

**International Management Institute**  
**Statutory Audit for the year ended March 31, 2016**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Governors of International Management Institute

### **Report on the Financial Statements**

We have audited the accompanying financial statements of International Management Institute ('the Institute'), a society registered under the Societies Registration Act, 1860, which comprise the Balance Sheet as at March 31, 2016, and the Income and Expenditure Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **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 accounting principles generally accepted in India, including the Accounting Standards issued by Institute of Chartered Accountants of 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.

### **Auditor's Responsibility**

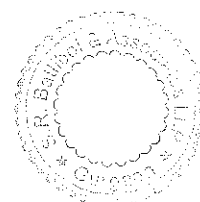
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Institute as at March 31, 2016;
- (b) in the case of the Income and Expenditure Account, of the excess of income over expenditure for the year ended on that date; and



# **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

Golf View Corporat  
Sector-42, Sector  
Gurgaon-122 002  
Tel : +91 124 46  
Fax : +91 124 46

## **Other Matter**

This report is furnished solely for use in preparing the income-tax return of International Management Institute. It is not to be used for any other purpose, or referred to in any other document, or distributed to anyone other than the Income-tax authorities.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

*Kapil Kedar*

per **Kapil Kedar**

Partner

Membership Number: 094902

Place of Signature: Gurgaon

Date:





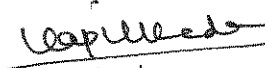
INTERNATIONAL MANAGEMENT INSTITUTE, INDIA  
BALANCE SHEET AS AT MARCH 31, 2016

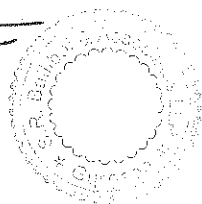
(Amount in Rs.)


SOURCES OF FUNDS	Schedule	As at March 31, 2016	As at March 31, 2015
<b>UNRESTRICTED FUNDS</b>			
Corpus	1	14,32,87,375	14,32,87,375
Designated/ Earmarked Funds	2	1,66,09,237	1,49,20,722
Reserves and Surplus	3	(12,22,89,029)	(13,29,43,053)
<b>LOANS/ BORROWINGS</b>			
Secured	4	38,72,37,083	42,83,66,716
Unsecured	4A	1,95,00,000	1,00,00,000
<b>CURRENT LIABILITIES AND PROVISIONS</b>	5	24,74,21,789	24,24,89,965
<b>TOTAL</b>		<b>69,17,66,455</b>	<b>70,61,21,725</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>	6		
Tangible		53,57,58,707	58,94,29,032
<b>CURRENT ASSETS</b>	7	9,18,18,544	5,66,00,184
<b>LOANS, ADVANCES &amp; DEPOSITS</b>	8	6,41,89,204	6,00,92,509
<b>TOTAL</b>		<b>69,17,66,455</b>	<b>70,61,21,725</b>
Notes to Accounts	17		

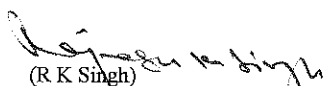
Significant Accounting Policies and Notes to accounts- As per Schedule '17' annexed form an integral part of the Financial Statements


For S.R. Batliboi & Associates LLP  
Chartered Accountants  
Firm Registration No.: 101049W/ E300004

  
per Kapil Kedar  
Partner  
Membership No. 094902



  
(P.K Bhaumik)  
[Director]

  
(R K Singh)  
[Chief Financial Officer]

  
Capt. Vivek Dubey (Retd)  
[Registrar & Secretary]

Place: Gurgaon  
Date: September 29, 2016

Place:  
Date:



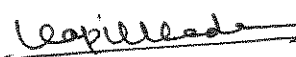
**INTERNATIONAL MANAGEMENT INSTITUTE, INDIA**  
**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2016**

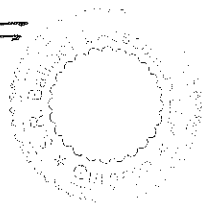
(Amount in Rs.)


