	3,069,894			
10,626,783	Watch and ward expenses	12,356,569			
5,618,424	Garden maintenance	6,079,768			
12,017,349	Internet expenses, maintenance of Computer & Software	13,101,004			
70,513,878		72,326,386			
726,923,260	Carried forward	874,520,454	1,496,927,728	Carried forward	1,454,811,535



MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON

Income and Expenditure Account for the year ended March 31, 2020 (continued)

(Amount in Rs.)

Year ended March 31, 2019	Expenditure Brought forward	Year ended March 31, 2020	Year ended March 31, 2019	Income Brought forward	Year ended March 31, 2020
726,923,260		874,520,454	1,496,927,728		1,454,811,535
345,618	Auditors' remuneration Audit fees	1,056,572			
345,618		1,056,572			
	Other expenses				
30,485,214	Subscription to journals	34,971,477			
194,900	MIDI Journal and bulletin	-			
516,659	Miscellaneous expenses	1,626,101			
10,847,703	Rates and taxes	15,718,569			
-	Service Tax paid under VCES	-			
123,005	Provision for Doubtful Debts	-			
4,400,246	Legal & professional	5,776,326			
46,567,727		58,092,473			
	Depreciation (Refer note 1 (iii) (c) of Schedule G) As per Schedule 'A'	1,457,513			
64,592,358	As per Schedule 'B'	68,264,217			
66,156,720		69,721,730			
(1,564,362)	Less : Transferred from Campus and Fixed assets fund (As per Schedule A)	(1,457,513)			
64,592,358		68,264,217			
	Balance of income over expenditure before prior period items	452,877,819			
658,498,765					
27,349	Prior period expense	14,857			
1,289,000	Less : Prior period income	51,830			
1,296,349	Prior period items (net)	(36,973)			
	Balance of income over expenditure carried to Income and Expenditure Appropriation Account	452,914,792			
657,202,416					
1,496,927,728		1,454,811,535	1,496,927,728		1,454,811,535





MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON

Income and Expenditure Appropriation Account for the year ended March 31, 2020

(Amount in Rs.)

Year ended March 31, 2019	Expenditure	Year ended March 31, 2020	Year ended March 31, 2019	Income	Year ended March 31, 2020
470,000,000	Surplus transferred to Infrastructure fund	310,000,000	657,202,416	Excess of income over expenditure brought forward from Income and Expenditure Account	452,914,792
187,202,416	Surplus transferred to surplus fund	142,914,792	657,202,416	Transferred from Surplus fund	-
657,202,416		452,914,792	657,202,416		452,914,792

For and on behalf of the Board of Governors

  
(Registrar-I/C)

  
(Secretary)

  
(Director)

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: 15.12.2020

UDIN : 20089703AAAADS5596



**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**  
Schedules forming part of Accounts

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

(Amount in Rs.)

