



**AUDITED
ANNUAL
ACCOUNTS** | **2018-19**

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AUDITED ANNUAL ACCOUNTS

2018-2019



राष्ट्रीय सहकारी प्रशिक्षण परिषद NATIONAL COUNCIL FOR COOPERATIVE TRAINING

(An Autonomous Society Promoted by Ministry of Agriculture &
Farmers Welfare, Government of India)

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INDEPENDENT AUDITOR'S REPORT

The Central Registrar,
& Joint Secretary to Govt. of India,
Department of Cooperation,
Ministry of Agriculture,
Krishi Bhawan,
New Delhi-110001.

Report on the Financial Statements:

We have audited the accompanying standalone financial statements of **National Council for Cooperative Training** which comprise Balance Sheet as at 31st March, 2019 and the Income and Expenditure Account for the year ended on that date annexed thereto and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, and financial performance of the NCCT in accordance with the Accounting principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the NCCT and for preventing and detecting frauds and other irregularities ; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance

of internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the NCCT's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the NCCT has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the NCCT's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the NCCT as at March 31, 2019;
- b) In the case of the Income and Expenditure Account, of the "Deficit of income over expenditure" for the year ended on that date.

Report on Other Legal and Regulatory Requirements

We Report the following observation/comments/discrepancies / inconsistencies; if any:

Common Points in All Branches

- i) Depreciation is charged as per accounting policy of NCCT. The current assets and current liabilities are subject to confirmation. Fixed assets schedule could not be verified from individual unit schedule, hence we can not comment on amount of variation in the schedule.
- ii) The accrual concept has not been fully adopted.
- iii) The NCCT-HO has appointed concurrent auditors for each unit for in depth checking of accounts. We have relied on concurrent Audit Report for the financial year 2018-19.
- iv) Internal control on fixed assets is very weak. Fixed assets not maintained on prescribed lines.
- v) Receipt and Payment A/c is not prepared on cash book. Hence no comment on its correctness.

- vi) Physical Verification of fixed assets is not done as per laid down procedure, hence we cannot comment on any loss of fixed assets.
- vii) Income from investment and paid program/professional share/ service charges from hostel of following unit directly transferred to TDF & Building Funds instead of showing in income and expenditure A/c and then further transferred to NCCT- Head Office per accounting policy of NCCT but this practice is against the income Tax/Accounting rule and this practice understated the profit and loss of current year.

Consolidation Issues

- i) It is found that Consolidated chart of Depreciation of all the units and HQ prepared of last some years and current year except financial year 2017-18, details of each in this chart not made so we can not comment on the consolidated figure whether it is correct or not .consolidated schedule of fixed assets could not be tallied with individual schedule.
- ii) All the accounting standards has not been complied properly like AS-9, AS-21, AS-22, AS-10 etc.
- iii) Effect of inter unit balance has not been eliminated hence due to which current assets and liabilities overstated. Amount of Rs. 19,26,30,073.65 is shown in current assets and rs. 19,47,30,328.02 is shown in current liabilities. By these amounts current assets and current liabilities are overstated.
- iv) The head office should formulate a uniform mess policy, which should be followed by all units. There is scope for revenue leakage.
- v) Programme income and expenditure are booked on cash basis. Proper training should be given to staff.

CHENNAI

GENERAL A/C

- i) Depreciation is charged as per rates decided by NCCT policy. Depreciation not charged as per income tax rules. Amount of variation not calculated.
- ii) The current assets and current liabilities are subject to confirmation. We can not comment on its recoverability.

- iii) Goods and Service tax registration not taken in time, the NICM has paid Rs.14,48,648.00 towards GST, from its own funds. This is net loss to the Institute. No dues certificate not produced , hence we can not comment whether full amount paid or something still pending towards interest and penalties. Accountability should be fixed for such huge loss to the Institute.

- iv) The national council for cooperative training has appointed a firm of chartered accountants as concurrent auditors for the financial year 2018-19 and we have relied on their concurrent audit report while conducting statutory audit of the ICM.

v) SERVICE TAX LIABILITY

The NICM has paid Rs.28,39,429.00 towards service tax for previous years due to non compliance of Service Tax provisions. Interest and penalty yet to be paid . No provision made for such liability. Accountability should be fixed for huge loss to the NICM.

- vi) Physical Verification of fixed assets not done as per laid down procedure. We can not comment whether there is any loss due to theft or any other reason.

- vii) Receipt And Payment Account not prepared on Cash basis.

- viii) Funds of the institute are not backed by equilent Investments.

- ix) Interest accrued on FDR does not tally with FDR

- x) MBA Accounts

All expenses are booked under Administrative expenses. Institute should book expenses as per its nature.

- xi) Income from building Rs.20,42,713.00 directly credited to building fund and to that extent income is understated. Further expenses relating to building e.i.salary, wages Rs. 2,88000.00 and other administrative expenses Rs.16,07,279.00 are directly debited to Building fund and to that extent expenses are understated. Net income from Building ,Hostel is very small and expenses are very high. This needs proper verification and investigation. Other institute income is much higher.

- xii) Bank certificate of interest earned on FDR of banks, not produced for reconciliation and for confirmation of correctness of amount. Further whether TDS is deducted or not, we cannot comment as 26 AS not provided to us.
- xiii) Contractual & Contingent Staff and permanent staff salary both debited in under salary & wages –pay head, while a separate head is for Contractual & Contingent Staff.
- xiv) Caution deposit received from student but no details available . Old deposits , and record should be prepared.
- xv) Attendance Register is not being maintained properly for contractual employees.
- xvi) T.D.F
50% surplus of paid programme is credited to TDF Rs.28,84,745.00 MBA surplus also credited to TDF.Rs. 16,71,606.00 paid on account of CPC arrear also debited to TDF, hence by this amount expenses are understated. Rs.200552.00 booked twice.
- xvii) Bank Reconciliation with Indian Bank
Cheque deposited in 2017 still shown as receivable. Entries not reversed.
- xviii) Pending dues from students and Paid programmes
Institute is not maintain any record in fincial books for amount recoverable from students and from paid programs. No detail made available. Very serious lapse and needs immediate attention and action.
- xix) MESS OPERATIONS
NCCT- HO should formulate a uniform policy for appointment of mess contractor, its rates and operation . There is scope for revenue leakage.
- xx) No TDS deducted from mess contractor.

- xxi) SUNDRY DEBTORS Rs. 82,02,096.91

Expenses incurred on paid programmes already held , against which payment not received has not been booked as expenditure but are shown as sundry debtors. More serious, income/ fee receivable from programmes already held are not shown as debtors. Only record is kept in files. Very serous issue, Financial records should show the receivable fee in books.

- xxii) Security Deposits Rs. 24,000.00

No detail available / produced.

- xxiii) Suspense Receipts Rs.39,72,756.37

The above figure relates to various programmes already done. Fee received not taken to proper revenue head. Proper adjustment should be done.

- xxiv) Fee due for MBA is Rs. 1800000.00 but booked Rs.17,82000.00. Balance receivable Rs18000.00 not explained.

- xxv) Current Liabilities Rs.37,881.00

In MBA books above figure shown as advance received against training programmes. Further no detail given for advance of Rs.3,06,060.00 advance from Trainee and others.

ICM HYDERABAD

- i) ICM Hyderabad has not taken Goods and Service Tax registration; GST paid Rs.17,52,260.00 . Accountability should be fixed and appropriate action should be taken against the concerned staff.
- ii) Depreciation charged as per accounting policy of NCCT and not as per Income Tax act. Amount and its impact not ascertained
- iii) TRAINING DEVELOPMENT FUND
Interest earned on investments Rs.10,97,437.00 is directly credited to TDF and by that amount income is under stated. Arrear paid to staff amounting to

Rs.13,95,662.00 debited to TDF and by this amount expenses are understated. Seminar exp Rs.26,768.00 debited to TDF and further GST for Feb & March Rs.60,014.26 debited to TDF and by these amount expense understated.

iv) MESS ACCOUNTS

Strict internal control required for mess operations. No. of persons/ participants taking food, rates requires internal control. NCCT- H O should make uniform policy for appointment of mess contractor, mess operations and other maintenance of records.

v) Form 26 As not provided to us, hence we can not comment on correctness of TDS standing in the books.

vi) ICM is keeping their surplus in the form of Fixed Deposits with central bank at a lower rate of interest , it is better if they invest with other banks giving better rate of interest.

vii) BUILDING FUND

Rs. 11,13,522.00 earned as hostel rent is credited to building fund directly and by this amount income is understated. Further salary of Rs. 24,000.00 paid is debited to building fund and by this amount expenses are understated.

viii) CURRENT LIABILITIES

Advance received against training programs :-

a) PACS in Guntur	Rs.15,725.00
b) PACS IN EG	Rs.4,899.00
c) PACS in machine	Rs.6,000.00
d) PACS in Nizamabad	Rs. 56,000.00

e) PACS in Tirupati rs. 27,000.00

These are old liabilities and institute should get confirmation from parties or should make adjustment entries.

ix) Stock register: It was observed that the stock register has not been maintained properly .

x) The current assets and current liabilities are subject to confirmation. ICM should get confirmation of balance from all debtors and creditors.

xi) Pension receivable from NCCT-HO Rs. 2,24,032.00 dr. receivable from head office is wrongly shown in other liability and due to this current assets and current liabilities are understated by Rs. 2,24,032.00

xii) Fixed Assets Register: ICM has a fixed Assets register but, it was observed that they are not showing accumulated depreciation in it. It is advised to put a column for accumulated depreciation. Fixed assets register should be maintained as per income tax requirements.
ICM is having assets bought 15 years ago, and are no longer operational. It is advised to dispose off or write off these assets.

xv) The national council for cooperative training has appointed a firm of chartered accountants as concurrent auditors for the financial year 2018-19 and we have relied on their concurrent audit report while conducting statutory audit of the ICM , as concurrent auditors are required to verify day to day affairs on regular basis.

vi) Interest earned on saving account Rs.1,57,326.00 directly transferred to NCCT- HO and due to this income is understated.

xvii) Service Tax paid by the ICM due to non registration in time. Accountability should be fixed and appropriate action be taken.

