

**MAHATMA GANDHI UNIVERSITY  
KOTTAYAM**

**Explanatory Memorandum to the Budget Estimates 2016-17**

**Introduction**

The Annual Financial Estimates or the Budget as it is usually called is a statement of the estimated receipts and expenditure of the university prepared by the syndicate and presented to H.E. the Chancellor for approval as per section 48, clause (1) and (2) of Mahatma Gandhi University Act 1985. The statement covers all transactions of the University during the immediately previous, current and ensuing year. The Budget is divided in to four parts.

**Non-Plan:** Deals with the receipts and expenditure connected with the normal functions of the University.

**Plan:** Deals with the receipts and expenditure of the developmental activities of the University out of plan provision.

**Earmarked & NSS:** Deals with the receipts and expenditure against funds earmarked for specific purposes and activities of NSS

**Debts and Deposits:** Comprises transaction in respect of which the University incurs a liability to repay the money received or requires a claim to cover the amount paid together with the repayments of the former and recoveries of the latter.

**General Review of Finance**

In this part reviewed general financial position of the University for the period from 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017.

**BUDGET AT A GLANCE 2016-17**

Opening balance : **522149524**

Particulars	Receipts	Expenditure
Non-Plan	2435419060	3291239650
Plan	442500000	1190082500
NSS and Earmarked Funds	948978500	948978500
Debts and Deposits	634770000	634770000
<b>TOTAL</b>	<b>4461667560</b>	<b>6065070650</b>

Closing balance : **-1081253566**

**BUDGET ESTIMATES 2016-17**

**ABSTRACT OF RECEIPTS (NON-PLAN)**

Particulars	Accounts 2014-15	Budget Estimates 2015-16	Revised Estimates 2015-16	Budget Estimates 2016-17
GRANTS FROM STATE GOVERNMENT	718200000	1100000000	861840000	1300000000
GENERAL RECEIPTS	453745490	252074000	252074000	290793000
EXAMINATIONS	29053078	298137000	298137000	283677000
ACADEMIC DEPARTMENTS AND CENTRES	916325	10969800	10969800	10874800
OTHER DEPARTMENTS	7671794	19876000	19876000	17536000
SELF FINANCING INSTITUTIONS INCLUDING INTEREST ON FIXED DEPOSITS	376571561	541356600	541356600	532538260
<b>Total</b>	<b>1586158248</b>	<b>2222413400</b>	<b>1984253400</b>	<b>2435419060</b>

**ABSTRACT OF EXPENDITURE (NON-PLAN)**

Particulars	Accounts 2014-15	Budget Estimates 2015-16	Revised Estimates 2015-16	Budget Estimates 2016-17
GENERAL & ADMINISTRATION	51577692	180355000	161501356	189755000
SALARIES AND ALLOWANCES	883880629	1333980000	1153980000	1516230000
PENSION/RETIREMENT BENEFITS	264488984	410000000	405000000	500000000
EXAMINATIONS	186060615	381795000	291095000	471470000
ACADEMIC DEPARTMENTS	15722945	42605000	43105000	37545500
ACADEMIC CENTRES	10936296	43134500	43134500	35699750
OTHER DEPARTMENTS	1475598	15619000	15619000	21511000
GRANTS & SCHOLARSHIPS	14956049	60728000	73228000	44245000
HOSTELS	1925998	610000	610000	610000
MISCELLANEOUS	48191824	33420000	33420000	33820000
SELF FINANCING INSTITUTIONS	200188101	441445200	443323200	440353400
<b>Total</b>	<b>1679404731</b>	<b>2943691700</b>	<b>2664016056</b>	<b>3291239650</b>

## **RECEIPTS**

Receipts of the University comprises of internal revenue generated by the University and grants from State Government, Central Government, University Grants Commission and other funding agencies. Internal revenue is broadly classified into General receipts and Examination receipts. State Government grant include both Plan and Non plan grant. Grants received from Central Government, UGC and other funding agencies are mainly Plan grant. Grants received for a particular project or for specific purpose are shown as Earmarked Funds. The estimate of Receipts is based on the actual figures of the previous years and expected increase due to increase in various activities.

### **The Internal revenue**

The internal revenue of the University comprises mainly of fees collected from the students for examination and other services rendered by the University and interest accrued on Deposits of the University. The University alone could not take a decision to enhance the fee structure which necessitates the University to depend on State Government grants to bridge the wide gap between income and expenditure.

### **Explanation for variation**

Expected State Govt. Grant for 2015-16 was Rs. 110.00 crores but materialized only Rs. 86.18 crores resulting in a shortfall of Rs. 23.82 crores. Increase in salary and other contingent expenditure has augmented the receipt-expenditure gap.

During 2016-17, a sum of Rs. 151 crores is provided to meet the Salary and other allowances of the Teaching and Non-Teaching staff of the University. This provision covers the lion's share of the Budget provision for Non-Plan Expenditure. The prime source of revenue of the University is the grants from State Government which is insufficient to meet the actual requirement. Therefore, we may initiate urgent steps to enhance the Non-Plan Grant from the State Government. During the year 2016-17, we expect an amount of Rs. 130 crores as Non-plan grant from the Government

### **General Administration**

The expenditure on account of pay and allowances of officers and establishment of the University (other than examination branch) and other working expenses of the university office are booked under this head of account. Travelling Allowance of the University authorities and all expenditure connected with the conduct of election to various academic bodies are accounted under this major

head. The enhancement and increase in TA/DA rates, Dearness Allowance, incremental expenditure, etc. are the main contributory factors for variations.

