

No.



सत्यमेव जयते

भारतीय लेखा परीक्षा और लेखा विभाग
INDIAN AUDIT AND ACCOUNTS DEPARTMENT
महानिदेशक लेखा परीक्षा (खान) का कार्यालय
OFFICE OF THE DIRECTOR GENERAL OF AUDIT (MINES)
1, काउंसिल हाउस-स्ट्रीट, कोलकाता- 700 001
1, COUNCIL HOUSE STREET, KOLKATA-700 001

दिनांक / Dated.....

To,
The Secretary to the Government of India,
Ministry of Commerce and Industry,
Udyog Bhawan,
New Delhi – 110 011

Subject: **Separate Audit Report (SAR) on the accounts of National Institute of Design, Jorhat, Assam, for the year 2023-24.**

Sir,

I am to forward herewith the Separate Audit Report (SAR) on the accounts of National Institute of Design, Jorhat, Assam, for the year 2023-24. A copy of the Annual Accounts of National Institute of Design, Jorhat, Assam, for the year 2023-24 is also enclosed.

Action may please be taken for placing the same before both the Houses of the Parliament. The date on which the SAR is placed before the Parliament (both Lok Sabha and Rajya Sabha) may please be communicated to this office. The Director of National Institute of Design, Jorhat, Assam has been requested to send the Hindi version of the SAR and Annual Accounts to the Ministry.

Receipt of this letter may kindly be acknowledged.

Yours faithfully,

Enclo: As stated

Sd/-
(Anindya Dasgupta)
Principal Director of Audit (Mines),
Kolkata

No. 340/DGA(M)/SMP-ABs/SAR-2023-24/NIDJ/2024-25

Dated: 12 NOV 2024

Copy along with a copy of the Separate Audit Report (SAR) for the year 2023-24 is forwarded to the Director of National Institute of Design, Jorhat, Assam, Tocklai, Rajabari, Jorhat-785014, Assam for information and necessary action.

Hindi Version of the SAR and the Annual Accounts may please be prepared and submitted to the Ministry for further action.

Enclo: As stated



(Anindya Dasgupta)
Principal Director of Audit (Mines),
Kolkata

Separate Audit Report of the Comptroller & Auditor General of India on the accounts of National Institute of Design, Assam for the year ended 31st March 2024.

We have audited the attached Balance Sheet of National Institute of Design, Assam as at 31 March 2024 and the Income and Expenditure Account for the year ended on that date under Section 19(2) of Comptroller & Auditor General's (Duties, Powers and Conditions of Service) Act 1971 read with Section 25 of National Institute of Design Act, 2014 and Section 4 of the National Institute of Design, Assam (Form of Annual Statement of Accounts) Rules, 2020. Preparation of these financial statements are the responsibility of the Management of National Institute of Design, Assam. 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 & Auditor General of India (C&AG) 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 & 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, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides 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 & Expenditure Account dealt with by this report have been drawn up in the format approved by the Government of India under Sections 25 and 38(2b) of National Institute of Design Act, 2014 read with Section 4 of the National Institute of Design, Assam (Form of Annual Statement of Accounts) Rules, 2020.
- iii. In our opinion, proper books of Accounts and other relevant records have been maintained by the National Institute of Design, Assam as required under Sections 25 and 38(2b) of National Institute of Design Act, 2014 read with Section 4 of the National Institute of Design, Assam (Form of Annual Statement of Accounts) Rules, 2020 in so far as it appears from our examination of such books.
- iv. We further report regarding National Institute of Design, Assam that:

A. Balance Sheet

Fixed Assets (Schedule-6)

Movable Properties

₹10.92 crore

A.1 The above includes ₹5.38 lakh being the written down value of Intangible assets which should have been shown under separate head other than movable Properties due to which the Movable Properties has been overstated by ₹5.38 lakh and understatement of Intangible assets to that extent. Further, the management has not specified the rate of depreciation on Intangible assets in its Significant accounting policies (schedule -17).