ICM KALYANI

- i) The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-2019 and we have relied on their Concurrent Year Report while conducting Statutory Audit of the Unit.
- ii) Surplus of Rs. 8,31,012.00 on paid program is credited to Training Development Fund and NCCT equally as per Accounting Policy of NCCT Income from investments Rs.1,87,904.00 is directly credited to TDF and Rs.303,146.73 Hostel receipts also credited to TDF with out accounting through Income and Expenditure account and by these amounts income is understated. Further salary of Rs.12,82,832.00 paid due to 7th pay commission is debited to TDF and by this amount expenditure is understated.
- iii) Service Charges from Hostel of Rs. 8,28,512.00 and Hostel receipts Rs.18,457.00 and interest from investments Rs.2,37,325.00 is directly credited to building fund without routed through Income & Expenditure account as per accounting policy of NCCT however this practice is not acceptable as per Income tax Act / Accounting rules as it understates the current year profit. Hence Building Fund shown in the Balance Sheet does not represent a correct balance . Rs.24,000.00 paid towards salary is debited to Building Fund with routing through Income & Expenditure account.
- iv) Depreciation has been properly charged by the unit but rate of depreciation was given by NCCT itself as per their own policy and guidelines.

Depreciation of Rs.3,90,221.26 is debited to capital fund and assets purchased worth Rs.4,49,627.99 credited to capital fund.

v) Details of course fee receivable year wise Rs. 6,13,663.00, prepaid expenses rs.41,923.00 and course advance fee Rs.1,95,000.00 not given for our verification.

vi) No confirmation received for Current assets and current liabilities. It is advised that ICM should get confirmation from all current liability and current assets .

vii) MESSACCOUNTS

The Head office should frame a policy to be followed by all institutes as there is scope of leakage in mess operations.

viii) As per instruction given by ministry revised 6th pay commission additional expenditure meet out from grant only 80% and 20% meet out from own resource generation. But instruction given by ministry not followed by unit.

ix) SERVICE TAX LIABILITY

During the year ICM Kalyani has paid Rs. 12,20,832.00 towards service tax liability , penalty and interest due to non registration in time in spite of advise from the statutory Auditors. Accountability should be fixed and appropriate action be taken against the staff due to whom such huge liability has occurred.

x) GST Registration Number has not taken by the unit resulting in GST Liability would be imposed. During the Audit it is noticed that the unit has received summon regarding GST Liability from the Department. Quantum of amount cannot be ascertained.GST paid by the institute is net loss to the

organization. Accountability should be fixed against the staff responsible for such error.

xi) There was no reconciliation statement provided with respect to transaction done with Head Office. There should be quarterly reconciliation system so that remittance from NCCT A/c is accurate all the time. There should be reconciliation system of Hostel Bills raised with respect to Hostel Occupancy Register. There should be proper calculation sheet for transfer of various amounts to Ear Marked Funds and share of resource generation so that the same can be verified.

xii) PHYSICAL VERIFICATION OF STOCK :-
No provision made for old, damaged and obsolete items. Value of such assets not ascertained.

xiii) Academic Fee :-	
Fee as per P & L account	Rs. 31,49,797.00
Fee as per Statement	Rs. 28,66,234.00
Difference	Rs. 2,83,563.00

Difference not explained to us.

xiv) Mess Fund accounts for the financial year 2018-19 not prepared by the institute.

Internal control for boarding and lodging income is lacking. Proper record of supply of items not maintained. Approval of rate required from competent authority. Goods are purchased through thrift & credit society and there is scope for manipulating the things, hence it is suggested that uniform system should be devised and that should be followed strictly.

ICM, LUCKNOW

- i) Depreciation not charged as per income tax schedule. depreciation charged as per accounting policy of NCCT. Impact not calculated.
- ii) The current assets and current liabilities are not confirmed by parties, hence we can not comment on their correctness.
- iii) The accrual concept has not been fully adopted. Fee of paid programmes are accounted on receipt basis. Accrued and fee due not accounted. It is very serious internal control deficiency. Appropriate action be taken in this regard. Fee due and accrued amounting to Rs.20,82,790.00 not taken in accounts.
- iv) The NCCT- HO has appointed concurrent auditors for each unit for in depth checking of accounts. We have relied on concurrent Audit Report findings for the financial year 2018-19 .
- v) Internal control of fixed assets is very weak. Fixed assets register not maintained as per requirements
- vi) Receipt And Payment A/c is not maintained on cash basis.
- vii) Physical Verification of fixed assets, library books and stationery is not done as per laid down procedure , hence we cannot comment on any loss of fixed assets.
- viii) GST paid during the year is Rs.5,60,984.00. The amount is not recovered from parties due to non registration. Accountability should be fixed for such loss to the ICM- Lucknow.
- ix) SERVICE TAX :-

ICM- Lucknow paid a sum of Rs.55,85,792.58 on account of service tax , Interest and penalty due to non registration. The statutory auditor long back advised to take registration, but due to no action ICM has suffered

huge loss on account of payment towards service tax. Accountability should be fixed and action should be initiated.

- x) Income from investment and paid program/Professional share /Service Charges from hostel of following unit directly transferred to TDF & Building Funds instead of showing in income and expenditure A/c and by this amount income is understated.

Paid Program Share	Interest on investments	Service Charges From Hostel
10,86,250.00	1,41,310.00	15,89,501.00

Further a sum of Rs.15,15,216.00 is debited to TDF on account of salary, GST and assets purchased and by this amount expenditure is understated. MBA Fee not accounted on accrual basis. Amount due not made available and satisfactory record for such income not maintained.

- xi) Contractual Faculty attendance register have not maintained properly.
- xii) Provision for House Tax Liability

Rs. 84,32,896.00 is demanded by Lucknow Development Agency. Correct amount not yet settled. No provision made for such liability, It may impact the true and correctness of the accounts.

- xiii) TDS receivable form NCCT Rs.7,03,754.00 shown as current asset. But year wise details not provided to us. TDS is in mess and adjustment entries should be made and only receivable as on 31st March, 2019 should be shown outstanding.
- xiv) Form 26 AS not provided to us, hence we can not comment whether all TDS has been accounted or not..

- xv) Scholarship fund of Rs.1,36,588.00 is shown as liabilities instead of fund hence fund is understated and liabilities is overstated. No transactions during the year.
- xvi) Income from investment and paid program/Professional share /Service Charges from hostel of following unit directly transferred to TDF & Building Funds instead of showing in income and expenditure A/c and then further transferred to NCCT-Head Office as per accounting policy of NCCT but this practice is against the Income Tax Act/Accounting rule and this practice understated the profit of current year.

MBA Profit Share	Professional Share	Interest On FDR	Service Charges From Hostel
5,87,009.50	Nil	Detail of interest not provided for verification	

Interest on investment not accounted for , amount , detail of interest earned not provided , hence we can not comment on its correctness. Interest due and accrued on investment :- Proper details of interest due on investment not made, detail verification is required to ascertain the correct picture . We can not comment whether interest due on investment has been accounted for or not.

- viii) Other deposits (Caution money) Rs.10,51,800.00 show as liabilities but
- xvii) Advance given to external faculty Rs. 10,000.00,as per rule any external staff but not eligible for advance.
- xviii) MESS FUND :-
a) ICM has Opened a separate mess fund account but accounts for the financial year 2018- 19 not given for our verification.

- b) Ration is purchased without following proper procedure, even purchase bills not signed by the seller.
 - c) 38 bills / cash memo from Laxmi Bhog Sweats Rajaji puram in March 2018 but debited in the month of June 2018. These seems to be suspicious, as why amount was not claimed. Cash payment made in Feb. and March 2018 but claimed in June 2018. No GST number, no serial number. All bills seems to be bogus. We suggest proper verification should be done as there is scope for leakage.
 - d) Bills for purchase of vegetables are on plain paper, no authenticity, no address of seller or signatures, no shop details, no rubber stamp. Rate very. No procedure for purchase. Record of inward and consumption not satisfactory, issue of material not there. It requires deep verification.
 - e) Purchase of consumables :- It was seem that curd was purchase one day on different rate, other day on higher rate, next day on lower rate, but no explanation given for such variation.
 - f) It needs special; verification as there is scope for revenue leakage in mess operations. Internal procedure for purchase and maintenance of consumption records not satisfactory.
 - g) Rates charged from participants very. No uniform policy.
 - h) Heavy amount transferred on last days of March, 2019, needs proper verification.
- Auditorium rate not fixed

RICM, Bangalore

- i) The Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases.