	Schedule	For the Year Ended 31-03-2016	For the Year Ended 31-03-2015
<b>INCOME</b>			
Academic Receipts	9	52,98,72,356	51,96,24,812
Other income	10	1,11,29,876	1,00,02,285
<b>TOTAL (A)</b>		<b>54,10,02,232</b>	<b>52,96,27,097</b>
<b>EXPENDITURE</b>			
Employee Payment & Benefits	11	23,09,43,751	22,44,18,624
Direct Academic Expenses	12	5,12,99,707	10,48,71,465
Administrative and General Expenses	13	2,57,31,593	3,23,56,147
Facility & Maintenance Expenses	14	7,25,74,704	8,19,71,445
Library & IT-Related Expenses	15	1,11,05,652	1,08,55,349
Finance Costs	16	4,42,69,244	4,80,63,359
Research Expenses (Refer Note 8 in Schedule 17)		2,63,61,859	2,58,46,034
Prior Period Adjustments (Refer Note 9 in Schedule 17)		26,66,140	-
Depreciation		6,53,95,558	7,19,19,515
<b>Total (B)</b>		<b>53,03,48,208</b>	<b>60,03,01,938</b>
<b>Balance being excess of Expenditure over Income (A-B)</b>		<b>1,06,54,024</b>	<b>(7,06,74,841)</b>
Notes to Accounts	17		

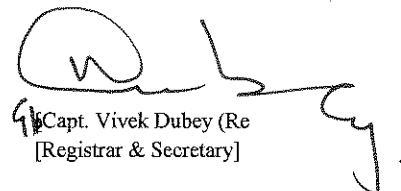
Significant Accounting Policies and Notes to accounts- As per Schedule '17' annexed form an integral part of the Financial Statements.

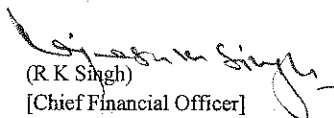
For S.R. Batliboi & Associates LLP  
Chartered Accountants  
Firm Registration No.: 101049W/E300004

  
per Kapil Kedar  
Partner  
Membership No. 094902



  
(P.K Bhaumik)  
[Director]

  
Capt. Vivek Dubey (Re  
[Registrar & Secretary]

  
(R K Singh)  
[Chief Financial Officer]

Place: Gurgaon  
Date: September 29, 2016

Place:  
Date:



INTERNATIONAL MANAGEMENT INSTITUTE, INDIA

SCHEDULES FORMING PART OF BALANCE SHEET AND INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2016

(Amount in Rs.)

