

Shoolini University of Biotech & Management Sciences
Notes to financial statement for the year ended March 31, 2022
(All amounts in India Rupees, unless otherwise stated)

Schedule - T- Summary of significant accounting policies and Notes to Accounts

1. Background

Shoolini University of Biotech & Management Sciences("University"), Solan, H.P. was established in 2009. The primary objective is to provide for and otherwise promote education and research in the fields of technology, science, humanities, industry, business, agriculture and to collate and disseminate in such fields effective ideas, methods, techniques and information as are likely to promote the material and Industrial welfare of India.

2. Significant Accounting Policies

a) Basis of Accounting

The financial statements of the University have been prepared under the historical cost convention method, on the accrual basis of accounting in accordance with applicable accounting standards issued by the Institute of Chartered Accountants of India.

The University is a "Level II Enterprise" in terms of the Scheme for applicability of Accounting Standards to Small and Medium Sized Enterprises (SMEs), issued by the Council of the Institute of Chartered Accountants of India (the 'Scheme'). This Scheme is effective in respect of accounting periods commencing on or after April 1, 2008. Pursuant to the exemptions/relaxations for SMEs as contained in the Scheme, the Accounting Standards (ASs) mentioned below are not applicable to the University for the current year:

- AS 3 – Cash Flow Statement,
- AS 17 – Segment Reporting,
- AS 20 – Earning Per Share,
- AS 21 – Consolidated Financial Statements,
- AS 23 – Accounting for Investments in Associates in Consolidated Financial Statements,
- AS 25 – Interim Financial Reporting, and
- AS 27 – Financial Reporting of Interests in Joint Ventures.

Further, certain disclosure requirements with respect to the following Accounting Standards are also not applicable to the University for the current year:

- AS 15 (Revised) – Employees Benefits,
- AS 19 – Leases,
- AS 28 – Impairment of Assets, and
- AS 29 – Provisions, Contingent Liabilities and Contingent Assets.

Accordingly, the University is not required to disclose certain information in these financial statements pursuant to the above exemptions/relaxations.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.



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c) Fixed Assets

- (i) Fixed Assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition for the intended use. The Borrowing Costs is capitalised to the value of Qualified Asset in accordance with AS 16 "Borrowing Costs"
- (ii) Depreciation on fixed assets has been charged on straight line method on the following rates as below:

Category	Details of Block of Asset	Depreciation Rate %
Building	Buildings	1.58%
Plant and Machinery	Computers	31.67%
	Office Equipment	19%
	Computer Software Network	15.83%
	Equipment	9.5%
	Books	11.88%
	Plant & Machinery	6.33%
Furniture & Fixtures	Furniture & Fixtures	11.88%
Vehicle	Car/Bus	15.83%
Intangible Assets	Patents	25%

d) Revenue Recognition

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

- (i) *Tuition and Hostel Fee*
 Revenue from tuition and hostel fee is recognized on the due date of fees due from student at the start of semester and apportioned over the period of the semester to which they relate.
- (ii) *Admission Fees and Fees from Prospectus*
 Admission fees are non-refundable. Such amounts are recognized as income as and when received.
- (iii) *Examination Fees*
 Examination Fees are recognized as Revenue on Completion of Examination for the given course.
- (iv) *Interest*
 Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

e) Retirement Benefits

- i) Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Income and Expenditure Account of the year when the contributions to the respective funds are due.
- ii) Gratuity is a defined benefit obligation and is provided for on the basis of an actuarial valuation on Projected Unit Credit Method made at end of each financial year.



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f) Provisions

A provision is recognised when the University 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.

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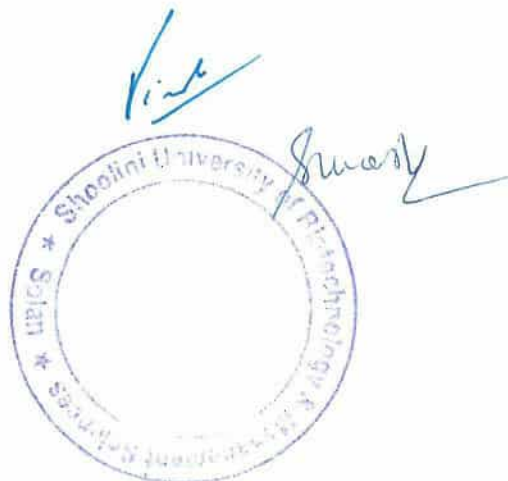
Notes to Accounts

1. Based on information available with the University, there are no dues to micro and small enterprises, as defined in Micro, Small and Medium Enterprises Development Act, 2006 as on March 31, 2022.