S. No	Description of assets	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
		As at March 31, 2019	Additions during the year	Disposals/ adjustments during the year	As at March 31, 2020	As at March 31, 2019	Charge for the year	On Disposals/ adjustments during the year	As at March 31, 2020	As at March 31, 2019
1	Land	4,661,468	-	-	4,661,468	-	-	-	4,661,468	4,661,468
2	Buildings	96,260,560	-	-	96,260,560	1,362,186	-	70,379,028	25,881,532	27,243,718
3	Furniture and fixtures	9,925,335	-	-	9,925,335	19,190	-	9,867,766	57,569	76,759
4	Air conditioners and coolers	11,051,486	-	-	11,051,486	27,022	-	10,943,397	108,089	135,111
5	Furnishings	2,158,763	-	-	2,158,763	1,926	-	2,151,060	7,703	9,629
6	Typewriters and duplicators	449,582	-	-	449,582	269	-	448,506	1,076	1,345
7	Library equipment	473,735	-	-	473,735	317	-	472,466	1,269	1,586
8	Books	6,400,935	-	-	6,400,935	45	-	6,400,890	45	90
9	Office equipments	264,785	-	-	264,785	316	-	263,522	1,263	1,579
10	Telephone installations	1,437,389	-	-	1,437,389	12,364	-	1,387,934	49,455	61,819
11	Electrical equipments	159,991	-	-	159,991	643	-	157,417	2,574	3,217
12	Teaching aid equipment	3,992,750	-	-	3,992,750	1,909	-	3,989,886	2,864	4,773
13	Canteen equipment	24,691	-	-	24,691	6	-	24,666	25	31
14	Hostel equipment	804,863	-	-	804,863	663	-	802,209	2,654	3,317
15	Electrical installations	1,272,084	-	-	1,272,084	210	-	1,271,243	841	1,051
16	Electrical installations (Internal)	8,726,027	-	-	8,726,027	8,339	-	8,692,672	33,355	41,694
17	Sign boards	54,444	-	-	54,444	42	-	54,320	124	166
18	Generators	1,310,524	-	-	1,310,524	731	-	1,307,998	2,926	3,657
19	Colony equipment	13,280	-	-	13,280	2	-	13,271	9	11
20	Films	272,437	-	-	272,437	2	-	272,435	2	4
21	Computer	8,040,140	-	-	8,040,140	21,331	-	8,008,142	31,998	53,329
<b>Total</b>		<b>157,755,269</b>	<b>-</b>	<b>168,350</b>	<b>157,755,269</b>	<b>1,457,513</b>	<b>-</b>	<b>126,908,428</b>	<b>30,846,841</b>	<b>32,304,354</b>
<b>Previous Year</b>		<b>157,923,619</b>	<b>-</b>	<b>168,350</b>	<b>157,755,269</b>	<b>1,564,362</b>	<b>-</b>	<b>125,450,915</b>	<b>32,304,354</b>	<b>34,037,066</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 March 31, 2019	Additions during the year	Disposals/ adjustments during the year	As at March 31, 2020	As at March 31, 2019	Charge for the year	On Disposals/ adjustments during the year	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
1	Buildings	703,628,305	30,284,244	-	733,912,549	191,810,164	27,105,119	-	218,915,283	514,997,266	511,818,141
2	Furniture and fixtures	52,035,818	5,091,156	1,467,053	55,669,921	42,246,816	3,717,211	1,455,740	44,508,287	11,151,634	9,789,002
3	Air conditioners and coolers	34,236,081	1,708,441	273,739	35,670,783	26,816,896	1,819,185	242,040	28,394,041	7,276,742	7,419,185
4	Furnishings	4,848,506	470,193	-	5,318,699	3,465,299	370,680	-	3,835,979	1,482,720	1,383,207
5	Books	58,627,504	1,589,588	-	60,217,092	55,350,317	2,433,388	-	57,783,705	2,433,387	3,277,187
6	Office equipment	1,349,429	47,530	-	1,396,959	1,031,592	73,073	-	1,104,665	292,294	317,837
7	Telephone installations	6,645,354	149,780	-	6,795,134	5,642,074	230,612	-	5,872,686	922,448	1,003,280
8	Electrical equipment	6,283,818	773,266	139,340	6,917,744	3,001,475	810,244	134,951	3,676,768	3,240,976	3,282,343
9	Teaching aid equipment	11,923,702	14,252,675	8,500	26,167,877	10,933,434	6,097,170	8,483	17,022,121	9,145,756	990,268
10	Vehicles	1,739,790	-	-	1,739,790	1,508,043	58,437	-	1,564,480	175,311	233,748
11	Canteen equipment	2,727	-	-	2,727	2,671	11	-	2,682	45	56
12	Hostel equipment	8,008,433	5,595	226,322	7,787,706	4,880,396	624,053	212,956	5,291,493	2,486,213	3,128,037
13	Sign boards	18,400	-	-	18,400	18,171	57	-	18,228	172	229
14	Generators	42,898,314	-	-	42,898,314	29,345,713	2,710,520	-	32,056,233	10,842,081	13,552,601
15	Colony equipment	340,838	-	-	340,838	167,858	34,596	-	202,454	138,384	172,980
16	Films	1,943,304	-	-	1,943,304	1,933,053	5,126	-	1,938,179	5,126	10,252
17	Computers (including Software)	130,174,959	20,277,441	6,700,069	143,752,331	97,677,238	21,077,328	6,618,227	112,136,339	31,615,992	32,497,721
18	Gym equipments	2,680,489	475,540	74,426	3,081,603	2,516,817	319,605	74,423	2,761,999	319,605	163,673
19	Lift	12,866,025	-	-	12,866,025	8,977,016	777,802	-	9,754,818	3,111,207	3,889,009
20	Land (EDC)	86,728,179	-	-	86,728,179	487,323,043	68,264,217	8,746,820	546,840,440	66,728,179	66,728,179
	Capital Work in Progress-Building	1,146,979,975	75,125,449	8,889,449	1,213,215,975	487,323,043	68,264,217	8,746,820	546,840,440	666,375,535	659,656,932
	Capital Work in Progress-Computers	83,744,375	212,725,174	3,851,508	292,618,041	-	-	-	292,618,041	292,618,041	83,744,375
	Capital Work in Progress-AC	8,334,239	163,194	-	8,497,433	-	-	-	8,497,433	8,497,433	8,334,239
	Previous Year Capital Work in Progress-Building	15,490,597	75,314,936	7,061,158	83,744,375	424,270,484	64,592,358	1,539,799	487,323,043	659,656,932	651,392,063
	Previous Year Capital Work in Progress-Computers	8,334,239	-	-	8,334,239	-	-	-	-	8,334,239	15,490,597
	Previous Year Capital Work in Progress-AC	3,128,687	-	-	3,128,687	-	-	-	-	8,334,239	8,334,239
											3,128,687