	As At 31-03-2016	As At 31-03-2015
<b>Schedule 1: Corpus Fund</b>		
As per last account	14,32,87,375	14,32,87,375
Add: Addition during the year	-	-
Balance at the year end	14,32,87,375	14,32,87,375
<b>Schedule 2: Designated/ Earmarked Funds</b>		
<b>Endowment Fund</b>		
As per last account	79,57,950	78,36,727
Add: Addition during the year	7,11,024	1,27,223
Less: Expenses during the year	(6,000)	(6,000)
Balance at the year end	86,62,974	79,57,950
<b>Alumni Fund:</b>		
As per last account	64,15,012	52,69,772
Add: Addition during the year	35,76,869	34,88,350
Less: Expenses during the year	(25,93,378)	(23,43,110)
Balance at the year end	73,98,503	64,15,012
<b>Decision Science Centre Fund:</b>		
As per last account	5,47,760	5,88,160
Add: Addition during the year	-	-
Less: Expenses during the year	-	(40,400)
Balance at the year end	5,47,760	5,47,760
<b>Total</b>	<b>1,66,09,237</b>	<b>1,49,20,722</b>
<b>Schedule 3: Reserve and Surplus</b>		
As per last account	(13,29,43,053)	(6,22,68,212)
Add/ (Deduct): Balance of net income/(expenditure) transferred from the Income and Expenditure Account	1,06,54,024	(7,06,74,841)
Balance at the year end	(12,22,89,029)	(13,29,43,053)
<b>Schedule 4: Secured Loans</b>		
<b>Banks</b>		
a) Term Loan from Allahabad Bank (Secured by mortgage of Land at Bhubaneswar & Delhi, refer Schedule 4.1)	36,89,55,056	41,03,94,665
b) Interest Accrued and due	32,77,743	38,67,206
c) Overdraft Facility (Secured by mortgage of Land at Bhubaneswar & Delhi)	1,50,04,284	1,41,04,845
<b>Total</b>	<b>38,72,37,083</b>	<b>42,83,66,716</b>
<b>Schedule 4A: Unsecured Loans</b>		
Loan from other Institution/Company (Refer Schedule 4.1)	1,95,00,000	1,00,00,000
<b>Total</b>	<b>1,95,00,000</b>	<b>1,00,00,000</b>
<b>Schedule 4.1</b>		
Secured Loan repayable within 12 months	6,66,72,000	4,55,00,000
Secured Loan repayable within 1 to 5 years	30,22,83,056	33,05,00,000
Secured Loan repayable after 5 years	-	3,43,94,665
Rate of interest term loan I @10.75% term loan II & III @11%		
Unsecured Loan repayable within 12 months	1,95,00,000	1,00,00,000
Rate of interest 9% per annum		
<b>Schedule 5: Current Liabilities &amp; Provisions</b>		
<b>Current Liabilities</b>		
Book overdraft from scheduled banks on current accounts	7,85,739	-
Advance fees received	8,56,81,698	7,91,80,060
Other liabilities for expenses/staff & other Funds	3,96,02,091	3,20,61,390
Retention Money	26,81,744	1,07,60,349
Taxes Payable	44,15,372	48,57,431
Security deposits received	1,19,08,610	1,11,20,052
<b>Total (A)</b>	<b>14,50,75,254</b>	<b>13,79,79,282</b>
<b>Provisions</b>		
- For gratuity	5,67,32,646	5,32,41,468
- For leave encashment	4,56,13,889	4,71,31,796
Provision for Discard of Fixed Assets (refer Schedule 2.B.ii)	-	41,37,419
<b>Total (B)</b>	<b>10,23,46,535</b>	<b>10,45,10,683</b>
<b>Total (A+B)</b>	<b>24,74,21,789</b>	<b>24,24,89,965</b>

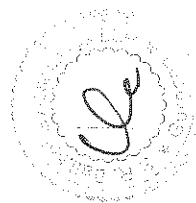


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**INTERNATIONAL MANAGEMENT INSTITUTE, INDIA**  
**SCHEDULES FORMING PART OF BALANCE SHEET AND INCOME & EXPENDITURE ACCOUNT AS AT 31st MARCH 2016**  
**SCHEDULE "6" FIXED ASSETS**

