

**Separate Audit Report of the Comptroller & Auditor General of India
on the Accounts of National Institute of Technology, Calicut
for the year ended 31st March 2013**

1. We have audited the attached Balance Sheet of National Institute of Technology (Institute), Calicut as at 31 March 2013 and the Income & Expenditure Account/Receipts & payment Account for the year ended on that date under Section 19 (2) of the Comptroller & Auditor General's (Duties, Powers & 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 & 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 these 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, evidences 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 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 & Expenditure Account/Receipt & Payment Account dealt with by this report have been drawn up in the format approved by the ministry of Finance, Government of India as required under Section 22 of National Institute of Technology Act, 2007, Association & Rules relating to the establishment of National Institute of Technology, Calicut.
 - iii. In our opinion, proper books of accounts and other relevant records have been maintained by the National Institute of Technology, Calicut as required under Section 22 of National Institute of Technology Act, 2007 relating to the establishment of NIT, Calicut in so far as it appears from our examination of such books.
 - iv. We further report that:

A. Balance Sheet

A. 1 Assets

A.1.1 Bank Balance- Rs.46.41 Crore (Schedule-8B)

This is understated by Rs.14.92 lakh due to deduction of amount of cheques issued that have become time barred as on balance sheet date with corresponding overstatement of expenditure to the same extent. Consequently excess of expenditure over income is overstated by Rs.14.92 lakh.

A.1.2 Fixed Assets: Rs. 281.52 Crore (Schedule-7)

This is understated by Rs.4558.35 lakh (excluding depreciation amounting to Rs.339.59 lakh) due to the wrong accountal work completed and put to use under capital work in progress instead of Fixed Assets with corresponding overstatement of Capital work in progress to the extent of Rs. 4897.94 lakh. Expenditure for the year has been understated by Rs.339.59 lakh due to non-inclusion of depreciation on Fixed Assets with corresponding understatement of Excess of Expenditure over income.

B. Income and Expenditure Account

B.1. Income Rs.73.72 Crore

This is understated by Rs.1.75 lakh due to non-accountal of arrears of rent receivable from SBI, NITC Branch form Novemeber 2012 with resultant understatement of Current Assets Loans and Advances to the same extent. Consequently excess of Expenditure over income is overstated by Rs.1.75 lakh.

C. Grants in aid

Out of the grants in aid Rs.10975.39 lakh (Plan: Rs.5949.99 lakh plus interest Rs. 172.89 lakh and non-plan Rs.4800 lakh plus interest Rs. 52.51 lakh), the organization could utilize a sum of Rs.8736.60 lakh(plan: Rs.3884.09 lakh and Non-plan : Rs.4852.51 lakh) leaving a balance of Rs.2238.79 lakh (under plan) as unutilized as on.31st March, 2013.

D. Management Letter

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

- v. Subject to our observation in the preceding paragraphs, we report that the balance Sheet and Income & Expenditure Account and Receipt & Payment 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 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 Technology, Calicut as at 31st march 2013., and
 - b. In so far as it relates to Income & Expenditure Account of the deficit for the year ended on that date

For and on behalf of the C & AG of India

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Director General of Audit (Central), Chennai

Place: Chennai

Date : 31st January, 2014

Annexure

1. Adequacy of Internal Audit System

The Internal Audit System is in adequate as the Ministry has not conducted Audit of the Institutes so far. The Institute has not prepared a Manual for Internal Audit and Accounting procedures for the effective implementation of the Internal Audit.

2. Adequacy of the Internal Control System

No Memorandum of Understanding has been executed with the Administrative Ministry so far as required under Rule 208 of General Financial Rules, 2005.

3. System of Physical Verification of Fixed Assets

Physical verification of fixed assets has been conducted for the period 2012-13.

4. System of Physical Verification of Inventory

Since the Institute is an educational institution, no inventory items are available for physical verification.

5. Regularity in payment of statutory dues

The Institute is regular in payment of statutory dues.

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Deputy Director (DT)II