(Amount in Rs.)



**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**

**Schedules forming part of Accounts**

**Schedule 'C' - Investments**

*(Amount in Rs.)*

As at March 31, 2019	Nos. (Previous Year)		As at March 31, 2020
		<b>NON-CURRENT INVESTMENTS</b>	
		<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>Gratuity fund</b>	<b>80,000,000</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
100,000,000		Fixed Deposit @ 7.65% of PNB	-
-		Fixed Deposit @ 6.75% of PNB	100,000,000
<b>125,800,000</b>		<b>Cumulative leave fund</b>	<b>125,800,000</b>
		<b>Bonds</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
-		Fixed Deposit @ 6.75% of PNB	100,000,000
100,000,000		Fixed Deposit @ 7.65% of PNB	-
<b>145,100,000</b>		<b>Meritorious student award fund</b>	<b>145,100,000</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>351,525,000</b>		<b>Carried forward</b>	<b>351,525,000</b>





**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**

**Schedules forming part of Accounts**

**Schedule 'C' - Investments (continued)**

As at March 31, 2019	Nos. (Previous Year)		As at March 31, 2020
351,525,000		<b>Brought forward</b>	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	-
6,100,000	6,100	9.35% Tax Free Redeemable non-convertible bonds of IFCI Limited (Earmarked for Research Project)	-
		<b><u>CURRENT INVESTMENTS</u></b>	
		<b>Fixed deposits</b>	
17,515,031	-	Corporation Bank ( FDR for AICTE Purpose & others pledged against Bank Guarantees issued by Bank)	9,097,466
100,000,000	-	Fixed Deposit @ 7.40% of IDFC Bank	-
200,000,000	-	Fixed Deposit @ 7.75% of IDFC Bank	-
450,000,000	-	Fixed Deposit @ 7.90% of IDFC Bank	-
420,000,000	-	Fixed Deposit @ 7.40% of HDFC Bank	-
-	-	Fixed Deposit @ 6.80% of PNB	100,000,000
-	-	Fixed Deposit @ 6.60% of PNB	150,000,000
-	-	Fixed Deposit @ 6.60% of PNB	150,000,000
1,213,675,031			409,157,466
1,569,715,031		<b>Carried forward</b>	765,197,466