Particulars	Gross Block			Depreciation			Net Block	
	As at	Addition during year	Deletions/ Adjustments (refer note 2.B.ii of Schedule 17)	As at	Additions	Deletions/ Adjustments (refer note 2.B.ii of Schedule 17)	As at	As at
	April 1, 2015			March 31, 2016	April 1, 2015		March 31, 2016	March 31, 2015
Household Land	1,54,75,466	-	-	1,54,75,466	-	-	1,54,75,466	1,54,75,466
Office Equipment	1,18,27,422	30,95,896	26,64,951	1,22,58,367	68,14,663	26,47,848	68,38,269	50,12,759
Furniture and Fixtures	5,65,86,376	3,01,466	1,22,42,949	4,46,44,893	2,68,89,504	1,21,66,192	2,69,68,430	2,96,96,872
Electrical Equipment	5,45,73,579	1,16,323	2,36,98,572	3,09,91,330	3,80,58,434	2,36,76,640	1,40,92,380	1,65,15,145
Computers (incl. software)	4,50,24,304	41,00,410	99,21,504	3,92,03,210	4,16,03,861	99,04,328	30,63,285	34,20,443
Car	45,24,422	14,37,286	1,44,905	58,16,803	18,20,463	6,16,231	34,91,979	27,03,959
AC Cooling Plant	3,48,61,848	42,42,410	74,40,704	3,16,63,554	1,78,70,203	31,47,347	1,80,51,868	1,69,91,645
Building	68,26,35,757	-	26,14,624	68,00,21,133	19,81,79,037	4,81,75,239	43,48,80,442	48,44,56,720
Plant & Machinery	66,91,493	39,600	11,50,825	55,80,268	40,34,127	4,17,576	22,75,551	26,57,366
Kitchen Equipment	42,62,843	-	12,77,572	29,85,271	24,77,722	2,68,153	15,14,532	17,85,121
Lift	1,55,36,019	-	-	1,55,36,019	48,22,484	16,07,030	91,06,505	1,07,13,535
<b>Total</b>	<b>93,19,99,529</b>	<b>1,33,33,391</b>	<b>6,11,56,606</b>	<b>88,41,76,314</b>	<b>34,25,70,498</b>	<b>5,95,48,449</b>	<b>53,57,58,707</b>	<b>58,94,29,032</b>
<b>Previous Year</b>	<b>60,95,64,274</b>	<b>32,31,25,656</b>	<b>6,90,400</b>	<b>93,19,99,531</b>	<b>27,12,33,198</b>	<b>5,82,215</b>	<b>58,94,29,033</b>	<b>33,83,31,077</b>

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INTERNATIONAL MANAGEMENT INSTITUTE, INDIA

SCHEDULES FORMING PART OF BALANCE SHEET AND INCOME & EXPENDITURE ACCOUNT FOR THE  
YEAR ENDED 31st MARCH 2016

(Amount in Rs.)

	As At 31-03-2016	As At 31-03-2015
<b>Schedule 7: Current Assets</b>		
Stock of Gift & Other Item	2,88,305	3,98,600
Receivable from students on account of Post Graduate Program	39,86,080	27,79,796
Receivable from various parties on account of Certificate Program Fee, Research and Consultancy fee, etc.	79,56,295	1,24,30,416
Cash on hand	87,360	1,41,997
Balances with scheduled banks:		
on savings accounts	1,06,25,602	21,95,140
on current accounts	2,01,41,290	72,01,033
on deposit accounts	4,84,55,423	3,11,29,289
[include fixed deposits receipts amounting to Rs. 19,079,258 (Previous year Rs. 17,684,198), pledged against overdraft facilities from banks]		
Interest accrued on Fixed Deposits	2,78,189	3,23,913
<b>Total</b>	<b>9,18,18,544</b>	<b>5,66,00,184</b>
<b>Schedule 8: Loans, Advances &amp; Deposits</b>		
Unamortized loan processing fees	24,03,196	29,23,458
Advances recoverable in cash or in kind or for value to be received	1,90,45,864	2,06,60,564
Tax Deducted at source/Tax refundable from tax authorities	3,46,90,674	2,85,36,017
Deposits paid - others	80,49,470	79,72,470
<b>Total</b>	<b>6,41,89,204</b>	<b>6,00,92,509</b>

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INTERNATIONAL MANAGEMENT INSTITUTE, INDIA

SCHEDULES FORMING PART OF BALANCE SHEET AND INCOME & EXPENDITURE ACCOUNT FOR THE  
YEAR ENDED 31st MARCH 2016

(Amount in Rs.)