2. Related Party Disclosures

In accordance with Accounting Standard (AS)-18 on "Related Party Disclosures", issued by the Institute of Chartered Accountants of India, disclosures in respect of transactions with the University's related parties are as follows:

Name of the Related Party	Relationship
Mr. Ashok Anand	Member of the University
Mr. Satish Anand	Member of the University
M/s Ashok Kumar & Sons	Member of the University
M/s Satish Kumar & Sons	Member of the University
Mr. Vishal Anand	Member of the University
Mrs. Manorama Anand	Relative of the Member of the University
Mrs. Rita Anand	Relative of the Member of the University
Mrs. Sudesh Kumari	Relative of the Member of the University
Mr. Ramesh K Mehan	Relative of the Member of the University
Mr. Ashish Khosla	Relative of the Member of the University
Mrs. Saroj Khosla	Relative of the Member of the University
Mr. Atul Khosla	Relative of the Member of the University
Mr. Gagan Anand	Relative of the Member of the University
Prof P K Khosla	Relative of the Member of the University
M/s Aaddoo Softech Private Limited	Members of the University are Directors
M/s Satish Anand & Others	Members of the University are Partners
M/s SILB Consultancy	Members of the University are Partners
Mrs. Shivani Anand	Relative of the Member of the University
Mr. Ashu Khosla	Relative of the Member of the University
M/s Shoolini Life Science Private Limited	Members of the University are Directors



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2 (a) Related Party Transactions During the year

Name of the Related Party	During the year Ended	Interest on Unsecured Loans	Rent Expense	Staff Payments and Benefits	IT Repair and Maintenance	Reimbursement of Expenses
Mr Ashok Anand	31 March 2022	2,03,844	-	32,37,720	-	-
	31 March 2021	2,03,844	-	17,97,720	-	-
Mr. Satish Anand	31 March 2022	1,20,001	-	32,37,720	-	-
	31 March 2021	1,19,997	-	17,97,720	-	-
M/s Ashok Kumar & Sons	31 March 2022	-	5,45,160	-	-	-
	31 March 2021	-	3,29,369	-	-	-
M/s Satish Kumar & Sons	31 March 2022	-	5,45,160	-	-	-
	31 March 2021	-	3,29,369	-	-	-
Mr Vishal Anand	31 March 2022	-	-	19,48,572	-	-
	31 March 2021	-	-	17,57,731	-	3,82,686
Mrs Manorama Anand	31 March 2022	-	-	6,74,160	-	-
	31 March 2021	-	-	6,74,160	-	-
Mrs Rita Anand	31 March 2022	-	-	6,74,160	-	-
	31 March 2021	-	-	6,74,160	-	-
Mr Ashish Khosla	31 March 2022	-	-	60,00,000	-	-
	31 March 2021	26,832	-	60,00,000	-	-
Mrs Saroj Khosla	31 March 2022	5,99,997	-	50,18,884	-	-
	31 March 2021	2,02,593	-	41,76,544	-	-
Mr Atul Khosla	31 March 2022	-	-	73,21,720	-	-
	31 March 2021	1,68,679	-	62,01,720	-	1,01,965
Prof P K Khosla	31 March 2022	-	-	84,89,440	-	-
	31 March 2021	12,722	-	77,85,990	-	-
M/s Aaddoo Softech Private Limited	31 March 2022	-	-	-	17,00,000	-
	31 March 2021	-	-	-	17,00,000	-
M/s Satish Anand & Others	31 March 2022	-	49,50,000	-	-	-
	31 March 2021	-	-	-	-	-
Mr. Ashu Khosla	31 March 2022	-	34,74,000	62,96,640	-	-
	31 March 2021	-	7,12,250	26,96,640	-	-



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2 (b) Related Party Transactions (Continued)

Name of the Related Party	Balance As on	Capital Advance	Loans and Advances	Unsecured Loan
Mr Ashok Anand	31 March 2022	33,13,000	-	16,98,702
	31 March 2021	28,00,000	-	17,14,710
Mr. Satish Anand	31 March 2022	38,13,000	-	9,99,998
	31 March 2021	33,00,000	-	10,09,426
Mr Mehan	31 March 2022	-	-	99,51,661
	31 March 2021	-	-	99,51,661
Mrs Saroj Khosla	31 March 2022	-	-	56,99,992
	31 March 2021	-	-	57,47,136
Mr Atul Khosla	31 March 2022	16,74,155	-	-
	31 March 2021	16,74,155	-	-
Prof P K Khosla	31 March 2022	-	-	28,00,000
	31 March 2021	-	-	28,00,000
M/s Aaddoo Softech Private Limited	31 March 2022	-	61,55,000	-
	31 March 2021	-	41,55,000	-
M/s Satish Anand & Others	31 March 2022	1,28,39,709	19,44,064	-
	31 March 2021	1,28,39,709	20,30,000	-
M/s SILB Consultancy	31 March 2022	-	10,00,000	-
	31 March 2021	-	-	-
Mrs Shivani Anand	31 March 2022	9,00,000	12,000	-
	31 March 2021	9,00,000	-	-
Mr. Ashu Khosla	31 March 2022	10,26,000	3,54,578	-
	31 March 2021	-	-	-
M/s Shoolini Life Science Private Limited	31 March 2022	-	74,60,000	-
	31 March 2021	-	92,60,000	-