- ii) **CAPITAL FUND**

Capital Fund of Rs. 4,77,23,883.23 shown in the Balance Sheet having adjustment entry of Depreciation amounting Rs. 27,47,732.91. As a policy of the NCCT-HO, depreciation charged is credited to Income & Expenditure account.

- iii) **BUILDING FUND**

Building Fund of Rs. 2,82,37,982.00 (Net Balance) shown in the Schedule - 3 does not represent a correct Picture as income on account of Rent from hostel and other facilities is directly credited to Building Fund of Rs.31,17,834.00 without routing it to Income & Expenditure Account. Further Other Expenses of Rs. 9,49,449.50 is debited to Building Fund and to that extent expenditure is understated.

- iv) **TRAINING & DEVELOPMENT FUND**

Training & Development Fund is debited by different nature of entries like Payment made to KSCOOP APEX BANK LIMITED of Rs. 21,600.00, Pay & Allowances of Rs. 10,99,046.00, TDS Default Payment of Rs. 2,39,458.00, Training Program Fees of Rs. 6,720.00. without debiting to correct head. Hence we can not comment on its correctness.

- v) The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-2019 and we have relied on their Concurrent Year Report while conducting Statutory Audit of the Unit. Concurrent Auditors refused to attest the accounts.

- vi) **Physical Verification of Library Books and Stationary:** Physical Verification Report of Library Books and Stationary are made available but we are not able to comment on safeguard against lost or theft of books and procedure

for recovery in the case of lost or theft as there is some books was missing in the report.

- vii) The Current Assets and Current Liabilities are subject to confirmation from parties. It has been observed that party wise ledgers have not been maintained for all Creditors / Debtors with Exception of Few. There has been no external confirmation statement available from parties.
- viii) During the year it was observed that all bank charges and Water and Electricity charges are accounted as Miscellaneous Expenses and it is explained to us that this system is followed as per the suggestions and requirements of NCCT.
- ix) On Scrutiny of the Balance Sheet we observed that the balance lying in the Account head " Other Current Assets" like B.COM Affiliation Fees of Rs. 74,264.00, Electricity Deposit of Rs. 2,92,428.00, Interest Receivable on FD of Rs. 3,80,650.00, KICM Evaluation Receivable of Rs. 35,065.00, Luxury Tax Registration Fees of Rs. 25,000.00, Receivable from Sandhya Caters of Rs. 1,500.00, TDS from KICM OF Rs. 40,527.00. In this regards it has been explained by the officials of Institute that such balance pertaining to Very Old Period so we are of the opinion that the necessary action has to be taken by the management either to get it resolved after roll back over the earlier years or to square up such amount after getting the necessary approval from NCCT. Hence we can not comment on the correctness of current assets and current liabilities in the absence of confirmation from parties.
- x) On Verification of the Balance Sheet, we found that the amount of Rs. 13,19,221.00 relates to Refund From Service Tax Department which had been pre deposited in terms of Section 35F of the Central Excise Act, 1944 with O/O Assistant Commissioner of Central Tax has already been received but it is showing under the head Other Current Liability. This indicates that some wrong entry took place during the earlier year. Management should look into the matter and justify a reason for the same. If the Account exists

without any base, then the management should nullify the account after due permissions / approvals from Concerned Authorities. By this amount current liabilities are overstated.

- xi) We Noticed that as well as informed by the Competent Authority that the Institute is maintaining Sufficient balance of FDR's in the bank but on such amount the Bank had not deducted any amount of TDS on the interest amount which violates the provision of Income Tax Act, 1961. Also, It is not clear that whether the amount of interest credited pertains to the net of TDS or it is a gross amount of Interest. Copy of 26 AS not given , hence we can not comment on the amount of TDS and amount recoverable from NCCT-HO.
- xii) Provident Fund Contribution deducted from employees is transferred to NCCT Delhi for payment. Payments are made in NCCT Delhi on behalf of the Institute. We were unable to verify the payment details. During the Audit it was observed that PF is not being deducted and paid in respect of Contingent Staff. It is suggested to examine the applicability of PF Provisions in respect of contingent Staff and take necessary action.
- xiii) As per Provisions of the Income Tax Act, 1961 tax has to be deducted source on Professional Charges paid to an Individual if the total payment made during the year exceeds of Rs. 30,000. The RICM is deducting TDS below Rs. 30,000.00 on account of payment made to Guest Faculties for their Professional Services. Further It was observed that the Management has aggregated the GST amount while calculating TDS to be deducted. GST portion of the amount has to be excluded while calculating Tax to be deducted at Source.
- xiv) MESS OPERATION

During the Audit it is observed that the Institute has given contract for Mess operations. Food Bill should be prepared with the help of Actual Participants attendance sheet. In some cases bill is charged for higher number of persons and not according to actual participants. NCCT should form a uniform policy in this regard as there may be possibility of Revenue Leaka

xv) NCCT should conduct a training Course like Basic Tally & GST Training, Training about Income Tax Provisions, TDS Applicability, TDS Rates, GST Return, Payroll Management, Basic Business Essentials in Tally ERP 9 in their units to train their Accountant and administrative staffs so that Accounting and Statutory compliance mistake can be reduce and Future Liability can be Avoid. It is observed that account staff are not aware of number of provisions and accounting system. Proper training should be given to account staff.

xvi) During the Audit it is explained to us by the RICM Officials that the Ex-Chairman of Management Committee Mr. B. s. Vishwanathan is creating dispute and disturbing the RICM in so many ways. He has formed a-parallel institute in same name with ulterior motives. . All the stakeholders of the RICM are suffering and business and growth of the unit has been stopped. The NCCT-Ho should take appropriate action to stop such illegal activities. Civil suit is pending between the parties.

xvii) Payment from NIRB

The institute has received one time grant/ amount of Rs, 50,00,000.00 in lieu of construction of one wing for NIRB to be used till 31st December, 2019.. This amount is not repayable , but is shown in liability. Appropriate entries should be passed . In our opinion liabilities are overstated by this amount. Agreement with NIRB is going to expire on 31st December 2019

but no notice for eviction served on NIRM. A proper and timely action is suggested to avoid further litigation.

xviii) ICM received a sum of Rs. 10,00,000.00 from Apex bank on account of transfer of some portion of land. The amount is not repayable but still is being shown in liability. A proper book entry should be passed.

xix) FEE RECEIVABLE

Fee from paid programs is accounted on receipt basis. No entries made for fee receivable. It is very serious matter and leave scope for revenue leakage. Proper record for fee not received should be prepared and entries for such fee receivable should be made in financial books. By such amount income and sundry debtors are understated.

ICM, BHOPAL

i) The Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases.

ii) As per the Circular No – 4-18/RES/F&A/2015-2016 dated 28/01/2016 available, The Institute can retain 50 % of the Surplus from the Entire Programme and 50 % is to be transferred to NCCT Head Quarters Accordingly 50% of total Surplus generated through paid programme is directly credited to Training Development Fund and 50% to NCCT. The Institute has not established any measure to evaluate the operating result regularly in order to fix the amount to be transferred to the NCCT Head Quarters.

- iii) Capital Fund of Rs. 39,78,840.61 shown in the Balance Sheet does not represent a correct balance as an adjustment entry of Rs. 77,002.00 related to reversal of excess provision made and Depreciation amounting Rs. 3,66,059.00 from Capital Fund. This adjustment entry belongs to Excess Provision Made on DGR Programme and directly debited to Capital Fund. However Approval from Concerned Department has been produced to us for verification but it is suggested that the matter should be reported to Head Office also for a good and healthy practice. Further Expenditure of Rs. 3,34,115.00 related to Purchase of Fixed Assets is Directly credited to Capital Fund.
- iv) Building Fund of Rs. 17,39,842.55 shown in the Balance Sheet does not represent a correct balance as Service Charges Recovered (Hostel Rent) of Rs. 60,165.00 is directly credited to building fund without routed through Income & Expenditure account.
- v) Training Fund of Rs. 93,50,019.79 shown in the Balance Sheet do not represent a correct balance as payment for salaries, wages and allowances of Rs. 8,63,602.00 and Payment for Assets Purchase total amounting of Rs. 3,52,500.00 are directly Debited to Training Development Fund. Further Surplus of Training Programme of Rs. 20,65,950.55 and Income from Investment of Rs. 3,30,816 are directly Credited to Training Development Fund. By these amounts Income and expenditure are understated.
- vi) The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-2019 and we have relied on their Concurrent Year Report while conducting Statutory Audit of the Unit.
- vii) Physical Verification of Library Books and Stationary: Physical Verification Report of Library Books and Stationary are made available but we are not

able to comment on safeguard against lost or theft of books and procedure for recovery in the case of lost or theft as there is some books was missing in the report.