	For the year ended 31-03-2016	For the year ended 31-03-2015
<b>Schedule- 9: Academic Receipts</b>		
Fees from PGDM Students	39,46,40,877	33,89,43,396
Certificate Programme Fee & Research & Consultancy	4,93,89,545	10,82,69,329
Application Processing Fee	1,25,15,921	1,26,68,310
Hostel Fee	6,67,07,484	5,28,37,278
International Tour Exe. PGDM	21,72,247	40,95,313
Other Fee (Repeat Course, Marksheet, etc)	44,46,282	28,11,186
<b>Total</b>	<b>52,98,72,356</b>	<b>51,96,24,812</b>
<b>Schedule 10: Other Income</b>		
Income from Bank Deposits	66,76,206	37,45,547
Miscellaneous Income (Guest room, seminar room charges, scrap sale, etc.)	8,70,792	22,87,779
Provisions/ Liability no Longer Required Written back (refer note 2.B.ii of Schedule 17)	30,31,069	25,92,494
Prior Period Adjustments (Net)	-	13,76,465
Profit on Sale of Fixed Assets	5,51,809	-
<b>Total</b>	<b>1,11,29,876</b>	<b>1,00,02,285</b>
<b>Schedule 11 : Employee Payment &amp; Benefits</b>		
Salary and Allowances	20,69,71,414	19,64,30,783
Gratuity	55,64,251	93,63,685
Contribution to Provident Fund	1,48,97,994	1,59,19,526
Staff Welfare Expenses	35,10,092	27,04,630
<b>Total</b>	<b>23,09,43,751</b>	<b>22,44,18,624</b>
<b>Schedule 12 : Direct Academic Expenses</b>		
Admission-Related Expenses	61,90,387	49,59,514
Payment to Visiting Faculty	44,04,567	56,83,722
Books & Reading Materials to Students	94,55,650	76,02,299
Student Activities/Welfare Expenses	29,93,253	41,77,891
Convocation Expenses	21,20,788	27,94,416
Scholarship Expenses	11,01,520	9,75,000
Placement Expenses	20,50,342	32,45,345
Fellow Programme Expenses	10,60,769	19,81,114
Certificate Programme Fee & Research & Consultancy Expenses	1,68,19,104	6,72,78,381
Faculty Development Expenses	26,57,970	38,39,973
Other Programme Expenses (including Membership and Accreditation)	24,45,357	23,33,810
<b>Total</b>	<b>5,12,99,707</b>	<b>10,48,71,465</b>

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INTERNATIONAL MANAGEMENT INSTITUTE, INDIA

SCHEDULES FORMING PART OF BALANCE SHEET AND INCOME & EXPENDITURE ACCOUNT FOR THE  
YEAR ENDED 31st MARCH 2016

(Amount in Rs.)

	For the year ended 31-03-2016	For the year ended 31-03-2015
<b>Schedule 13 : Administrative and General Expenses</b>		
Printing, Stationery, Postage & Telephone	23,27,292	26,33,608
Travel, Conveyance, Car Maintenance	24,60,481	22,45,390
Professional charges/Legal fees	29,73,979	30,89,309
Auditor's remuneration and Expenses	4,00,000	3,50,000
Branding & Positioning	1,49,86,355	1,81,69,332
Miscellaneous Expenses	25,83,486	53,33,117
Loss on Sale of Fixed Assets	-	31,486
Amount Written Off	-	5,03,905
<b>Total</b>	<b>2,57,31,593</b>	<b>3,23,56,147</b>
<b>Schedule 14 : Facility &amp; Maintenance Expenses</b>		
Campus Maintenance	1,67,40,775	2,99,80,009
Rates and Taxes	22,21,915	22,21,915
Insurance Charges	3,31,021	2,60,714
Off-site Hostel Expense (Rent & Running Exp)	2,78,26,516	2,51,89,280
Electricity Charges	1,88,17,861	1,86,78,977
Security Charges	66,36,616	56,40,550
<b>Total</b>	<b>7,25,74,704</b>	<b>8,19,71,445</b>
<b>Schedule 15 : Library &amp; IT Expenses</b>		
Library Expenses	69,47,438	59,73,075
Internet Charges	16,01,077	20,58,063
Computer Maintenance	25,57,137	28,24,211
<b>Total</b>	<b>1,11,05,652</b>	<b>1,08,55,349</b>
<b>Schedule 16 : Finance Costs</b>		
Interest on Bank OD	2,21,761	6,84,886
Interest on Unsecured Loan	17,23,561	-
Interest & Other Charges on Term loan	4,18,03,660	4,68,58,211
Amortisation of loan processing Fee	5,20,262	5,20,262
<b>Total</b>	<b>4,42,69,244</b>	<b>4,80,63,359</b>

