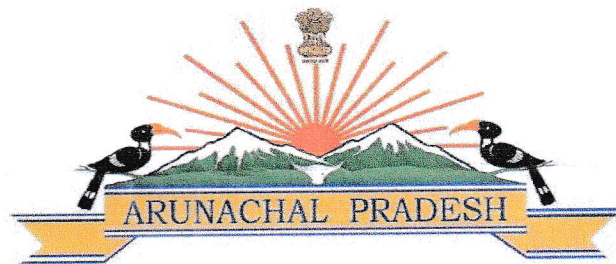




**SEPARATE AUDIT REPORT**  
OF THE  
**COMPTROLLER AND AUDITOR  
GENERAL OF INDIA**

ON ACCOUNTS OF THE  
**NORTH EASTERN REGIONAL INSTITUTE  
OF SCIENCE & TECHNOLOGY (NERIST),  
NIRJULI**  
ARUNACHAL PRADESH



FOR THE YEAR ENDED  
**31 MARCH 2020**



**Separate Audit Report of the Comptroller & Auditor General of India  
on Accounts of North Eastern Regional Institute of Science & Technology,  
Nirjuli, for the year ended 31 March 2020**

We have audited the attached Balance Sheet of the North Eastern Regional Institute of Science & Technology (NERIST), Nirjuli, as at 31<sup>st</sup> March 2020 and the Income & Expenditure Account/Receipt & Payment Account for the year ended on that date under Section 20 (1) of the Comptroller and Auditor General's (Duties, Powers & Conditions of Service) Act, 1971. Financial Statements are the responsibility of NERIST Management and our responsibility is to express an opinion on the Financial Statements, based on our Audit.

2. This Separate Audit Report contains 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, disclosure norms, etc. Audit Observations on financial transactions with regard to compliance with the Law, Rules & Regulations (Propriety & 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 our Audit to obtain reasonable assurance about whether the Financial Statements are free from material mis-statements. An Audit includes examining, on a test-check 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, except for verification of Fixed Assets, for which connected records relating to handing over of assets were not produced;
- 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 Human Resources Development, Government of India, vide Order No: 29-4/2012-FD dated 17<sup>th</sup> April 2015.

- iii. In our opinion, proper Books of Accounts and other relevant records were maintained by the NERIST, as required under Rule 33 of NERIST, in so far as it appears from our examination of such books.
- iv. We further report that:

## **A. Balance Sheet**

### **I. Application of Fund**

#### **Fixed Assets**

#### **Capital Work-in-Progress: ₹ 101.46 crore**

The above includes completed works of ₹ 7.70 crore<sup>1</sup> (VIP Guest House). Audit observed that the Institute completed construction of the VIP Guest House at a cost of ₹ 7.84 crore on 30.12.2019. Out of total cost of ₹ 7.84 crore, the Institute transferred only ₹ 0.14 crore to *Fixed Assets* and the balance amount of ₹ 7.70 crore was disclosed under *Work-In-Progress* in the Accounts. As a result, *Work-In-Progress* was over-stated and *Fixed Assets* was under-stated by ₹ 7.70 crore.

## **B. General**

As per Schedule 23, Section 3 (3.2) of the New Uniform Format of Financial Statement, gifted/donated assets should be valued at the declared value, where available. If not available, the value should be estimated, based on present market value, adjusted with reference to physical condition of the assets. They should be set up by credit to Capital Fund and merged with Fixed Assets of the Institution.

Audit observed that the Institute has 515.27 acres of donated land and is yet to ascertain the value of the donated land, which was not disclosed in the Accounts, resulting in under-statement of *Fixed Assets* and *Corpus Fund*. Thus, Audit could not establish the actual understated value of land due to non-availability of declared/ present market value of donated land. The same was also commented on and reflected in the Separate Audit Report of 2018-19. The Institute is yet to comply with CAG comments.

---

<sup>1</sup> Total Cost - ₹ 7.84 crore (-) Capitalized during the year - ₹ 0.14 crore = ₹ 7.70 crore



### C. Grants-in-Aid

Out of the total fund of ₹ 16171.98 lakh, which included Opening Balance of ₹ 2080.98 lakh, *Grants-in-Aid* of ₹ 12384.00 lakh and *Other Receipts* of ₹ 1707.00 lakh, were received during the year. The Institute could spend ₹ 10857.35 lakh, leaving a balance of ₹ 5314.63 lakh as on March 2020.

### D. Management Letter

Deficiencies which have not been included in the Separate Audit Report have been brought to the notice of the Institute (NERIST) 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/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 explanations given to us, the said Financial Statements, read together with Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in the 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 NERIST as at 31<sup>st</sup> March 2020; and
  - b. In so far as it relates to the Income & Expenditure Account of the deficit for the year ended on that date.

Place: *Itanagar*

Dated: *18<sup>th</sup> December 2020*

*for and on behalf of the C&AG of India*



**Principal Accountant General  
Arunachal Pradesh**

Annexure

**1. Adequacy of Internal Audit**

Internal Audit was yet to be conducted till Audit.

**2. Internal Control Mechanism**

Internal Control Mechanism of the Institute was adequate.

**3. Adequacy of Physical Verification of Fixed Assets and Inventories**

Physical verification of Fixed Assets and Inventories was not done during 2019-20.

**4. Provision of Retirement Benefits**

Provision for Retirement Benefits of the staff was made as per actuarial valuation.

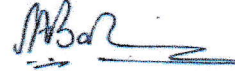
**5. Regularity in Payment of Statutory Dues**

The Institute was regular in payment of Statutory Dues.

Place: **Itanagar**

Dated: **18<sup>th</sup> December 2020**

*for and on behalf of the C&AG of India*



**Principal Accountant General  
Arunachal Pradesh**