Fixed Assets (Schedule-6)

Capital works in progress ₹14.58 crore

A.2 NIDJ received (06.12.2021) financial sanction of ₹25.34 crore which was revised to ₹25.05 crore for construction of additional block/ rooms for girls' and boys' hostel along with playgrounds at NID Assam under Phase-II from Ministry of Commerce & Industry DPIIT. The work was required to be carried out by NBCC as per the terms and condition of the MoU entered (30.03.2015) between DPIIT and NBCC. NIDJ received the capital grant from Government of India amounting to ₹25.05 crore out of which ₹22.93 crore was paid in three instalments to NBCC for taking up the works. On scrutiny of monthly progress report of the project for the month of March 2024, it was observed that the financial value of the work completed by NBCC till 31.03.2024 was ₹18.74 crore. However, NIDJ has booked Capital work-in-progress (CWIP) of ₹14.58 crore which has resulted in understatement of CWIP by ₹4.16 crore (₹18.74 crore minus ₹14.58 crore) and overstatement of Advance to NBCC by the same amount.

Current Assets, Loans and Advances ₹36.97 crore

A.3 The Governing Council of NIDJ in its 6th meeting dated 22.09.2023 decided to recover the 'Relocation Allowance' amounting to ₹9.12 lakh paid to officials of NIDJ who were not eligible for such allowance. NIDJ started recovering "Relocation allowance" from the monthly salaries of the ineligible officials from September 2023 onwards and the net monthly salary was charged to Income and Expenditure account, however, no asset for the amount recoverable from these officials was created. As on 31.03.2024, an amount of ₹4.45 lakh has already been recovered leaving a balance of ₹4.67 lakh which was yet to be recovered.

The above has resulted in understatement of other income by ₹9.12 lakh and "Current assets Loans and Advances-Schedule 8" by ₹4.67 lakh as on 31.03.2024. Consequently, surplus is also understated by ₹9.12 lakh.

Further, due to setting off of recovery, expenditure towards salary for the year is understated by ₹4.45 lakh.

B. Income and Expenditure Account

Fees ₹7.82 crore

Current Liabilities- ₹2.18 crore

B.1 NIDJ offers full-time four-year Bachelor's Programme in Design (B. Des.) in which the academic session is divided in two semesters, first semester (August to January) and second semester (February to July). NIDJ collected fees for 2022-23 and 2023-24 amounting to ₹6.43 crore and ₹7.81 crore respectively on account of Tuition fees (for 12 months), Mess fees (for 9 months) and Hostel fees (for 9 months). Audit observed that the fees received before the commencement for 2 semesters in an academic year (July/ August to January/ February & February/ March to July/ August) contained fees for two accounting years. However, NIDJ has booked the fees received for two semesters in one accounting year.

Out of the total fees received for the year 2023-24 of ₹5.50 crore (for August 2023 to March 2024- total 8 months) should have been booked as income for the year 2023-24 and the balance ₹2.31 crore (for April, 2024 to July, 2024- total 4 months) should have been booked as current liability for the year 2023-24. However, NIDJ booked ₹7.81 crore for the year 2023-24 instead of ₹7.41 crore which has resulted in overstatement of income from fees along with consequent overstatement of balance being surplus carried over to balance Sheet and understatement of Current Liabilities by ₹0.40 crore (₹7.81 crore- ₹7.41 crore).

Current Liabilities (Schedule - 5) ₹ 2.18 crore

Income & Expenditure (Schedule - 9) ₹ 7.62 crore

Provisions (Schedule - 5)- ₹0.10 crore

Balance being Surplus carried over to Balance sheet- ₹7.62 crore

B.2 The above does not include ₹1.51 lakh being the value of three months' salary in lieu of notice period payable to one of the terminated official of NIDJ which has resulted in understatement of Provisions and overstatement of Balance being Surplus carried over to Balance sheet by ₹1.51 lakh.

Current Liabilities (Schedule - 5) ₹ 2.17 crore

Income & Expenditure (Schedule - 10) ₹ 7.82 crore

B.3 Current Liabilities includes ₹1.20 lakh¹ towards Advance Tuition Fee which was non-refundable token fee received from students who either shifted to other institute or completed the course. Therefore, the same should have been accounted as Fees as Income in Income & Expenditure Account instead of Current Liabilities. This resulted in overstatement of Current Liabilities and understatement of Balance being Surplus carried over to Balance sheet for the year by ₹1.20 lakh.

C. Notes forming part of Accounts (Schedule-17)

C.1 As per the note no. i (3) the estimated amount of contract remaining to be executed on capital account and not provided for as on 31st March, 2024 was ₹2.12 crore which included estimated amount remaining for construction of building by NBCC of ₹2.12 crore. The actual CWIP value of NBCC building as on 31st March 2024 as certified by NBCC was ₹18.74 crore and the total value of the contract with NBCC was ₹25.05 crore, therefore, the estimated amount of contract remaining to be executed on capital account as on 31st March 2024 should have been ₹6.31 crore (₹25.05 crore - ₹18.74 crore) in note no. i (3). Hence, the estimated amount of contract remaining to be executed on capital account and not provided for as 31st March 2024 was understated by ₹4.19 crore (₹6.31 crore - ₹2.12 crore). To this extent, the disclosure is incorrect.