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## 1. Background

International Management Institute, India, ('the Institute') is a society registered under Societies Registration Act, 1860 has set campuses in New Delhi and Bhubaneswar with the objective of improving the quality of management thought and practice through wide ranging activities in education, training and consultancy relating to management, governance, development and other related areas.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### A. Basis of Accounting

- i) The financial statements of the Institute have been prepared according to Indian generally accepted accounting principal including the Accounting Standards issued by Institute of Chartered Accountants of India under the historical cost convention on an accrual basis.
- ii) Expenses on library books are charged to revenue in the year of purchase.

### B. Fixed Assets

- i) Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any directly attributable cost of bringing the asset in its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.
- ii) During the year the Institute had appointed an external agency to carry out physical verification of fixed assets and updation of the fixed asset register. Based on the report of the external agency, the management has written off fixed assets of Rs. 61,156,606/- (Written Down Value of Rs. 1,466,283/-) as at March 31, 2016 and adjusted the same against 'Provision for Discard of Fixed Assets' lying in the books of the Institute. The balance amount in 'Provision for Discard of Fixed Assets' of Rs. 2,671,136/- has been written back and included in Schedule 10 under the head 'Other Income'.

### C. Depreciation

Depreciation on fixed assets is provided on Written Down Value Method in the manner and at the rates mentioned in Income Tax Act, 1961.

No depreciation is charged in the year of sale / disposal.

### D. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Institute and the revenue can be reliably measured.

Revenue from Post Graduate Programme Fees and Hostel Fees: Revenue is recognized ratably over the period of the course.

Revenue from Application Processing Fee: Revenue is recognized upon passage of title to the students/potential students, which coincides with their delivery.



Revenue from Certificate Programme Fee & Research & Consultancy: Revenue is recognized as per terms of the relevant agreements upon completion of the respective project under Completed Service Contract Method.

Interest Income: Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable

#### **E. Retirement Benefits**

- a) Retirement benefits in the form of Provident Fund are a defined contribution scheme and contribution is charged to the Income and Expenditure Account of the year when the contribution to the provident fund is due. There is no other obligation other than the contribution payable to the Provident Fund.
- b) Gratuity is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- c) Encashable Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- d) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

#### **F. Foreign Currency Transactions**

Foreign currency transactions are recorded at the exchange rate prevailing at the time of receipts or payments. Foreign exchange transactions outstanding at the year-end are restated at the year-end exchange rates. All foreign exchange differences are charged to the Income and Expenditure Account.

#### **G. Membership Fee**

Associate and Life Membership Fees and Donations received are carried forward in the accounts under the 'Corpus Fund'. The Life Membership fee receipts are accounted for on cash basis in the absence of any formal commitment/contract with the members.

#### **H. Government Grants**

Government Grants related to revenue are recognized in the Income and Expenditure Account over the periods necessary to match them with the related costs

#### **I. Borrowing Cost**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur



#### **J. Leases**

Where the Institute is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Income and Expenditure Account on a straight-line basis over the lease term.

#### **K. Provisions**

A provision is recognised when the Institute has a present obligation as a result of past event 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 except those disclosed elsewhere in the financial statements, are not discounted to their present value and are determined based on best management estimate required to settle the obligation at each Balance Sheet date. These are reviewed at each Balance Sheet date and are adjusted to reflect the current best management estimates.