Economy measures adopted by the State Government are being followed in the University and it will continue in the coming year. Ceiling in telephone charges, fuel consumption, TA etc. will also be continued. Efforts are taken to tap the resources and minimize the expenditure on Non-plan side.

### **Commitment on Pension**

Year after year the University is facing huge liability on the pension side. The monthly pensionary benefits currently form the second large outgo from the exchequer next to salaries and allowances. The no. of pensioners is increasing year by year. The lion share of the internal revenue is utilized for disbursing salary and pensionary benefits. The pension commitment for the year 2016-17 is estimated as 50 crores. An amount of Rs. 10 crores is set apart for Pension Reserve Fund in the Plan sector.

### **Examination**

The Expenditure on account of pay and allowances of officers and establishment of Examination branch of the University and other overheads for the conduct of University examinations are charged to this head. Substantial increase in expenditure is anticipated under various heads of examination contingencies due to the increase in the number of CV camps, enhancement and increase in TA/DA rates, cost of paper, stationery items, service postage etc. Computerization of tabulation, semesterisation of degree and postgraduate courses and the introduction of credit and semester system has increased the expenditure on this side. There has been a considerable increase in the expenditure for the conduct of examination due to hike in costs and rates. Also, the conduct of CV camps, which was introduced for the speedy publication of results, plays a vital role in enhancing the examination expenditure.

### **Academic Departments**

Pay and allowances of University teachers at UGC scale of pay, staff and other contingent expenditure of University teaching departments are booked under this head. Increase in DA rates, cost of chemicals and other contingent items are major reasons for variations. UGC pay revision to teachers has been implemented but no special assistance is obtained from the Government so far for its implementation.

### **Other Departments**

Pay and allowances of staff and other expenditure of the University Non-teaching departments like DSS and Library etc. are booked under this head.

## Grants and Scholarships

The estimated expenditure towards Grants and Scholarships is to the tune of Rs. 4.42 crores during the current year.

## Miscellaneous

A total expenditure of Rs.3.38 crores is estimated under this major head.

We expect Rs.44.25 crores as Plan Grant out of which Rs. 23.75 crores from the State Government assistance, a sum of Rs. 3 crores is expected from the UGC.

### ABSTRACT OF RECEIPTS (PLAN)

Particulars	Accounts 2014-15	Budget Estimates 2015-16	Revised Estimates 2015-16	Budget Estimates 2016-17
GRANTS FROM STATE GOVERNMENT	215000000	300000000	220000000	237500000
ASSISTANCE FROM UNIVERSITY GRANTS COMMISSION	30000000	200000000	55000000	30000000
ASSISTANCE FROM RASHTRIYA UCHCHATAR SHIKSHA ABHIYAN (RUSA)			25000000	175000000
<b>Total</b>	<b>245000000</b>	<b>500000000</b>	<b>300000000</b>	<b>442500000</b>

### ABSTRACT OF EXPENDITURE (PLAN)

Particulars	Accounts 2014-15	Budget Estimates 2015-16	Revised Estimates 2015-16	Budget Estimates 2016-17
GENERAL & ADMINISTRATION	30861203	323890000	321490000	64591000
ACADEMIC DEPARTMENTS	30989329	216487000	123612000	142072000
ACADEMIC CENTRES	15849243	267300000	54300000	189284500
OTHER DEPARTMENTS	119049027	470512000	209422000	479645000
SCHEMES UNDER UNIVERSITY GRANTS COMMISSION	30000000	200000000	200000000	30000000
SELF FINANCING INSTITUTIONS	154659135	427215000	427215000	109490000
ASSISTANCE FROM RASHTRIYA UCHCHATAR SHIKSHA ABHIYAN (RUSA)			25000000	175000000
<b>Total</b>	<b>381291445</b>	<b>1905404000</b>	<b>1361039000</b>	<b>1190082500</b>

## **GENERAL ADMINISTRATION**

As part of the austerity measures, we envisage some reduction in the purchase of fixed assets.

### **Academic departments**

University's share as well as that of UGC is put together under the provision for capital expenditure of each department. Hence, the actual expenditure may have to be restricted in accordance with the receipt of grants from UGC and State Government.

### **Constructions works/Infrastructure Development**

Major projects envisaged during 2016-17 are construction of buildings for Convergence Academia Complex , Pareekshabhavan and School of Tourism Studies.

### **Earmarked funds & NSS funds**

Under this part, we expect funds from NSS/ UGC /CSIR /DAE /DS&T /GOI /NIS /AIU /State Government and other external bodies for specific purposes and it is to be utilized for the same purposes. A sum of Rs. 94.89 crores is expected to be received and expended under this part.

### **Debts and Deposits**

Recoveries of loans and advances, subscription to PF, GIS, LIC etc. are the major components of receipts under this head. The provisions for PF, GIS, FBS and Income Tax have been enhanced in this budget to meet the anticipated expenditure. A sum of Rs. 63.47 crores is estimated under this head.

### **Limitations of the Budget**

The prime source of revenue of the University is the grants from State Government. The Non-Plan and Plan allotments are fixed after the university budget and as such, there is a possibility of widening the gap between anticipated grant actual allotments of grant. Hence, we have to adjust this mismatch/deficit by proper regulation of expenditure and by increasing the internal revenue.



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