**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**

**Schedules forming part of Accounts**

**Schedule 'C' - Investments (continued)**

As at March 31, 2019	Nos. (Previous Year)		As at March 31, 2020
1,569,715,031		<b>Brought forward</b>	<b>765,197,466</b>
		<b>Fixed deposits</b>	
100,000,000		Fixed Deposit @ 7.65% of PNB	-
200,000,000		Fixed Deposit @ 7.26% of Corporation Bank	-
250,000,000		Fixed Deposit @ 7.31% of Corporation Bank	-
-		Fixed Deposit @ 7.36% of Corporation Bank	160,000,000
30,000,000		Fixed Deposit @8.5% of LIC Housing Finance	30,000,000
110,000,000		Fixed Deposit @ 7.37% of PNB	-
-		Fixed Deposit @ 6.80% of Corporation Bank	250,000,000
-		Fixed Deposit @ 6.95% of Bank of Baroda	40,000,000
-		Fixed Deposit @ 7.35% of Bank of Baroda	140,000,000
-		Fixed Deposit @ 7.20% of Bank of Baroda	500,000,000
-		Fixed Deposit @ 6.05% of PNB	200,000,000
-		Fixed Deposit @ 6.50% of Corporation Bank	360,200,000
-		Fixed Deposit @ 6.60% of Corporation Bank	39,800,000
<b>2,259,715,031</b>		<b>GRAND TOTAL</b>	<b>2,485,197,466</b>





**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**

**Schedules forming part of Accounts**

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

*(Amount in Rs.)*

As at March 31, 2019	PARTICULARS	As at March 31, 2020
2,949,670	<b>Stock of paper, stationery and other stores &amp; spares - (At cost)</b> (as certified by the Registrar and Secretary of the Institute)	2,962,423
	<b>Accumulated expenses on incomplete research projects</b>	
2,051,215	Opening Balance	2,708,664
657,449	Add: Expenses incurred during the Year	739,928
2,708,664		3,448,592
-	Less : Transferred to Income and Expenditure Account on account of Completed Projects	(399,744)
2,708,664	Closing balance	3,048,848
	<b>Accumulated expenses on incomplete consultancy projects</b>	
5,095,820	Opening Balance	7,447,358
3,993,484	Add: Expenses incurred during the Year	2,093,051
9,089,304		9,540,409
(1,641,946)	Less : Transferred to Income and Expenditure Account on account of Completed Projects	(3,031,400)
7,447,358	Closing balance	6,509,009
	<b>Sundry Debtors (Unsecured - considered good)</b>	
3,576,702	Debts exceeding six months	67,908,134
49,910,515	Other debts	5,270,913
53,487,217		73,179,047
97,390,078	<b>Interest accrued but not due</b>	112,052,785
-	<b>Interest due but not received</b>	-
	<b>Cash and bank balances</b>	
181,927	Cash in hand	117,992
	Balances with scheduled banks:	
(75,430,241)	On savings accounts (including Infrastructure fund)	5,990,445
405,694	On current accounts	415,925
124,760,000	On deposit accounts	237,800,000
49,917,380		244,324,362
5,829,014	<b>Amount recoverable in cash or in kind or for value to be received</b>	5,473,937
4,375,889	<b>Security deposits</b>	4,375,889
2,011,957	<b>Loans and advances to employees</b>	1,744,390
19,351,366	<b>Pre-paid expenses and deferred expenses</b>	20,048,770
138,892,663	<b>Tax deducted at source</b>	165,318,212
384,361,257	<b>Total</b>	639,037,673



**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**

**Schedules forming part of Accounts**

**Schedule 'E' - Other funds**

*(Amount in Rs.)*

As at March 31, 2019	PARTICULARS	As at March 31, 2020
	<b>Alumni association fund</b>	
32,752,171	Opening balance	35,804,602
6,321,903	Add: Contribution received during the year	7,369,000
39,074,074		43,173,602
(3,269,472)	Less: Payments made during the year	(3,255,699)
35,804,602		39,917,903
	<b>Meritorious students award fund</b>	
2,456,787	Opening balance	2,424,587
65,625	Add: Interest income transferred from Income and Expenditure Account	65,625
(97,825)	Less: Payment made during the year	-
2,424,587		2,490,212
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
4,356,267	Add: Allocation against shortfall	4,740,569
6,644,589		7,028,891
(4,566,267)	Less: Payments made during the year	(4,950,569)
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
41,322,511	<b>Total</b>	45,501,437





MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON

Schedules forming part of Accounts

Schedule 'F' - Current liabilities and provisions

(Amount in Rs.)