- viii) The Current Assets and Current Liabilities are subject to confirmation from parties. It has been observed that party wise ledgers have not been maintained for all Creditors / Debtors with Exception of Few. There has been no external confirmation statement available from parties.
- ix) Institute should maintain Separate Bill Register to keep an Audit trail of bills raised as and when program are scheduled / held, Advances received against them and final payment received.
- x) There should be reconciliation statement with respect to transaction done with Head Office. There should be quarterly reconciliation system so that remittance from NCCT A/c is accurate all the time.
- xi) During the Audit It is noticed that the unit has paid of Rs. 14,72,837.00/- on account of deposit of due Service Tax for the period from 2013-2014 to 2017-2018 along with Rs. 8,37,074.00 as deposit of interest and Rs. 2,20,926.00 as penalty. Further the Institute has paid Rs. 4,62,540.00 as GST on Paid Programme Fees and Hostel Rent @ 18 %. Despite of repeated audit observation about applicability of Service Tax and Imposition of GST Liability, the Policy maker of the Institute had ignored resulting in payment of huge fine and loss as it cannot recovered. It is the responsibility of the Head Office, with the oversight of those charged with governance, to ensure that all the Unit's operations are conducted in accordance with the

provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in all the unit's financial statements.

- xii) Receipt and Payment Account is not prepared on cash basis.
- xiii) The Unit has earned interest on FDR, Bank Certificate and TDS Certificate in the form of FORM 16 or 26 AS not produced to us regarding the confirmation.
- xiv) During the Audit it is observed that the Institute has given contract for Mess for Contractor Namely Dhansara Sharma. The Only authority who will decide to give Mess Contract is "MESS COMMITTEE" on the basis of quotations received from various Food Contractors. The Institute Has failed to produce us Mess Committee Order, MOU between ICM and Present Mess Contractor, Details of Quotations Called from other Contractors. Further No Rate is fixed for Meal Charges. It is suggested that Mess Committee should be formed and all the documents should keep up to date. Uniform mess policy should be framed at head office level.
- xv) It is suggested to make day to day bank reconciliation as Several long outstanding transactions persisting in the BRS whose justifications were not available by the Institute have been reversed by the Institute. Bank reconciliation should be prepared on regular basis.
- xvi) On Scrutiny of the Trial Balance we observed that the balance lying in the Account head " Other Current Assets" was on consolidated manner without any bifurcation in the name of various other accounts. In this regards it has been explained by the officials of Institute that such balance pertaining to Very Old Period so we are of the opinion that the necessary action has to be taken by the management either to get it resolved after roll back over the

earlier years or to square up such amount after getting the necessary approval from NCCT.

- xvii) On Verification of the Trial Balance, we found that the amount of Rs. 1905/- pertains to very long period and the name of person/employee was not available with the competent authority. In this regards, we are of the opinion that such amount should be adjusted in current year and should square off the account.
- xviii) Festival Advance of Rs. 8100/- Cr. :- The nature of the ledger should be "Dr." but here the closing balance arrived in Credit. This shows that the amount had been recovered by the organization from various staff members without giving any Actual Advance to the respective employees / staff which is not practical. This indicates that some wrong transactions took place during the earlier years. Management should look into the matter and justify a reason for the same. If the Account exists without any base, then the management should nullify the account after due permissions / approvals from Concerned Authorities.
- xix) Fee Receivable (Old) : Rs. 71,393 Dr. :- On verification of ledger account, we noticed that the amount is receivable in form of fees from the various Organizations but the necessary details were not furnished for our verification. It has been informed by the Competent Person that such recoverable amount pertains to very old period. We can not confirm its recoverability.
- xx) Unknown RTGS of Rs. 1,28,270.00 Cr. :- On Verification of the Trial Balance, we found the amount pertains to very long period. No Proper explanation had been furnished by the Concerned Officials. The management should look after the matter and should resolve the matter as earlier as possible.

xxi) On verification of the Trial Balance we have found that Institute had given some amount of Advance to the Mess Contractor amounting to Rs. 10,000/- which is classified under under the Current Assets but the relevant and necessary details are not available from how long period it is outstanding in the accounts of the Institute.

xxii) Other Current Liability of Rs. 3,87,220.00 Cr. :- In this reference, No satisfactory explanation had been furnished by the Competent Authority as it relates to very old period. The management should look after the matter and should resolve the matter as earlier as possible.

xxiii) We Noticed that as well as informed by the Competent Authority that the Institute is maintaining Sufficient balance of FDR's in the bank but on such amount the Bank had not deducted any amount of TDS on the interest amount which violates the provision of Income Tax Act, 1961. Also, It is not clear that whether the amount of interest credited pertains to the net of TDS or it is a gross amount of Interest.

MICM, BHUBANESWAR

i) The Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases.

ii) During the Audit it is observed that the Institute has given Charge for Mess to his MTS employee's son. This is himself violation of rule as Institute's staff or his family is not eligible to get Mess Contract. Further the Mess Cook is getting Mess Subsidy from MICM amounting Rs. 5,000 Per Month without any approval from Head Office. Since this is not a Co-operative Mess hence Subsidy given to him is a violation of Rules. It is suggested that "MESS COMMITTEE" should be formed and Mess Contract should be given to Outsourcing on the basis of quotations received from various Food Contractors. The Present Practice Adopting by the MICM is against the policy and guidelines issued by the NCCT. Please look into the matter and take necessary action. NCCT- HO should frame a uniform policy for operation of mess.

iii) During the Audit it is observed that no rate is fixed for Meal Charges. On Sample Verification conducted by us it is found that different rates are charged from Participants of different programme. From Bill Copy, it was observed Higher number of participants is shown against actual number and higher amount is charged by the mess cook by inflating the bill. The Present Practice Adopting by the MICM is against the policy and guidelines issued by the NCCT. There is no internal control at all. There is large variation in the rates.

iv) Old Balances are still appearing in the Balance are brought forward since long need to be adjusted / cleared immediately like Recovery made from Mr. R.N. Sahoo, Ex-Employee of the Institute for Rs. 1,79,625/- against shortage of Fixed Assets during the tenure of his office has been kept unadjusted till date. Fixed Assets is over stated to that extent.

v) During the audit it is observed that an LDC Employee Namely Deepti Mohanti is claiming HRA since 2008 with the help of MICM Director. As per rule HRA is not admissible if her husband has been allotted

accommodation at the same station by the Central Government, State Government, An Autonomous Public Undertaking or Semi – Government Organization where she resides. She is living with husband who has been allotted 3 Bed Room Class – 1 Quarter, also earning rental income from her quarter. Despite this she is claiming from MICM in the name of HRA and it seems like Director is supporting her.

- vi) The MICM is showing Other Current Liability amounting Rs. 2,55,97,329.50 under the head Current Liabilities & Provisions in the Balance Sheet which Consists Fixed Assets Shortage Recovery amounting Rs. 1,79,625.00, GST Liability amounting Rs. 3,08,580.50, NCCT Fund (Repair / Renovation) amounting Rs. 1,20,000,00, RKVY (Infrastructural Development Fund) amounting Rs. 1,28,76,000.00. These are old balance and subject to verification. Further Centre Charges received from BPUT for Rs. 58,070 payable to staff for their supervision work kept un- disbursed till yet and shown under Current Liabilities as on the Audit. An early action for disbursement is suggested. These are subject to verification and confirmation.
- vii) There are very old balance showing under the head Current Assets, Loans and Advances like Amount recoverable from CPWD amounting Rs. 1,73,000.00, Security Deposit amounting Rs. 2,500, LAMPCS Training Programme Receivable amounting Rs. 86,966.42, TDS On Investment amounting Rs. 3,197.00. In this regards it has been explained by the officials of Institute that such balance pertaining to Very Old Period so we are of the opinion that the necessary action has to be taken by the management either to get it resolved after roll back over the earlier years or to square up such amount after getting the necessary approval from NCCT. We can not certify their correctness.
- viii) The MICM is showing Capital Work in Progress amounting Rs. 2,46,31,000.00 under the head assets side of Balance Sheet which consist Rs

1,04,02,000 belong to Executive Engineer PWD (R & B) and Executive Engineer PHD (BBSR) amounting Rs. 1,42,29,000.00 toward repair and renovation of Civil & Electrical Works. It is subject to verification. Work done certificate may be obtained from the respective department to assess the quantum of works completed by them.

- ix) In comparison to the Previous year, Expenditure on Repair & Renewals and Repair & Maintenance (Building) seems to be higher. Further on sample verification conducted by us Purchase Procedure is not following by the MICM. No Purchase Requisition, No Quotation Called, Even Tax Invoice is not collected with GST Number from the concerned vendor. As per information gathered , Campus Supervisor is involved in personal benefits .
- x) Provision for Salary to contingent Staff and Payment to Guest Lecture should not be made where the amount is not certain.
- xi) “Other Current Liabilities” include amount received from Blazer, Pre-Placement fee and Seminar Fee which are non refundable and unspent balance under these heads are to be shown and transferred to (Specific) earmark Fund account instead of keeping the same under the Other Current Liabilities.
- xii) As per the Circular No – 4-18/RES/F&A/2015-2016 dated 28/01/2016 available, The Institute can retain 50 % of the Surplus from the Entire Programme and 50 % is to be transferred to NCCT Head Quarters Accordingly 50% of total Surplus amounting Rs. 16,42,669.04 generated through paid programme is credited to Training Development Fund and 50% to NCCT.

