INSTITUTE OF HOTEL MANAGEMENT, CATERING TECHNOLOGY & APPLIED NUTRITION – GOA

REGISTRATION NO. 175 DATED 24.04.1967

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31-03-2026

SCHEDULE 24 – SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting convention

1.1 The financial statements of the Institute are prepared under the historical cost convention on the accrual basis of accounting, in accordance with the generally accepted accounting principles in India and the Accounting Standards issued by the Institute of Chartered Accountants of India, except for interest on General Provident Fund investments which is accounted on cash basis (see Note B-2).

1.2 The financial statements comprise the accounts of the Institute maintained in its main books together with the separately maintained House Building / Conveyance Advance Account, the CBSP Grants Account and the Assistance to IHMs / FCIs Account. Balances between these accounts are eliminated. The General Provident Fund Account is maintained separately and its financial statements are annexed (Note B-2).

2. Inventories

2.1 Inventories of stores, consumables and training material are valued at cost.

3. Fixed assets

3.1 Fixed assets are stated at cost of acquisition (inclusive of freight, duties, taxes and incidental expenses relating to acquisition and bringing the assets to their present location and condition), less accumulated depreciation. Land received free of cost from the Government of Goa is recorded at the value assigned by the transferor, with a corresponding credit to the Corpus / Capital Fund.

4. Depreciation

4.1 Depreciation is provided on the written down value method at the rates specified in the Income-tax Rules, 1962. Depreciation on additions is charged at the full rate in the year of purchase; no depreciation is charged in the year of disposal. Fixed assets and accumulated depreciation were shown separately in the accounts till 2009-10; with effect from 2010-11 assets are shown at written down value. Landscaping expenditure has been fully depreciated.

5. Government grants

5.1 Grants received for specific fixed assets are credited to the Corpus / Capital Fund and are not deducted from the cost of the related assets. In accordance with AS-12, an amount equal to the depreciation charged on grant-funded assets is transferred each year from the Corpus / Capital Fund to the Income and Expenditure Account as grant income (Schedule 18). Grants received for revenue expenditure are credited to the Income and Expenditure Account in the year to which they relate.

5.2 Grants are accounted on accrual basis where there is reasonable assurance that the grant will be received and the attached conditions complied with.

5.3 Grant accounting correction (FY 2024-25) and completion of asset mapping (FY 2025-26)

(a) In earlier years, depreciation was charged on grant-funded assets but the proportionate grant income was not recognised in the Income and Expenditure Account. During FY 2024-25 the Institute quantified the cumulative unrecognised grant income for FY 2010-11 to FY 2023-24 at ₹2,65,15,294 and, considering the impracticability of year-wise restatement, adjusted this amount

to the opening Reserves and Surplus as at 01.04.2024 under AS-5, with a corresponding reduction in the Corpus / Capital Fund. Net worth was unaffected.

(b) Capital grants of ₹52,11,058 which remained to be mapped to specific assets as at 31.03.2025 (and in respect of which the audit opinion for FY 2024-25 was qualified) have not been mapped during the year to the assets created out of Grant-in-Aid for Capital Expenditure of earlier years .Grant income of ₹5,60,123 relating to these assets has been recognised in the current year as part of the total AS-12 write-back of ₹83,18,270 (Schedule 18).

(c) The Corpus / Capital Fund at 31.03.2026 of ₹10,80,22,747.94 (Schedule 1) represents the written down value of assets created out of capital grants, land received free of cost and assets created out of the Institutional Development Fund and Hostel Fund.

6. Retirement benefits

The Institute, being a Central autonomous body, is governed by the Central Civil Services (Pension) Rules, 1972 in terms of its staff regulations.

6.1 Pension: Pension payable to employees who joined on or before 31.12.2003 is funded through the Group Superannuation Cash Accumulation Scheme of the Life Insurance Corporation of India (LIC). Provision has been made to the extent of the amounts contributed to the scheme together with an additional provision created in earlier years, which is drawn down as pension is paid (Note B-8).

