



केन्द्रीयविद्यालयसंगठन) मु./  
Kendriya Vidyalaya Sangathan (HQ)  
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F. No. 110116/2014-15/AA(i)/KVS/Acctts

Date : 08.12.2021

Deputy Commissioner/Director  
All Regional Offices/ZIETs  
Kendriya Vidyalaya Sangathan

Subject :- Providing of 100% depreciation on Small Value Assets –reg.

Madam/Sir,

With reference to the subject cited above, it is stated that while certifying the Annual Accounts of KVS for the year 2020-21, the C&AG has made the following observations in Separate Audit Report of KVS for the year 2020-21.

“As per Notes & Instruction for compilation of Financial Statements of Central Education Institutions prescribed by Ministry of Education (Shiksha Mantralaya), Assets, the individual value of each of which is Rs. 2000 or less (except Library Books) are treated as Small Value Assets, 100% depreciation should be provided in respect of such assets at the time of their acquisition. However physical accounting and control are continued by the holders of such assets. KVS has not shown separately assets costing less than of Rs 2000/- under Small Value Assets which required to be depreciated at 100%. This has resulted in overstatement of Fixed Assets to that extent.”

Keeping in view the above said observations, it has been decided that from the Financial Year 2021-22, all the KVs/units shall provide 100% depreciation on Small Value Assets (except Library Books) in the year of purchase itself. In other words, depreciation is not required to be calculated on such fixed assets, the individual value of which is up to Rs. 2000. The expenditure incurred on such assets needs to be booked under ‘Revenue Expenditure’ which will form part of Income and Expenditure Account.

It is further stated that ‘Significant Accounting Policies’ relating to Fixed Assets and Depreciation as shown at serial number 4 in Schedule 23 of Annual Accounts has also been modified to this extent. The existing ‘Significant Accounting Policies’ relating

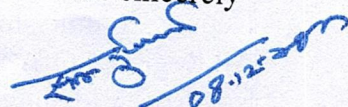


to Fixed Assets and Depreciation mentioned at serial number 4 of Schedule-23 needs to be replaced with the modified 'Significant Accounting Policies' annexed with this letter..

The contents of this letter may be circulated for necessary compliance by all the KVs/units under your jurisdiction. All the Deputy Commissioners/Directors should ensure that Annual Accounts from the financial year 2021-22 onwards have been prepared as per the aforesaid notes and instructions.

Encl : As above

Yours sincerely



(S.N Gulia)

Joint Commissioner (Fin.)



4 Depreciation has been provided on the fixed assets in conformity with the principals laid down in Accounting Standard-6 issued by the Institute of Chartered Accountants of India. Written Down Value Method of Depreciation has been applied uniformly on all the fixed assets, except Small Value Assets, having usable life of more than one year. The rate applied for Written Down Value Method for various groups of assets as approved by Board of Governors, KVS are as mentioned below :

Item	Rate
Building	10
Furniture & Fixtures	10
Library Books	10
Office Equipments	15
Vehicles	15
Computer/Peripherals/Computer Software	20
Hostel Equipments	10
Games & Estates	10
Other Fixed Assets	10

The depreciation provided in respect of each item of depreciable assets except Small Value Assets, to the extent of 95% of original cost/book value of the depreciable assets keeping residual value to an extent of 5% of the assets. Where during any financial year, addition has been made to assets; the depreciation of such assets is calculated for full financial year irrespective of the date of such addition. Where any asset has been discarded/demolished/destroyed i.e. written off during the year, the original cost of the assets and its accumulated depreciation is written off at the end of the financial year irrespective of the date on which such asset is discarded/demolished/destroyed or written off. The depreciation has been charged on the cost value of the assets. Assets received as gifts are also subject to depreciation after the depiction of face/depreciated value in the Balance Sheet.

Assets, the individual value of each of which is Rs. 2000 or less (except Library Books) are treated as Small Value Assets, 100% depreciation is provided in respect of such assets at the time of their acquisition. However physical accounting and control are continued by the holders of such assets