- xiii) Building Fund of Rs. 1,03,61,892.20 shown in the Balance Sheet does not represent a correct balance as Accrued Interest Reversed for the Financial Year 2017-2018 amounting Rs. 1,09,530.00 is transferred to building fund to match the closing balance of FDR as on 31/03/2019. Further Income from Investment made on account of funds amounting Rs. 1,30,981.00 is directly credited to building fund. Further Service Charges (General & MBA) of Rs. 11,66,060.00 is directly credited to building fund without routed through Income & Expenditure account and to that extent income is understated.
- xiv) Training Fund of Rs. 39,85,628.82 shown in the Balance Sheet do not represent a correct balance as payment of 7th CPC Arrears of Rs. 12,09,750.00, Payment for Administrative Expenses amounting 1,89,434.00 and Payment for Assets Purchase of Rs. 2,17,772.00 are directly Debited to Training Development Fund. Further Surplus of Training Programme of Rs. 8,21,334.04 is Credited to Training Development Fund.
- xv) The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-2019 and we have relied on their Concurrent Year Report while conducting Statutory Audit of the Unit. The concurrent Auditors are required to verify day to day transactions.
- xvi) Physical Verification of Fixed Assets: It is strongly suggested that the Institute should develop a system of unique reference numbering or coding on each fixed assets and the location of the assets where it's lying, Control over identifying, recording, storing and disposal of assets retired from its active use should be done more effectively. Ensure that all assets are safeguarded against damage or theft.
- xvii) Physical Verification of Library Books and Stationary: Physical Verification Report of Library Books and Stationary are made available but we are not

able to comment on safeguard against lost or theft of books and procedure for recovery in the case of lost or theft.

- xviii) There is a huge amount received Against Training Programme amounting Rs. 12,05,099.00. This amount belongs to previous year and old in nature so it is subject to verification. Institute should maintain Separate Bill Register to keep an Audit trail of bills raised as and when program are scheduled / held, Advances received against them and final payment received. These balances are subject to confirmation.
- xix) During the Audit It is noticed that the unit has paid of Rs. 30,34,138.00/- on account of deposit of due Service Tax for the period from 2014-2015 to 2017-2018 along with Rs. 7,56,388 as deposit of interest and Rs. 2,97,098 .00 as deposit of Penalty. Further the Institute has paid Rs. 1,89,434 GST plus Rs. 44,204 as interest on Paid Programme Fees and Hostel Rent @ 18 %. Despite of repeated audit observation about applicability of Service Tax and Imposition of GST Liability, the Policy maker of the Institute had ignored resulting in payment of huge fine and loss as it cannot recovered. Accountability should be fixed.

The Unit has earned interest on FDR. Bank Certificate and TDS Certificate in the form of FORM 16 or 26 AS not produced to us regarding the confirmation.

RICM, CHANDIGARH

- xx) The Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases.

xxi) Income and Expenses are to be classified and accounted according to their nature and then only the Financial Statement can be prepared in order to give more information to the users otherwise the decision taken based on these reporting would be arbitrary.

But in many situations the Institute accounted many income and expenditure in Common heads eg,

a) All the fees received from regular course as well as from paid programmes have been accounted under a common head " Fees & Academic Receipts (PP)". in our opinion paid programme and other receipts should be shown separately.

b) All the expenditures in connection with programmes other than Boarding & Lodging, Course Materials, Stationary, Travelling and Honorarium to Faculties are accounted under a common head " Other Expenses (PP)" and it result to become the major item of expenditure under the group " Expenditure on Paid Programme (PP)".

It is suggested that the expenditure should be classified and recorded as per its nature so that comparative could be done..

c) As per the detailed Annexure provided by the Institute, per day rate per participants for meal as well hostel rent should also be mentioned in the annexure. Further Other Charges received and Other Programme Expenses should be removed and instead appropriate heads should be mentioned in the respective columns.

xxii) As per the Circular No – 4-18/RES/F&A/2015-2016 dated 28/01/2016 available, The Institute can retain 50 % of the Surplus from the Entire Programme and 50 % is to be transferred to NCCT Head Quarters Accordingly 50% of total Surplus amounting Rs. 1,04,04,007.18 generated through paid programme is directly credited to Training Development Fund and 50% to NCCT.

xxiii) Capital Fund of Rs. 1,12,51,938.54 shown in the Balance Sheet does not represent a correct balance as Assets Purchase amounting Rs. 9,02,066.59 and Amount Receivable from PGDM amounting Rs. 18,80,442.18 are directly credited to Capital Fund. Further Depreciation amounting Rs. 12,44,206.12 is directly debited to Capital Fund without routed through Income & Expenditure account. NCCT should frame a policy , specifically directing which item will be accounted in the Capital fund.

xxiv) Building Fund of Rs. 31,61,029.58 shown in the Balance Sheet does not represent a correct picture . Payment made for other expenses of Rs. 6,581/- is debited to Building Fund and Service Charges from Auditorium of Rs. 12,40,452.00 is directly credited to building fund without routed through Income & Expenditure account and to that extent expenditure and income is understated.

xxv) Training Fund of Rs. 43,89,457.54 shown in the Balance Sheet do not represent a correct position. Income from Investment of Rs. 3,73,136.00, Court Fees from PGDM of Rs. 5,66,140.00, 21st HDCM (C) for the year 2018-2019 of Rs. 52,02,003.54, Last year Accrued Interest of Rs. 1,24,578.00 are directly transferred to Training Development Fund without routed through Income & expenditure account . This practice is not acceptable as per Income tax Act / Accounting rules as it understates the current year profit. Further Fixed assets purchased amounting to Rs 8,97,381.00 and Salary, wages and allowances of Rs. 35,70,304.41.00 are debited to Training Development Fund.

xxvi) Institute having current bank account with PSCB of Rs. 6,345.91 showing in the Balance Sheet under the head Current Assets, Loans, Advances etc but failed to produce us bank Certificate indicating closing bank balance as on 31/03/2019 for our verification. Hence we can not comment on the correctness of bank balance.

xxvii) The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-2019 and we have relied on their Concurrent Year Report while conducting Statutory Audit of the Unit.

xxviii) Physical Verification of Fixed Assets: It is strongly suggested that the Institute should develop a system of unique reference numbering or coding on each fixed assets and the location of the assets where it's lying, Control over identifying, recording, storing and disposal of assets retired from its active use should be done more effectively. Ensure that all assets are safeguarded against damage or theft.

xxix) Physical Verification of Library Books: Due to Non availability of Physical Verification Report of Library Books we are not able to comment on safeguard against lost or theft of books and procedure for recovery in the case of lost or theft.

xxx) An amount of Rs. 14,944/- Recoverable from NCUI made pertaining for more than one year not seen settled so far. The Institute should make an attempt to recover the same. Further an amount of Rs. 2,098/- TTA Advance made pertaining to last year not seen settled so far. Instead of showing it under the head Current Assets, Institute is showing it under the head current liability. The Institute should make an attempt to recover the same from his salary or otherwise. Further Paid Programme Fees Recoverable amounting Rs. 3,46,152.00 is subject to verification as it's an adjustment entry for many years of programme which are not closed in 2018-2019 and taken forward for the year 2019-2020.

xxxii) No confirmation obtained in case of Current assets and current liabilities.

xxxiii) Institute should maintain Separate Bill Register to keep an Audit trail of bills raised as and when program are scheduled / held, Advances received against them and final payment received.

xxxiiii) There should be reconciliation statement with respect to transaction done with Head Office. There should be quarterly reconciliation system so that remittance from NCCT A/c is accurate all the time.

xxxv) During the Audit It is noticed that the unit has paid of Rs. 25,67,847/- on account of deposit of due Service Tax for the period from 2013-2014 to 2016-2017 along with Rs. 23,52,978.00 as deposit of penalty and interest. Further the Institute has paid Rs. 27,58,006.00 as GST on Paid Programme Fees and Hostel Rent @ 18 %. Despite of repeated audit observation about applicability of Service Tax and Imposition of GST Liability, the Policy maker of the Institute had ignored resulting in payment of huge fine and loss as it cannot recovered. It is the responsibility of the Head Office, with the oversight of those charged with governance, to ensure that all the Unit's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in all the unit's financial statements.

xxxvi) Receipt and Payment Account is not proper as it is not prepared on Cash basis.

xxxvii) The Unit has earned interest on FDR. Bank Certificate produced to us for reconciliation and confirmation. As per the Account Department TDS has not been deducted by the bank but TDS Certificate in the form of FORM 16 or 26 AS not produced to us regarding the confirmation.

xxxvii) Cash in hand of Rs. 9,413.00 is showing under the head Current Assets, Loans, Advances but Unit has failed to produce us Cash Book Register for our verification.

xxxviii) MESS OPERATIONS

The NCCT- HO should frame a uniform policy for mess activities i.e appointment of mess contractor, rates, menu and record for charging to the institute. It is important to mention that there is a scope for revenue leakage.