#### **L. Research Expenses**

Research costs are expensed as incurred.

#### **3. Borrowing cost**

Borrowing cost capitalized during the year is Rs. Nil. (Previous year Nil).

#### **4. Related Party Disclosure**

Institution significantly influenced by common Chairman:

1. Alipore Institute of Management & Technology (IMI-Kolkata)

- a. Loan outstanding as on 31-03-2016 Rs. 9,500,000/- (Previous year Rs. 10,000,000/-)
- b. Honorarium paid/ payable to Mr. Arindam Banik Rs. 422,010/- (Previous year nil)

2. Crescent Power Limited

Loan taken during the year and outstanding as at March 31, 2016 is Rs.10,000,000/- ( Previous year - Nil)

Key Management Personnel: Dr. Bakul H. Dholakia, Institute Director-General and member of Board of Governors .

Prof. Ramesh Behl, Institute Professor and Faculty representative in Board of Governors



	Bakul H Dholakia		Ramesh Behl	
Description	2016	2015	2016	2015
Transactions during the year:				
Remuneration paid/ payable	19,609,992	9,797,500	37,82,923	3,812,380
Balance Outstanding at the end of the year	-	-	72,000	-

Note: As the liability for increase in Dearness Allowance, Gratuity and Leave Encashment is provided on an estimated/actuarial basis for the Institute as a whole, the amount pertaining to the key management personnel is not separately ascertainable and, therefore, not included above.

## 5. Disclosures under Accounting Standard 15

### i) Post Retirement Benefit- Defined Contribution Plans

The Institute has recognized an amount of Rs. 14,897,994 (Previous year: Rs 15,919,526) as expenses under the defined contribution plans in the Income & Expenditure in respect of contribution to Provident Fund for the year ended March 31, 2016.

### ii) Post Retirement Benefit- Defined Benefit Plan

The Institute makes provision for gratuity based on actuarial valuation done on projected unit credit method at each balance sheet date.

The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at the balance sheet date.

#### a) Reconciliation of Opening and Closing balances of the present value of the defined benefit obligation:

Particulars	2016	2015
Obligation at April 1, 2015	53,241,468	44,499,289
Service cost	5,614,965	5,986,864
Interest cost	4,259,318	3,782,439
Benefits settled	(2,691,323)	(1,661,916)
Actuarial (gain)/loss	(3,691,782)	634,792
Past service cost	-	-
Obligation at year end at March 31, 2016	56,732,646	53,241,468

Ue

b) Reconciliation of present value of the obligation and the fair value of the plan assets

Particulars	2016	2015
Present value of obligation as at March 31, 2016	56,732,646	53,241,468
Present value of plan assets as at March 31, 2016	Nil	Nil
Amount recognised in Balance sheet – Liability	56,732,646	53,241,468

c) Expenses recognized in the Income & Expenditure Statement

Particulars	2016	2015
Service cost	5,614,965	5,986,864
Interest cost	4,259,318	3,782,439
Expected return on plan assets	Nil	Nil
Actuarial (gain)/loss	(3,691,782)	634,792
Net cost	6,182,501	10,404,095

d) Specific disclosures required for current and previous years

Particulars	2016	2015	2014	2013	2012
Present value of obligation as at March 31, 2016	56,732,646	53,241,468	44,499,289	38,357,681	29,272,582
Present value of plan assets as at March 31, 2016	-	-	-	-	-
Amount recognized in Balance sheet – Liability	56,732,646	53,241,468	44,499,289	38,357,681	29,272,582
Experience adjustments on Present value of obligation	3,691,782	2,535,263	7,122,909	83,614	(479,383)
Experience adjustments on Plan assets	-	-	-	-	-

e) Actuarial Assumption

Particulars	2016	2015
i) Discounting Rate	8.00	8.00
ii) Future Salary Increase	7.50	7.50
	Withdrawal Rate (%)	Withdrawal Rate (%)
iii) Ages:		
Upto 30 Years	3.00	3.00
From 31 to 44 Years	2.00	2.00
Above 44 Years	1.00	1.00