6.2 Gratuity: Liability towards gratuity payable on death / retirement of employees is computed in accordance with the Central Civil Services rules and on actuarial basis. It is fully funded through the Group Gratuity Cash Accumulation Scheme of LIC.

6.3 Leave encashment: Provision for accumulated leave encashment is computed on the assumption that employees are entitled to receive the benefit at the end of each year, and is fully funded through term deposits.

6.4 National Pension System: Employees who joined on or after 01.01.2004 are covered by the NPS. Employees contribute 10% of (Basic Pay + DA) and the Institute contributes 14% with effect from 01.04.2019. The Institute's contribution is charged to the Income and Expenditure Account and has been fully remitted.

6.5 The above measurement bases differ from Accounting Standard 15 (Revised), which requires defined benefit obligations to be measured by projected unit credit actuarial valuation. No actuarial valuation has been obtained as at 31.03.2026 (Note B-8).

7. Income recognition

7.1 Tuition, hostel, examination and other fees are recognised on accrual basis for the academic terms falling within the year. Income from outdoor catering, training programmes and other services is recognised on completion of the service. Interest on fixed deposits is recognised on time-proportion basis; interest on term deposits of the General Provident Fund is accounted on cash basis.

7.2 Unclaimed caution money deposits of students who have left the Institute are written back to income as per the Ministry audit requirement. During the year ₹15,41,200 (previous year ₹9,71,426) has been so written back (Schedule 18).

B. NOTES ON ACCOUNTS

1. Pension Fund: The pension liability for employees who joined on or before 31.12.2003 has been ascertained by LIC on actuarial basis for past service and current service cost, and the Institute has so far placed ₹12,18,37,046.56 (previous year ₹13,62,54,998.35) with LIC under the Group Superannuation Cash Accumulation Scheme.

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2. General Provident Fund and New Pension Scheme: Accounts of the General Provident Fund are maintained separately from the Institute's accounts and interest on its investments is accounted on cash basis. The financial statements of the Fund are annexed, since the Fund is an obligation of the Institute under Government rules. The Institute is covered under the GPF-cum-Pension Scheme introduced under Ministry of Tourism letter no. 1(21)/90-HMC dated 1st January 1992. Interest on GPF accounts is credited at the rate declared by the Government; the shortfall between interest earned by the Fund and interest credited to members, ₹1,76,749 for the year (previous year: surplus ₹35,826), is borne by the Institute and adjusted in Reserves and Surplus (Schedule 2). The amount due from the Institute to the Fund at 31.03.2026 is ₹11,85,074 (Schedule 7). The New Pension Scheme is applicable to employees joining on or after 01.01.2004; the legacy fund was remitted to the NPS Trust on 30.06.2013 as directed by the Ministry of Tourism and PFRDA.

3. Grants of ₹52,11,058 relating to capital expenditure, in respect of which the audit report for FY 2024-25 was qualified, have been not been mapped to specific assets during the year as stated in Policy 5.3(b).

4. House Building / Conveyance Advance Account: A grant of ₹7,00,000 received from the Government of India for house building and conveyance advances to staff, together with interest accumulated thereon, is held in a separate bank account and term deposit with Canara Bank (₹55,85,871.82 at 31.03.2026). No advances were outstanding at the year end. The grant is shown under Earmarked Funds and the accumulated interest of ₹51,66,291.51 forms part of Reserves and Surplus. The Institute is examining with the Ministry of Tourism whether the unutilised balance is to be retained, refunded or merged with the general funds.

5. Figures of the previous year have been regrouped / rearranged wherever necessary to make them comparable with those of the current year.

6. Schedules 1 to 24 are annexed to and form an integral part of the Balance Sheet as at 31.03.2026 and the Income and Expenditure Account for the year ended on that date.