URICM, GANDHINAGAR

- i) The Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases.
- ii) As per the Circular No – 4-18/RES/F&A/2015-2016 dated 28/01/2016 available, The Institute can retain 50 % of the Surplus from the Entire paid Programme and 50 % is to be transferred to NCCT Head Office. Accordingly 50% of total Surplus generated through paid programme is credited to Training Development Fund and 50% to NCCT- HO. The Institute has not established any measure to evaluate the operating result regularly in order to fix the amount to be transferred to the NCCT Head Quarters.
- iii) Building Fund of Rs. 1,18,54,954.24 shown in the Balance Sheet does not represent a correct balance as Service Charge Recovered total amounting Rs. 23,92,260.24 is credited to building fund. Further Payment of Salaries, Wages and allowances etc amounting Rs. 24,000 is debited to Building Fund. By these amounts Income & Expenditure are understated.

- iv) Training Development Fund of Rs. 1,35,18,549.00 shown in the Balance Sheet do not represent a correct balance as Surplus from paid program Amounting Rs. 16,53,792 plus Income from investment made on account of Funds amounting Rs. 7,57,425.00 are directly credited to TDF. Further Payment for Assets Purchase total amounting of Rs. 15,11,427.00 and Payment for salary and wages amounting Rs. 15,41,371.00 are directly Debited to Training Development Fund. Income is understated by Rs.7,57,425.00 and expenditure is understated by Rs.15,41,371.00
- v) There is a fund shown in schedule – 3 Namely “Other Fund “ which is very old in nature and has opening balance of Rs. 1,65,928.87. Purpose of this fund not explained to us.
- vi) The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-2019 and we have relied on their Concurrent Year Report while conducting Statutory Audit of the Unit, as concurrent auditors are to verify the transactions on day to day basis.
- vii) Physical Verification of Library Books and Stationary: Physical Verification Report of Library Books and Stationary are made available but we are not able to comment on safeguard against lost or theft of books and procedure followed for verification and procedure for recovery in the case of lost or theft.
- viii) Physical Verification of Fixed Assets: It is strongly suggested that the Institute should develop a system of unique reference numbering or coding on each fixed assets and the location of the assets where it's lying, Control over identifying, recording, storing and disposal of assets retired from its active use should be done more effectively. Ensure that all assets are safeguarded against damage or theft.

ix) The Authority to issue cheques and make accounting entries is with same person. Thus Authority should be delegated to different Employee so that work of one person will be checked by another and good Internal Control will be established.

x) The Amount of GST Credit should be separately mentioned in Accounts. We Suggest to segregate the amount of GST Credit instead of Including in expenses and to show as GST Receivable separately. Actual Entry Passed In Books of Account :

Date	Voucher No.	Debit Head	Dr.	Credit Head	Cr.
27/03/2019	228	Security Expenses	31,805/-	Vigil Securities	31,169/-
				TDS Payable	636/-

Suggested Entry to be passed in the Books:-

Date	Voucher No.	Debit Head	Dr.	Credit Head	Cr.
27/03/2019	228	Security Expenses	31,805/-	Vigil Securities	31,169/-
		SGST Receivable	2,426/-	TDS Payable	636/-
		CGST	2,426/-		

		Receivable			
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xi) During the Audit it is observed that URICM follow Accounting Standard in maintenance of books of Account However Legal and Professional Expenses are material in nature for which URICM do not maintained separately ledger and merge with miscellaneous Expenses.

Date	Voucher No.	Debit Head	Dr.	Credit Head	Cr.
14/03/2019	212	Miscellaneous Expenses	12,600.00	Mehta Seth & Associates	13,600.00
		SGST Receivable	1,125.00	TDS Payable	1,250.00
		CGST Receivable	1,125.00		-

xii) The Current Assets and Current Liabilities are subject to confirmation from parties. It has been observed that party wise ledgers have not been maintained for all Creditors / Debtors with Exception of Few. There has been no external confirmation statement available from parties.

xiii) There is a huge amount received Against Training Program amounting Rs. 22,00,000.00. It is subject to verification. Institute should maintain Separate Bill Register to keep an Audit trail of bills raised as and when program are

scheduled / held, Advances received against them and final payment received.

- xiv) There should be reconciliation statement with respect to transaction done with Head Office. There should be quarterly reconciliation system so that remittance from NCCT A/c is accurate all the time.
- xv) During the Audit it is observed that At present, Entry in Hostel Receipt Register and Receipt Book is done by a single person. He is also in charge of collection of receipts. Further Hostel Register is not properly maintained. We suggest delegating responsibilities among two or more persons as a checker so that Internal Control can be maintain and no case of Fraud can be seen in future.
- xvi) There is huge amount receivable from very long period towards TDS from NCCT amounting Rs. 25,91,516 /- (of URICM) and Rs. 1,10,818/- (of PGDM Course) . appropriate entries should be passed
- xvii) During the Audit It is noticed that the unit has paid of Rs. 49,38,307.00/- on account of deposit of due Service Tax for the period from 01/04/2013 to 30/06/2017 along with Rs. 7,40,746 as deposit of penalty and Rs. 35,34,763.00 as Payment of interest. Further the Institute has paid Rs. 88,000.00 as GST on Paid Program Fees and Hostel Rent @ 18 %. Despite of repeated audit observation about applicability of Service Tax and Imposition of GST Liability, the Policy maker of the Institute had ignored resulting in payment of huge fine and loss as it cannot recover. It is suggested that accountability should be fixed for such huge loss to the organization and appropriate action should be initiated.

xviii) Receipt and Payment Account is not prepared on cash basis.

- xix) The Unit has earned interest on FDR. Bank Certificate and TDS Certificate in the form of Form 16 or 26 AS not produced to us regarding the confirmation hence we cannot comment on correctness of the TDS Outstanding.
- xx) During the audit it is observed that No GST is Charged and paid on Hostel Rental Income by the URICM. As per explanation given by the management, GST is not applicable if rent is below Rs. 1000/-. As URICM has been paid GST Arrear for many years along with Service Tax as a Fine So proper guidance should be Obtained to Avoid Future Liability.

xxi) MESS OPERATIONS:-

The NCCT-HO should frame a uniform policy for operation and allotment of mess contract. At present uniform system not being followed and there is scope for leakjage.

ICM, GUWAHATI

- i) The Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases.

- ii) Capital Fund of Rs. 2,33,57,539.04 shown in the Balance Sheet does not represent a correct balance as loss amounting to Rs. 16,71,670.96 is deducted from Capital Fund. Generally depreciation is deducted from Capital Fund as per Accounting Policy adopted by the NCCT. Further Assets Purchase amounting Rs. 17,500 debited to TDF but not Credited to Capital Fund. The Management has no explanation about this entry.
- iii) Training Fund of Rs. 29,51,813.50 shown in the Balance Sheet do not represent a correct balance as payment for salaries, wages and allowances of Rs. 4,64,281.50 and Payment for Assets Purchase total amounting of Rs. 17,500.00 plus Rs. 812.00 of other expenses are directly Debited to Training Development Fund. Further Income from Investment of Rs. 3,68,516 are directly Credited to Training Development Fund. By these amounts income and expenses are understated.
- iv) The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-2019 and we have relied on their Concurrent Year Report while conducting Statutory Audit of the Unit. On Scrutiny of the Trial Balance we observed that there is a difference in Trial Balance of Rs. 16,477. which was not explained.
- v) Physical Verification of Fixed Assets: It is strongly suggested that the Institute should develop a system of unique reference numbering or coding on each fixed assets and the location of the assets where it's lying, Control over identifying, recording, storing and disposal of assets retired from its active use should be done more effectively. Ensure that

all assets are safeguarded against damage or theft.

- vi) Physical Verification of Library Books and Stationary: Physical Verification Report of Library Books and Stationary are made available but we are not able to comment on safeguard against lost or theft of books and procedure for recovery in the case of lost or theft.
- vii) The Current Assets and Current Liabilities are subject to confirmation from parties. It has been observed that party wise ledgers have not been maintained for all Creditors / Debtors with Exception of Few. There has been no external confirmation statement available from parties.
- viii) In Schedule - 3, There is a fund showing namely LDP PROGRAMME FUND amounting Rs. 82,570.00 (Opening Balance) which belongs to Financial Year 2016-2017. Programme Fees received but Program could not be conducted by the ICM and Balance is still outstanding. In addition Rs. 25,800 as expenditure deducted from that balance for adjustment entry for earlier wrong entry passed. It's a old fund and subject to verification.
- ix) In Schedule - 3, There is a fund showing namely ICM HOSTEL CONSTRUCTION FUND received from NEC Shilong amounting Rs. 5,49,80,356.50 (Opening Balance) for construction of Hostel But Construction could not be completed hence balance is outstanding. In addition Interest on saving amounting Rs. 22,32,422.00 is directly transferred to that fund. It is advised to earn higher interest, FDR should be made.

