

**Action Taken Note on Separate Audit Report of the Comptroller & Auditor General of India on the accounts of National Institute of Design, Assam (NIDJ) for the year ended 31<sup>st</sup> March 2023**

SAR No.	Observation	Action Taken Note
A.1	<p>Balance Sheet</p> <p>Current Liabilities (Schedule -5) -Rs. 1,58,48,390.92</p> <p>Income &amp; Expenditure (Schedule -9) – Rs.5,01,94,350.07</p> <p>Current Liabilities includes an amount of Rs. 30,010.00 against "B. Des Batch III 2021-22 (out)" under sub head Sundry Credit balance.</p> <p>The above amount was paid in Sept. 2021 by an applicant as non-refundable token fees for confirming her seat in B. Des. course. However, the said candidate did not take admission at National Institute of Design (NIDJ) Assam.</p> <p>In view of the above, no liability is required against the fee because it was non-refundable and the same should have been transferred to "Other Income".</p> <p>Due to non-adjustment of the same, current liabilities are overstated and other income is understated by Rs. 30,010.00 each.</p>	<p>Observation raised in the SAR has been noted.</p> <p>Though compliance of the same was planned in the books of Accounts of the Institute for the FY 2023-24 but same could not be done due to absence of regular Director. However, compliance of the same will be done in the books of Accounts of the Institute for the FY 2024-25 and will be submitted to the Audit team in their next visit.</p>
A.2	<p><b>Provision for Leave Encashment- Rs. 2.72 lakh</b></p>	<p>Observation raised in the SAR has been noted. The matter of Actuarial valuation has already been initiated by the management</p>

	<p>Scrutiny of the Balance Sheet of NID, Jorhat revealed that an amount of Rs. 2,72,376/- was provided towards Leave Encashment which was only for one employee who had joined NID, Jorhat from another govt. organisation.</p> <p>Thus, the provision for liability towards accumulated Leave Encashment for employees who are presently serving in NID, Jorhat has not been made based on actuarial basis up-to the year end.</p>	<p>and also put up in the Governing Council meeting. The extract of the Minutes along with the Resolution thereof is placed herewith. (Annexure-A)</p>
A.3	<p><b>Fixed assets Rs. 10928.99 Lakh</b></p> <p>The Annual accounts of NID Jorhat for the year 2022-23 shows opening balance of fixed assets as Rs. 9833.99 lakh and closing balance of Rs. 10928.99 lakh. In absence of proper and complete records showing unit rate, quantity, total value, and place/location of these assets, audit could not vouchsafe the classification / categorization of the fixed assets and values there against as stated by NID, Jorhat in its Balance Sheet as at 31.03.2023 as well as the depreciation charged during the year 2022-23 on each group of assets.</p>	<p>Observation from the Audit team is noted. The institute has already processed the communication with NID Ahmedabad and NBCC Ltd to furnish the details of the fixed assets for their proper valuation in the books of NID Assam. (Ref. Annexure B1 &amp; B2)</p>
A.4	<p><b>Land Rs. 10,74,683</b></p> <p>Government of Assam handed over a piece of land measuring about 31 acres at Jorhat to Department of</p>	<p>Observation from the Audit team is noted. The Institute has already received the Land Valuation Document dated 20-06-2024. The value will be taken into account while preparing</p>



	<p>Industrial Policy and Promotion (DIPP), Govt. of India on 16.02.2011 for setting up of National Institute of Design (NIDJ), Jorhat. DIPP handed over the same piece of land to NBCC for construction of campus for NID. Jorhat on 29.10.2015.</p> <p>As per the Annual accounts of NID, Jorhat for the year 2022-23, Rs. 10.75 lakh has been booked as value of land. But, as per record, the said amount actually was the expenditure incurred by NID, Ahmadabad, the Pioneering institute for setting up of NIDJ, Assam, in obtaining possession of land, registration of society etc. The actual value of the land is not included in the above Land value. In absence of the complete documents, actual value of land could not be ascertained by audit.</p>	<p>the Annual Accounts for the FY 2024-25. (Ref. Annexure C)</p>
A.5	<p><b>Current Assets-Rs. 3561.49 Lakh</b></p> <p>National Institute of Design, Jorhat (NIDJ), has undertaken the work of "Construction of Additional Block/rooms for Girls/Boys Hostels along with Playgrounds at NIDJ Assam campus". In this regard, a grant of Rs.2534 lakh was received. As per the MoU signed with NBCC (contractor), first installment (33-1/3 % of the estimated cost) as interest free advance had to be deposited to</p>	<p>Observation from the Audit team is noted and necessary rectification entries has been passed in the Books of Accounts of NID Assam for the year 2023-24.</p>

	<p>NBCC. After submission of the utilization certificate of at least 70% of the first installment, second installment was to be released.</p> <p>Scrutiny of the Annual Accounts of NID Jorhat reveals that an amount of Rs.8.35 crore was deposited to NBCC as advance during the year 2022-23 and it was booked in the CWIP. It was also seen that NBCC submitted utilisation certificate to NID, Jorhat for an amount of Rs. 6.54 crore.</p> <p>Therefore, Rs.6.54 crore should have been booked in the CWIP and Rs. 1.81 crore booked as advance and classified as a Current Asset. Thus, CWIP is overstated and current asset is understated by Rs.1.81 crore.</p>	
B.1	<p><b><u>Notes forming part of accounts (Schedule-17)</u></b></p> <p><b>Annexure A-Estimated amount of contracts remaining to be executed and not provided Rs. 6.23 lakh</b></p> <p>The above head does not include an amount of Rs.16.99 crore being capital commitment of NIDJ.</p> <p>NIDJ awarded a contract for construction of additional block/rooms for Girls/Boys Hostels along with Playground at NIDJ Assam Phase -II to NBCC at a cost of Rs. 25.34 crore. The contract was to be executed on same terms as in MoU</p>	<p>Observation raised in the SAR has been noted and the same has been complied in the books of accounts for the FY 2023-24.</p>



<p>dated (30.03.2015) between NBCC and Department of Industrial Policy &amp; Promotion (DIPP). An amount of Rs.8.35 crore has been paid (May 2022) as interest free advance to NBCC. The remaining amount i.e. Rs. 16.99 crore, being capital commitment, should have been disclosed in Schedule-17 Note forming part of accounts.</p> <p>However, NIDJ has not shown the same under Schedule-17. Due to omission of above, disclosure in the Schedule-17 is deficient to that extent.</p>	
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24/07/24.

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