7. No provision for income tax has been made in view of the exemption available under sections 11 and 12 of the Income-tax Act, 1961. The Institute is registered under section 12AB. [Intimations under section 143(1) for AY 2023-24 and AY 2024-25 raising demands of ₹69,94,930/- and ₹13,52,880/-respectively. arising from errors in Form 10B are under rectification / appeal; management, on the basis of professional advice, expects no liability to crystallise and no provision has been made. Income-tax deducted at source of ₹55,81,863 for AY 2023-24 to AY 2026-27 is shown as recoverable (Schedule 11).]

8. Employee benefit obligations and earmarked funds – position at 31.03.2026

(a) The balances of earmarked funds and provisions and the investments identified against them are:

Fund / provision	***Balance 31.03.2026 (₹)***	***Investment / balance held as on 31.03.2026 (₹)***
Provision for Gratuity	3,84,88,033.58	2,84,12,840.17 (LIC Group Gratuity)
GSCA Pension Scheme Fund	13,11,91,441.49	12,18,37,046.56 (LIC GSCA)
Encashment of Leave Fund and Provision for Leave Encashment	1,70,93,322.23	1,05,92,518.74(Canara Bank FDR incl. accrued interest)
Depreciation Fund	1,52,31,964.39	3,20,97,288.37 (Canara Bank FDR incl. accrued interest)
Hostel Fund	7,47,926.88	27,12,041 (Canara Bank FDR incl. accrued interest)

House Building / Conveyance Grant	7,01,000.00(grant)	57,40,157.51 (Canara Bank FDR)
Scholarship Fund and Donation / Endowment Scholarship Fund	15,93,075.23	14,64,252 (Canara Bank FDR, accrued interest and bank balance)

(b) Gratuity: The Institute has obtained from LIC an actuarial valuation of the gratuity obligation as at 31.03.2026 in accordance with AS-15 (Revised). The present value of the defined benefit obligation is ₹2,85,84,071 and the fair value of plan assets held with LIC under the Group Gratuity Cash Accumulation Scheme is ₹2,74,12,840, leaving a net unfunded obligation of ₹11,71,231. The provision for gratuity carried in the books, ₹3,84,88,033.58, computed under the CCS rules, exceeds the actuarial obligation by ₹99,03,962.58. The Institute has retained the provision at the book figure during the year and will align it with the actuarial valuation in FY 2026-27 after valuation of all defined benefit obligations is completed. The LIC Group Gratuity policy can be surrendered at any time without surrender charges.

(C)Pension: The pension obligation for employees who joined on or before 31.12.2003 has been actuarially valued by LIC as at 31.03.2026. The present value of the obligation is ₹13,11,91,441 and the fund balance held with LIC under the Group Superannuation Cash Accumulation Scheme is ₹12,18,37,046.56, leaving a net unfunded obligation of ₹93,54,394.44. The provision carried in the books (GSCA Pension Scheme Fund ₹11,33,12,324.49 and Additional Provision for Pension ₹1,78,79,117) aggregates ₹13,11,91,441.49 and agrees with the actuarial obligation. The Additional Provision, created in earlier years to cover the unfunded portion, is being drawn down as pension is paid (₹2,34,97,883 during the year) and no fresh provision was required during the year; the unfunded balance will be funded through contributions to the LIC scheme in FY 2026-27. The GSCA policy can be surrendered at any time.

(d) Interest earned on investments of the GSCA Pension Fund, the Depreciation Fund and the Encashment of Leave Fund has been credited directly to the respective funds during the year (Schedule 3). Interest on the investments of the Hostel Fund and the House Building / Conveyance Fund and on the LIC Group Gratuity policy continues to be credited to the Income and Expenditure Account , which accounts for the excess of investments over the balances of these funds. The transfer of accumulated interest from Reserves and Surplus to the respective funds contemplated in the previous year's notes has not been carried out and is under consideration of the Managing Committee. This is a matter of classification within funds and reserves and does not affect the total net assets.