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3. The income of the University is exempt under Section 10(23C) (vi) of the Income Tax Act, 1961, accordingly no provision for income tax has been considered and no deferred tax asset/liability has been created.

4. Employees Benefits

The University has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (last drawn salary) for each completed year of service. The scheme is unfunded.

The following tables summarize the components of net benefit expense recognized in the Income and Expenditure Account and amounts recognized in the balance sheet for the respective plans.

Income and Expenditure Account	Year Ended
Net Employee Benefit Expense (Recognized in Employee Cost)	March 31, 2022
Current service cost	-
Initial Contribution (Refer Note:7)	-
Actuarial Gain/(Loss)	49,29,967
Net Benefit Expense	49,29,967

Balance Sheet	
Details of Provision for Gratuity	Year Ended
	March 31, 2022
Opening balance Defined Benefit Obligation	5,23,09,118
Benefit paid	(7,70,314)
Actuarial Gain	(49,29,967)
Closing balance Defined Benefit Obligation	4,66,08,837
Fair Value of Plan Assets	-
	46,608,837
Less: Unrecognized past service cost	-
Plan (Liability)	46,608,837

The principal assumptions used in determining gratuity for the University plans are shown below:

Particulars	March 31, 2022
Discount rate	7 %
Future Salary increase rate	7 %
No of Employees	472
Employee attrition rate	1.5%

5. The University receives tuition fees from the students for Semester I and II ranging from January to June and July to December respectively for each calendar year. Accordingly, to align the accounting year and calendar year, the University has recorded Deferred revenue of Rs. 129,189,629 as on March 31, 2022 and comparative deferred revenue of Rs. 107,822,979 has been recognised and adjusted against opening reserves.
6. Currently the University is maintaining fixed asset register in manual form and is in the process of implementing Physical verification programme for fixed assets and its reconciliation with the books of accounts.



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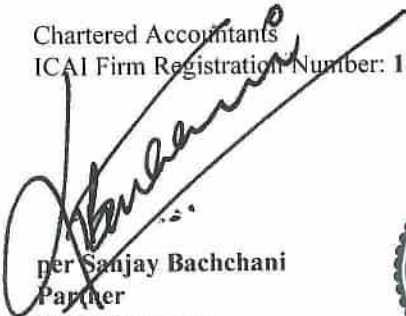
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7. During the year the University has performed detailed assessment for estimation of provision for gratuity and recorded a liability of Rs. 46,608,837 as on March 31,2022 (March 31,2021: Rs. 52,309,118) basis the valuation report received from actuary.
8. The University is recovering 1% of tuition fee received from the students. which is payable to Himachal Pradesh Private Educational Institutions Regulatory Commission (HPERC) as per the Himachal Pradesh Private Educational Institutions (Regulatory Commission) Act,2010 ('the Act) and the rules made thereunder.

During FY 2013-14, Himachal Pradesh Private Universities Management Association had filed writ petition in Hon'ble High Court of Himachal Pradesh for a declaration that the Act are ultra vires the Constitution of India and should be quashed accordingly. The Hon'ble High Court allowed the writ petition and had consequently declared that the assessment orders, circulars, notices issued are without authority of law and quashed the same. Neither of the affected parties have pursued the above matter before any higher authorities since then. The University has created the liability for the abovesaid charges recovered from the students of Rs. 2,89,21,402 and would discharge this as and when there is more clarifications are issued by government.
9. Previous year's figures have been regrouped and reclassified where necessary to conform to current year's classification.

For S. R. Batliboi & Associates LLP


Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004



per Sanjay Bachchani
Partner
Place : Gurugram
Date: September 30,2022



For and on behalf of the Board of Governors

Shoolini University of Biotech & Management Sciences


Vishal Arand
Treasurer
Place: Solan
Date: September 30,2022


Saroj Khosla
President
Place: Solan
Date: September 30,2022