- x) During the Audit It is noticed that the unit has paid of Rs. 11,66,213.00 on account of deposit of due Service Tax for older period along with Rs. 8,52,014.00 as deposit of interest and penalty. Further the Institute has paid Rs. 1,38,196 as GST on Paid Programme Fees and Hostel Rent @ 18 %. Despite of repeated audit observation about applicability of Service Tax and Imposition of GST Liability, the Policy maker of the Institute had ignored resulting in payment of huge fine and loss as it cannot recovered. It is the responsibility of the Head Office, with the oversight of those charged with governance, to ensure that all the Unit's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in all the unit's financial statements. Accountability should be fixed.
- xi) Receipt and Payment Account is not prepared on cash basis.
- xii) The Unit has earned interest on FDR. Bank Certificate and TDS Certificate in the form of FORM 16 or 26 AS not produced to us regarding the confirmation.
- xiii) During the Audit it is observed that the Institute has given mess work for staff on salary basis. The Institute Has failed to produce us Mess Committee Order, MOU between ICM and Present Mess Cook, Details of Quotations Called from other Contractors. Further No Rate is fixed for Meal Charges. It is suggested that Mess Committee should be formed and give mess contract to outsourcing on the basis of quotations and comparative statements and all the documents should

keep up to date. A uniform mess policy should be formulated at head office level applicable to all units.

- xiv) As per information given to us, the Institute had newly taken registration under GST on 10.09.2018 however till date no compliances have been followed in the matters of collecting and Depositing GST as well as filing of Returns. In our opinion, urgent steps should be taken in this regard to avoid future liabilities.
- xv) On Scrutiny of the Trial Balance we observed that the balance lying in the Account head " Current Assets". In this regards it has been explained by the officials of Institute that such balance pertaining to Very Old Period so we are of the opinion that the necessary action has to be taken by the management either to get it resolved after roll back over the earlier years or to square up such amount after getting the necessary approval from NCCT like Old Amount Receivable from ICM Manipur amounting Rs. 94,000.00
- xvi) Further Following advances are recoverable from Employees:

Name of Employee	Type of Advance	Amount Due as on 31/03/2019
Akhil Chandra Deka	Excess Payment of Salary	31,000.00
Sanjib Pujari	Excess Payment of Salary	14,000.00

ICM, NAGPUR

- i) The Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases.
- ii) During the Audit it is observed that the Institute has given contract for Mess to his employee's wife . This is itself violation of rule as Institute's staff relative is not eligible to get Mess Contract. The Only authority who will decide to give Mess Contract is "MESS COMMITTEE" on the basis of quotations received from various Food Contractors. The Institute has failed to produce us Mess Committee Order, MOU between ICM and Present Mess Contractor, Details of Quotations Called from other Contractors. This Practice is against policy and guidelines issued by the NCCT. As per information received/ gathered, Mr. Tiknayak is sharing the income with the mess contractor. This is very serious violation and needs special investigation. Further NCCT- HO should frame broad guideline for running the mess. There is scope for leakage of funds. It required immediate attention . The Director ICM informed that now procedure has been started for appointment of mess contractor and procedure is being followed.
- iii) A Circular is issued by the Head Office vide Circular No 2-2/2000-Misc/2019- dated 04/02/2019 regarding Procedure to accord travelling on official tour in all the cases where the approval of NCCT (Hqrs) must be obtained well in advance and in any case before proceeding the tour otherwise case concerned person will have to bear the cost of tour. During the Audit It is noticed that the ICM is not following NCCT's Guidelines & Policies. The Office Superintendent

- of ICM Namely Ravindra Tiknayak has visited recently for Kathmandu Tour for Leadership Development Programme without any approval from NCCT Headquarters. There is no need to go there for any other officer except Guest Faculty. The ICM's Director has given permission to him. The practice adopting by the ICM is against Policy and Guidelines issued by the NCCT. Please look into the matter and take necessary action. The Director explained that due to staff shortage and Mr. Tikanayak being well converse with local language has to accompany .
- iv) As per the Circular No – 4-18/RES/F&A/2015-2016 dated 28/01/2016 available, the Institute can retain 50 % of the Surplus from the Entire Program and 50 % is to be transferred to NCCT Head Quarters Accordingly 50% of total Surplus amounting Rs. 37,28,344.22 generated through paid programme is directly credited to Training Development Fund and 50% to NCCT.
 - v) Building Fund of Rs. 72,63,881.08 shown in the Balance Sheet does not represent a correct balance as payment made for Construction to CPWD of Rs. 6,20,425/-, Advance Fees Refund of Rs. 1,43,116.00 and Payment of Security Guard of Rs. 55,582.00 are debited to Building Fund. Further Service Charges from Hostel of Rs. 3,39,825.00 is directly credited to building fund without routed through Income & Expenditure account. Hence due to this income & expenditure account does not represent a correct position..
 - vi) Training Fund of Rs. 1,71,76,832.81 shown in the Balance Sheet do not represent a correct balance as payment of 7th CPC Arrears of Rs. 8,78,695 and Payment for GST Liability for many years of Rs. 13,16,110.00 and Payment for Assets Purchase of Rs. 22,694 are directly Debited to Training Development Fund. Further Surplus of Training Programme of Rs. 18,64,172.11 is Credited to Training

Development Fund. The income for the year 2018-19 is understated and overstated by these amounts. We had been advising since long for service tax liabilities but no action taken and Institute suffered huge loss. Accountability should be fixed. We appreciate the efforts of RICM Director for taking corrective measure in reducing the service tax liability.

- vii) Institute having Current Bank Account with two Banks showing in the Balance Sheet under the head Current Assets, Loans, Advances etc but failed to produce us bank Certificate indicating closing bank balance as on 31/03/2019 for our verification during the Audit. Further Bank Reconciliation Statement has not been prepared by the institute. Hence we can not comment whether bank balance tally with the bank records..
- viii) The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-2019 for conducting detailed day to day audit and we have relied on their Concurrent audit Report while conducting Statutory Audit of the Unit. Concurrent Auditors has not reported any major or serious irregularities and we have relied on its report while conducting statutory audit of the institute at random basic.
- ix) Physical Verification of Fixed Assets: It is strongly suggested that the Institute should develop a system of unique reference numbering or coding on each fixed assets and the location of the assets where it's lying, Control over identifying, recording, storing and disposal of assets retired from its active use should be done more effectively. Ensure that all assets are safeguarded against damage or theft. Proper assets register as required is not maintained and physical verification as

per required procedure not done, hence we can not comment whether there is any loss of assets or not.

Physical Verification of Library Books and Stationary: Physical Verification Report of Library Books and Stationary are made available , hence we are not able to comment on safeguard against lost or theft of books and procedure for recovery in the case of lost or theft as there is some books was missing in the report. . Proper library register as required is not maintained and physical verification as per required procedure not done, hence we can not comment whether there is any loss of assets or not.

- x) There is a huge amount receivable from very long period of Rs. 3,41,92,000.00/- Recoverable from Government of Maharashtra made pertaining for more than one year not seen settled so far. Further an amount of Rs. 6,320/- related to Seminar For Fishing made pertaining to last year not seen settled so far. An amount of Rs. 77,408.00 from Financial Assistance Education Fund made pertaining to last year not settled so far in resulting liquidity blockage to the unit and having massive effect on finance management of the unit. The Institute should make an attempt to recover the same.
- xi) No confirmation obtained in case of Current assets and current liabilities .Hence we can not comment on their correctness.
- xii) Institute should maintain Separate Bill Register to keep an Audit trail of bills raised as and when program are scheduled / held, Advances received against them and final payment received.

- xiii) There should be reconciliation statement with respect to transaction done with Head Office. There should be quarterly reconciliation system so that remittance from NCCT A/c is accurate all the time..
- xiv) During the Audit It is noticed that the unit has paid of Rs. 2,93,984/- on account of deposit of due Service Tax for the period from 2013-2014 to 2016-2017 along with Rs. 2,30,189.00 as deposit of penalty and interest. Further the Institute has paid Rs. 13,16,110.00 as GST on Paid Programme Fees and Hostel Rent @ 18 %. Despite of repeated audit observation about applicability of Service Tax and Imposition of GST Liability, the Policy maker of the Institute had ignored resulting in payment of huge fine and loss as it cannot recovered.
- xv) Receipt and Payment Account is not prepared.
- xvi) The Unit has earned interest on FDR. Bank Certificate and TDS Certificate in the form of FORM 16 or 26 AS not produced to us regarding the confirmation for General Account. Hence we can not comment on their accuracy of interest earned and TDS deducted and their accounting treatment.
- xvii) In the case of MBA Division, Schedule – 18 (Expenditure on Professional Programmes) details is not prepared properly against Expenditure Claimed on professional Programmes of Rs. 8,18,004.00 therefore it is subject to verification.
- The head office should prepare a uniform mess policy applicable on all units. There is strong possibility of revenue leakage in mess accounts.