Notes:

1. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligation
2. The salary escalation rate is the estimate of future salary increased considered takes into account the inflation, seniority, promotion and other relevant factors.
6. a) The Institute has been registered as a Society under Section 12A of the Income Tax Act, 1961. The Institute's objects are charitable within the meaning of Section 2(15) of the Income Tax Act, 1961. As a result, the income of the Institute is not liable to any income tax.  
b) The income of the Institute is exempt under Section 11 of the Income Tax Act, 1961; considering the same no deferred tax asset/liability has been created.
7. a) During the year 2009-10 the institute had taken Term Loan I from a bank for setting up a new campus. The term loan is to be repaid in ninety six equal installments with a moratorium for first one year and eight months from the date of first disbursement. The primary securities against the loan are:
  - (i) Equitable mortgage of land situated at Mouza-Gothapatna, IDCO Plot No-1, Khata No-201, Revenue plot no-570/1261 (P), PS-Chandaka, Ts-Chandaka, immovable assets constructed/to be constructed thereon.
  - (ii) Equitable mortgage of the property, area approx. 2.5 acres of land at Qutab Institutional area situated at B-10, 30 & 31 Institutional Area New Delhi. This property is presently mortgaged in place of Bhubaneswar property which is being replaced now in consultation with bank's lawyer.
  - (iii) Hypothecation of entire movable fixed assets, both existing and future, of the Institute.
  - (iv) Assignment of all fees/ revenues cash inflows, both existing and future, of the Institute.  
b) During the year 2011-12 the Institute took a new term loan (Term Loan 2) from a bank for expansion of Delhi campus. The term loan was to be repaid in ninety six installments with a moratorium for first one year and six months from the date of first disbursement. The primary security against the loan are the same as stated in clause (a) above.  
c) During the year 2013-14 the institute took additional term loan (Term Loan 3) for expansion of Delhi campus. The term loan was to be repaid in ninety six installments with a moratorium for first one year and six months from the date of first disbursement. The primary security against the loan are the same as stated in clause (a) above.  
d) During the year 2013-14 the terms of all three term loans have been modified with ballooning monthly instalment as against equal monthly instalments without changing the door to door tenor of the term loans and without increasing the moratorium.



8. No separate record for expenditure on scientific and research work are maintained owing to practical difficulties. The expenses attributable to research activities are certified by the Management of the Institute.

Particulars	2016	2015
Personnel expenses	23,683,292	24,626,385
Books & Periodicals	771,938	663,675
Printing & Stationery	156,388	160,562
Other expenses	1,750,241	395,412
<b>Total</b>	<b>26,361,859</b>	<b>25,846,034</b>

9. Prior period expenses comprise expenses of the following nature:

Particulars	Amount (Rs)
Campus Maintenance	2,329,670
Miscellaneous Expenses	336,470
<b>Total</b>	<b>2,666,140</b>

10. The Institute is set up with the objective of improving the quality of management thought and practice through wide ranging activities in education, training and consultancy relating to management, governance, development and other related areas and there are no separate reportable segments as per Accounting Standard 17 on "Segment Reporting".
11. Previous year's figures have been regrouped/rearranged, wherever necessary, to confirm to this year's classification.

For S.R. Batliboi & Associates LLP  
Firm registration no: 101049W/ E300004  
Chartered Accountants

*P.K. Bhaumik*  
(P.K Bhaumik)  
[Director]

*Kapil Kedar*  
per Kapil Kedar  
Partner  
Membership No.094902  
Place: Gurgaon  
Date:



*Capt. Vivek Dubey (Retd.)*  
Capt. Vivek Dubey (Retd.)  
Registrar & Secretary

*R K Singh*  
(R K Singh)  
Chief Financial Officer