(e) A fixed deposit of ₹15,98,766 (including accrued interest) representing the Scholarship and Endowment Funds was encashed during the year for disbursement of scholarships, of which ₹49,748 was disbursed. The unutilised balance was held in the Institute's current account at 31.03.2026, and ₹12,14,274 was reinvested in a fresh fixed deposit with Canara Bank on 06.04.2026. The proceeds of two further matured deposits, ₹1,10,386/- and ₹2,24,356/- in aggregate, continue to be held in the Institute's bank account, as the donors concerned have instructed that no fresh deposits be made and that the entire balance be disbursed as scholarships; the manner and timing of disbursement is yet to be decided by the Managing Committee.

9. Prior period items: Expenditure of ₹3,54,883 relating to earlier years is included in Schedule 21 as prior period expenses.[towards supply of training material of ₹ 54883 and to village panchayat toward dry garbage collection of ₹ 3,00,000]

10. Sundry creditors, deposits and advances are subject to confirmation and reconciliation. Amounts recoverable from the Ministry of Tourism under the CBSP and Assistance to IHMs

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House Building / Conveyance Grant	7,01,000.00(grant)	57,40,157.51 (Canara Bank FDR)
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schemes (Schedule 11) aggregating ₹16,44,416 have been outstanding for more than three years; management is confident of recovery and no provision has been made.

11. Financial and operational highlights for the year 2025-26

(a) Investments: Investments under earmarked funds at 31.03.2026 are set out in Note 8(a) and Schedule 9. The Institute has also invested ₹18,09,42,559.24 in fixed / term deposits with Canara Bank, State Bank of India and ICICI Bank (Schedule 10), on which interest of ₹1,18,72,736 (including ₹3,69,657 on House Building / Conveyance Account deposits) has been earned during the year.

(b) Government grants: No grants were received during FY 2025-26. Expenditure incurred from the Institute's own funds on Ministry of Tourism programmes, reimbursement of which is awaited, is shown as recoverable in Schedule 11: CBSP Scheme – Mid-Day Meal Scheme ₹1,76,788; Skill Testing and Certification ₹97,746; Tourism Awareness Programme at iconic places ₹1,04,625; Hunar Se Rozgar Tak ₹12,577; Entrepreneurship Programme ₹7,531. Assistance to IHMs / FCIs Scheme – Extension and Renovation of Computer Lab ₹11,29,417; Renovation and Alteration of Girls' Common Room and Locker Room ₹1,15,732. Swachhata Action Plan expenditure reimbursable from the Ministry: ₹3,30,706.

(c) Gratuity and pension: Provision for gratuity under the CCS (Pension) Rules, 1972 stands at ₹3,84,88,033.58 at 31.03.2026, against which ₹2,84,12,840.17 is invested with LIC under the Group Gratuity Cash Accumulation Scheme. Provision for pension (GSCA Fund and Additional Provision) stands at ₹13,11,91,441.49, against which ₹12,18,37,046.56 is invested with LIC under the Group Superannuation Cash Accumulation Scheme.

(d) Leave encashment: The Encashment of Leave Fund and the Provision for Leave Encashment together stand at ₹1,70,93,322.23 at 31.03.2026, against which ₹1,03,21,357.63 (plus accrued interest ₹2,71,161.12) is held in term deposits with Canara Bank.

12. Contingent liabilities: [Income-tax demands under rectification / appeal as stated in Note 7; claims against the Institute not acknowledged as debts: Nil (previous year Nil).]

For Institute of Hotel Management, Catering Technology & Applied Nutrition – Goa

(Pooja Shetgaonkar)
Administrative cum Accounts Officer

(Donna D'Souza)
Principal / Secretary

Place: Porvorim – Goa

Date: 21.09.2026

AS PER OUR REPORT OF EVEN DATE
For Venkatesh Shenai and Associates
Chartered Accountants,
FRN 135678W

(CA Sailee Shenai)
Partner
M. No. 611779
UDIN: 26611779QLQFTC3274

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CA Sailee Shenai
M No. 611779
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Place:- Mapusa Goa

Date: 21.09.2026