D. General

D.1 Income and Expenditure A/c (Sch- 9) ₹21.22 crore

Balance being deficit carried over to Balance Sheet ₹7.62 crore

In the Income & Expenditure A/c (Form B) for the year ending 31st March 2024, the amount of ₹7.62 crore has been shown as "Balance being **deficit** carried over to Balance Sheet". However, the Income of NID for the year (₹26.30 crore) is greater than the expenditure for the year (₹18.68 crore) and hence such balance should have been shown as "Balance being **surplus** carried over to Balance Sheet".

D.2 As per the Annual Accounts for the year 2023-24, opening Balance of the Fixed assets was stated as ₹109.29 crore and total accumulated depreciation charged was ₹20.84 crore as at 31.03.2024. Thus, total gross block value of assets booked till 31.03.2024 was ₹116.16 crore. In absence of proper and detailed records showing full particulars such as quantitative details and place/location of these assets in accounts as well as asset register, it was not possible to vouchsafe the classification/categorization of the fixed assets and values there against as stated by NIDJ, in

¹ ₹60,000 for B. Des 2020.21 (Shifted to Other Institute), ₹30,010 for B Des 2021-22 Batch (Out) and ₹30,000 for B Des 2022-23 Batch (Out)

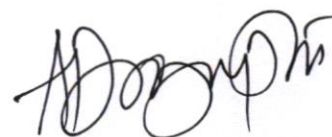
its Balance Sheet as at 31.03.2024 as well as the amounts of depreciation charged during the year 2023-24 on each such individual asset.

E. Grants in aid: Out of the opening balance of Grants in aid ₹18.52 crore and ₹14.03 crore of Grants received during the year, NID, Assam utilised a total sum of ₹21.41 crore leaving unspent balance of ₹11.67 crore (including interest on Grants-in-aid for ₹0.52 crore) as on 31 March, 2024.

F. Management Letter:

Deficiencies which have not been included in the Audit Report have been brought to the notice of National Institute of Design, Jorhat, Assam, through a management letter issued separately for remedial/corrective action.

- v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and Income & Expenditure Account dealt with by this report are in agreement with the books of accounts.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure-I to this Audit Report give a true and fair view in conformity with accounting principles generally accepted in India:
 - a. In so far as it relates to the Balance Sheet, of the state of affairs of the National Institute of Design, Assam as at 31st March 2024; and
 - b. In so far as it relates to Income and Expenditure Statement, of the Surplus for the year ended on that date.



(Anindya Dasgupta)
Principal Director of Audit (Mines),
Kolkata

Place: Kolkata

Date:

12 NOV 2024

Annexure-I to Audit Report

1. Internal Audit:

The Institute does not have any Internal Audit wing of its own. Internal Audit of the Institute was carried out by an external agency during 2023-24. As per the scope of work, the agency was required to cover seven sections for audit, however, the internal audit was carried out in only one section i.e. Finance section. It is suggested that the internal audit may be carried out in all sections as per their risk profile.

2. Internal control:

(a) Deficiency in Fixed Assets Register:

Deficiencies in maintaining the Fixed Assets Register has been commented through the Audit Report.

(b) Stock register of consumables:

Stock registers maintained by the Institute for consumables such as office stationery, chemicals, maintenance spare parts etc. has been prepared as per Form GFR-23.

3. Physical Verification of Inventories:

NID, Jorhat had no inventory as at 31.03.2024.

4. Physical Verification of Fixed Assets:


The physical verification of fixed assets for the year 2023-24 was not completed till July 2024.

5. Physical verification of Library books:

The physical verification of library books for the year 2023-24 was carried out during July, 2024. Corrective actions have been taken on the recommendations of the physical verification report.

6. Regularity in payment of statutory dues:

According to the information and explanations given and the records of the Institute examined by audit, National Institute of Design, Assam is generally regular in depositing undisputed statutory dues with the appropriate authorities including Income Tax, Professional Tax and any other material statutory dues applicable to the Institute.


(S. Sivakumar)
Dy. Director