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भारतीय लेखा तथा लेखा-परीक्षा विभाग
महा निदेशक, लेखा-परीक्षा का कार्यालय,
केन्द्रीय, कोलकाता

INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE DIRECTOR GENERAL OF AUDIT,
CENTRAL, KOLKATA.



No: OA II (AB)/AR/2017-18/NITD / 610

Date: 22.03.2019

A copy of the Separate Audit Report alongwith Annexure on the accounts of the **National Institute of Technology** for the year 2017-18 is forwarded to the **Director, National Institute of Technology, Mahatma Gandhi Avenue, Durgapur-713209** for information and necessary action.

Arrangement may please be made for preparation of Hindi Version of the Separate Audit Report with Annexure at your end and sending the same directly to the Ministry.

It may please be ensured that the Audited Accounts and the Separate Audit Report along with Annexure are placed before the apex body for consideration and adoption before the same are sent to the Government for being placed in Parliament.

Two copies of the printed Annual Report for the year 2017-18 (both English and Hindi Version) containing the Audited Accounts and the Separate Audit Report along with Annexure, as laid before Parliament, may please be forwarded to this Office for necessary action at this end.

Encl.: As stated

22/3/19
Director (Inspection)

1) DR (FSA)
2) AR (Aadil)

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जि. आई. प्रेस विल्डिंग, 8 किरण शंकर राय रोड (1म मंजिल), कोलकाता-700001
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Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of National Institute of Technology, Durgapur for the year ended 31 March 2018

We have audited the attached Balance Sheet of National Institute of Technology, Durgapur, as at 31 March 2018, the Income and Expenditure account and Receipts and Payments Account for the year ended on that date under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 read with Section 22(2) of the National Institute of Technology Act, 2007. These financial statements are the responsibility of the Institute's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This Separate Audit Report contains the comments of the Comptroller and Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Law, Rules and Regulations (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any, are reported through Inspection Reports/CAG's Audit Reports separately.

3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by

the management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. Based on our audit, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. The Balance Sheet and Income and Expenditure Account/ Receipt and Payment Account dealt by this Report have neither been drawn in the Uniform Format of Accounts approved by the Ministry of Finance nor in the revised Format of Accounts prescribed by Ministry of Human Resource Development, Government of India for Central Educational Institutions.
 - iii. In our opinion, proper books of accounts and other relevant records have been maintained by the National Institute of Technology as required under Section 22(2) of the National Institute of Technology Act, 2007 in so far as it appears from our examination of such books.
 - iv. We further report that

Comments on Accounts

A Balance Sheet

1.1 Liabilities

1.1.1 Corpus/Capital Fund (Schedule-1): ₹68.99 crore

The above head included ₹3.19 crore towards Reserve Funds (Capital, General and Special). The existence or creation of such funds was a deviation from Format of Account prescribed by MHRD.

1.2 Assets

1.2.1 Capital Work-in-Progress (Schedule-4): ₹213.05 crore

a) The above head was overstated by ₹73.44 crore due to inclusion of works completed between March 2014 and April 2017 and put to use. The impact of the depreciation due to non-capitalization of buildings worth ₹73.44 crore @ 2 per cent depreciation was ₹2.17 crore. This resulted in overstatement of Capital work in progress by Rs. 73.44 crore, understatement of Buildings by Rs.71.27 crore and understatement of expenditure by Rs. 2.17 crore.

b) The above head was overstated by ₹14.34 crore due to inclusion of advance provided to Central Public Works Department, resulting in understatement of Loans, Advance and Deposit (Schedule-8) by ₹ 14.34 crore.

1.2.2 Current Assets (Schedule-7): ₹145.62 crore

The above head was overstated by ₹70 lakh due to inaction of Institute to set right the cash at bank (1A/SBI) as follows:

a) Overstated by ₹1.17 crore due to non-acceptance of 17 deposits by bank during the years 2008-15 resulting understatement of Receivable account (Loans, Advances and Deposits/Schedule-8) to the same extent.

b) Understated by ₹5 lakh due to inclusion of four expired cheques leading understatement of Current Liabilities and Provisions (Schedule-3) by ₹5 lakh.

c) Understated by ₹77 lakh due to non-inclusion of credit made by bank in 149 cases till February 2018 leading understatement of Current Liabilities and Provisions (Schedule-3) to the same extent.

d) Overstated by ₹35 lakh due to non-inclusion of deduction made by bank during the years 2009-18, resulting in overstatement of Capital/Corpus Fund (Schedule-1) to the same extent.

1.2.3 Loans, Advances and Deposits (Schedule-8): ₹8.10 crore

The above head was understated by ₹16.10 lakh due to the following:

a) Understated by ₹10 lakh due to non-inclusion of insurance premium for the year 2018-19 under Prepaid expenses instead of that the amount was charged as revenue expenditure (Administrative and General Expenses/Schedule-17), resulting in understatement of Corpus/Capital Fund (Schedule-1) by ₹10 lakh.

b) Understated by ₹6.10 lakh due to non-inclusion of value of Library resources for the year 2018-19 as Prepaid Expenses, resulting in overstatement of Fixed Assets (Schedule-4) by 6.10 lakh.

B General

2.1 Other Income (Schedule-13): ₹2.67 crore

The above head was understated by ₹22.62 lakh due to non-inclusion of interest income and crediting the same directly to Capital Fund, resulting in overstatement of Excess of Expenditure over Income by ₹22.62 lakh.

2.2 In a departure from Format of Account prescribed by MHRD, Institute adopted Accounting Policy No. 6 treating entire capital grants of ₹91.93 crore as capital receipts instead of capital grant to the extent utilised for capital expenditure as capital receipts under Corpus/Capital Fund (Schedule-1) and balance as Unspent Grants under Current Liabilities and Provisions (Schedule-3).