As at March 31, 2019	PARTICULARS	As at March 31, 2020
88,250,597	<b>Sundry creditors</b> 201,067,956	
15,719,884	<b>Other liabilities</b> 102,106,538	303,174,494
	<b>Accumulated receipts on incomplete research projects</b>	
14,453,556	Opening Balance 15,757,056	
-	Less: Amount returned during the year -	
1,303,500	Add: Amount received during the year 329,000	
15,757,056	16,086,056	
-	Less : Transferred to Income and Expenditure Account on account of Completed Projects (194,062)	
15,757,056	Closing balance	15,891,994
	<b>Accumulated receipts on incomplete consultancy projects</b>	
11,934,282	Opening Balance 15,905,078	
-	Less: Transferred to Consultancy Projects -	
12,537,737	Add: Amount received during the year 9,269,451	
24,472,019	25,174,529	
(8,566,941)	Less : Transferred to Income and Expenditure Account on account of Completed Projects (9,977,104)	
15,905,078	Closing balance	15,197,425
41,995,960	<b>Fees received in advance</b>	117,449,167
36,780,368	<b>Security deposits from participants</b>	26,263,046
	<b>Unspent research grant</b>	
4,247,321	Opening balance 4,509,821	
262,500	Add: Interest earned during the year, transferred from Income & Expenditure Account 262,500	
-	Add: Transferred from research projects -	
-	Less: Research expenses -	
4,509,821		4,772,321
4,635,300	<b>Director's medical relief fund</b>	5,033,069
<b>223,554,064</b>	<b>Total</b>	<b>487,781,516</b>



**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**  
**Schedules forming part of the Accounts for the year ended March 31, 2020**

**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**

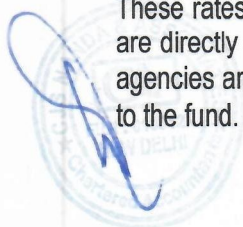
The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. 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, 2020**

**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**

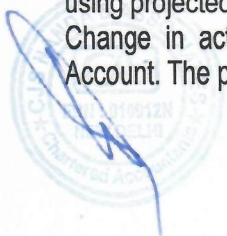
Grants related to depreciable fixed assets are recognized in the Income and Expenditure Account over the useful life of the assets to which they relate.

**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, 2020**

**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 relating 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, 2020**

**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	2019-20	2018-19
a) Income tax matters	-	-
b) Claims against the Institute not acknowledged as debts	-	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.

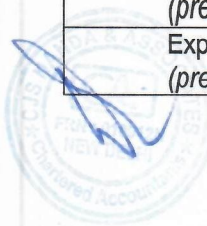
The Institute got the favorable order from CIT (Appeals) against the assessment order raising the demand of Rs. 5,72,98,861/- for the assessment year 2009-10 vide their order dated 12/11/2013 on all issues including set off of losses of previous year. The Income Tax Department has filed an appeal to 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, 2020 the actuarial valuation for Gratuity and Compensated absence has been done with the following assumptions -

Particulars	Gratuity	Compensated absence
Discount rate (previous year)	6.79% (7.65%)	6.79% (7.65%)
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)	6.79% (7.65%)	6.79% (7.65%)





**MANAGEMENT DEVELOPMENT INSTITUTE, GURGAON**  
**Schedules forming part of the Accounts for the year ended March 31, 2020**

**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 2014-15, 2015-16, 2016-17, 2017-18 & 2018-19 the Institute has set apart, as an earmarked funds, a sum of Rs. 5,00,00,000/-, Rs. 17,00,000/-, Rs. 25,00,00,000/-, 20,00,00,000/- & Rs. 47,00,00,000/- 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 2019-20, the Institute has set apart a sum of Rs 31,00,00,000/- 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**

No Refund is received from Income Tax Department during the financial year.

**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.** There are no amounts which are required to be reported / provided under the provisions of Micro, Small and Medium Enterprises Act 2006.

**viii.** All Account Receivables & Payables are subject Reconciliation & Confirmation.

**ix.** Previous year figures have been regrouped / rearranged wherever considered necessary.