ICM, Dehradun

GENERAL PROGRAM

- i) Depreciation not charged as per income tax schedule. Depreciation charged as per accounting policy of NCCT.
- ii) The current assets and current liabilities are subject to confirmation.
- iii) The accrual concept has not been fully adopted.
- iv) The NCCT- HO has appointed concurrent auditors for each unit for in depth checking of accounts. We have relied on concurrent Audit Report of the unit for the financial year 2018-19 , while conducting statutory audit of the institute.
- v) Internal control of fixed assets is very weak. Proper fixed assets records as required not maintained.
- vi) Receipt And Payment A/c is not maintained as per cash basis.
- vii) Physical Verification of fixed assets is not done as per laid down procedure, hence we cannot comment on any loss of fixed assets.
- viii) Service tax deposited by ICM during the financial year 2018-19 Rs. 50,49,804.00 with interest and penalty. This amount have been not recovered from client, it is loss of the organization due to negligence of the work of unit. In spite of observations from Auditors, no action taken. It is suggested that accountability should be fixed and appropriate action should be initiated against the staff responsible for such huge loss to the organization.

- ix) GST Rs.831156.00 deposited by unit in 2019-20 , this amount has been not recovered from client, it is loss of the organization due to negligence of the staff. Accountability should be fixed.
- x) External faculty records like agreement copy, attendance records have not properly maintained by unit.
- xi) Program file have not maintained properly like Budget copy , Acceptance letter, bills copy not attached .
- vi) Income from investment and paid program/Professional share /Service Charges from hostel of following unit directly transferred to TDF & Building Funds instead of showing in income and expenditure A/c and then further transferred to NCCT-Head Office per accounting policy of NCCT but this practice is against the Income Tax Act/Accounting rule and this practice understated the profit of current year.

Paid Program Share	Professional Share	Interest On FDR	Service Charges From Hostel
24,26,803.00	Nil	3,48,798.00	6,07,444.00

- xix) Three employee engaged in library in 2018-19 but library books record have not maintained and physical verification of books not done. Hence we can not comment if there is any loss due to shortage of books.

ICM, PUNE

- i) Depreciation charged as per accounting policy of NCCT and transferred to capital fund. Depreciation not charged as per income tax act and financial impact not calculated.

- ii) Current assets and current liabilities are not confirmed by parties. Few current assets and current liabilities may be not recoverable or payable and may impact the correctness. It is advised that institute should get confirmation from all current assets and current liabilities .
- iii) G S T registration not taken at due date, and institute has to pay Rs.10,35,148.00 from its own sources. It is a net loss to the ICM. Accountability should be fixed and appropriate action should be taken for such huge loss to the Institute.
- iv) The national council for cooperative training has appointed a firm of chartered accountants as concurrent auditors for the financial year 2018-19 and we have relied on their concurrent audit report while conducting statutory audit of the ICM. In our opinion quality of report not satisfactory.
- v) As per instruction given by the ministry of agriculture, additional expenditure due to revised 6th pay commission has to be met out 80% from grant and balance 20% from own resources. Instructions given by the ministry not adhered. And to that extent expenses are understated.Salaries and other Administrative expenses amounting to Rs,12,54,763.00 and Rs. 10,35,148.00 respectively are debited to Training Development Fund and to that extent expenses are understated.
- vi) Receipt & payment account not made as per cash basis.
- vii) Separate Ledger for TDS not maintain in Tally ERP 9 (Software).
- viii) Attendance record of Contractual employee is not being maintained properly.
- ix) TRAINING DEVELOPMENT FUND.
Rs. 12,54,763.00 and Rs.10,35,148.00 is debited to TDF on account of Salaries and allowances and other Administrative expenses and to that extent expenses are understated.
- x) There is no Rent Agreement between ICM & Landlord provided to us during our audit verification.

xi) BUILDING FUND

Rs.6,14,466.00 and rs. 89,400.00 income from building is directly credited to Building Fund and to that extent income is understated .

xii) PROFESSIONAL FEE

The ICM appointed concurrent Auditor for calculation of liability on account of service tax and GST with out following procedure. As explained by the management time left for filing the return was very less and no one was willing to take the assignment, hence we had to appoint them but fee is not yet released and we are negotiating with the firm.

xiii) SERVICE TAX

The ICM paid service tax liability of Rs.37,50,140.00 due to not taking in time. Accountability should be fixed for such huge loss to the Institute As it was advise long back by the Auditors.

xiv) MESS Accounts

There is scope for leakage in the procedure adopted for appointment of mess contractor and operation of mess account. It is advised that a proper system should be devised at Head office level which should be followed by all institutes for operation of mess accounts.

Xv) OTHER CURRENT ASSETS

Details not made available for our comments

ICM, IMPHAL

- i) The Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases.

- ii) As per the Circular No – 4-18/RES/F&A/2015-2016 dated 28/01/2016 available, The Institute can retain 50 % of the Surplus from the Entire paid Programme and 50 % is to be transferred to NCCT Head Quarters Accordingly 50% of total Surplus amounting Rs. 32,73,379.00 generated through paid programme is directly credited to Training Development Fund and 50% to NCCT.

- iii) Capital Fund of Rs. 5,30,83,622.36 shown in the Balance Sheet does not represent a correct balance as NCCT Loan amounting Rs. 8,00,000.00 related to building fund Rs. 30,05,411.00 adjustment entry not explained , an adjustment entry for assets purchased amounting Rs. 20,096.00, an adjustment entry related to Distributable for Za – Zenchu Project amounting Rs. 21,900.28 are directly credited to Capital Fund as Addition during the year. Further an entry passed viz Capital Fund Debited to Profit & Loss Account Credited amounting Rs. 31,09,976.91 as deduction during the year and another entry of Rs. 30,901 related to NCUI Grant, Expenses for AHVY Project, LDP Programme, Nepal Donation as deduction from capital fund. Entries not explained to us , hence we can not comment on correctness of the balance. Further these funds are not backed by equal investments.

- iv) Building Fund of Rs. 36,45,151.00 shown in the Balance Sheet does not represent a correct balance as Service Charges Recovered from building Rs. 8,23,611.00 is directly credited to building fund without routed through Income & Expenditure account. Further assets purchased amounting Rs. 30,05,411.00 is debited to Building Fund. Hence building fund does not represent a correct picture.

- v) Training Fund of Rs. 35,44,924.84 shown in the Balance Sheet do not represent a correct balance as Payment for Assets Purchase total amounting of Rs. 8,00,000.00, Salary, wages and allowances amounting Rs. 9,48,082.00 are directly Debited to Training Development Fund. Further Surplus of Training Programme of Rs. 24,39,508 is directly Credited to Training Development Fund. We can not certify the correctness of the fund.

- vi) The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-2019 and we have relied on their Concurrent Year Report while conducting Statutory Audit of the Unit, as concurrent auditors are supposed to verify day to basis all the transactions of the unit.
- vii) During the Audit it is observed that One Fixed Deposit of Rs. 50,000 is available in ICM Since 2001 @ 11 %. Institute is receiving Interest Income from that FDR in cash but In books of account transaction has not been reflected. As per the information provided by the management Interest on FD amount is received for the purpose of Co-operative Award and the Interest accrued is utilized for awarding to the position holders of HDCM, the best employees and the best Co-operatives. Head Office should look into this matter. No provision made for accrued interest.
- viii) During the Audit it is observed that Institute is deducting @ 5 % on every mess bill and that deducted amount is kept in separate Bank Account and that Bank Account is not reflected in the Books of Account. Head Office Should look into this matter. This is nothing but diversion of fund with out approval.
- ix) The Institute has been making purchase of Consumable items and stationary items from the ICM Employee's Thrift & Credit Society Limited upto last year but during the year it has stopped and Institute discontinued to purchase from the above mentioned Society.
- x) During the Audit it is observed that there is a Mess Committee Fund since 1988 amounting approx 80,000.00 In Urban Co-operative Fund. This is not reflecting in Books of Account of the ICM. At Present Institute has not any Mess Committee to deal with this matter. The Head Office should frame a uniform policy for appointment and operation of mess transactions. There is scope for leakage.
- xi) On Sample Verification It is observed that TDS were deducted from most of the TDS Applicable Payments however the TDS for the month of January, 2019 were deposited on 20th February, 2019 and TDS for the month of February, 2019 was deposited on 13th March, 2019. It is strongly suggested

that it should be deposited before due date to avoid future liability. We suggest that TDS should be deducted and deposited to bank on or before 7th Of Next Month.

- xii) We have checked the amount of fees and academic incomes with the relevant supporting documents and we observed that there is no proper reconciliation of the income receivable and income collected from training various training programs is not done. We suggest that proper reconciliation of training fees collected with fees receivable should be maintained. Institute should maintain Separate Bill Register to keep an Audit trail of bills raised as and when program are scheduled / held, Advances received against them and final payment received. All receipts are accounted on receipt basis. No record maintained for receivable.
- xiii) Following Are the Outstanding Liabilities & Receivables which should be expense off :-
- AHVV Project DC Handicraft Amounting Rs. 1,610/-
 - Leadership Program Amounting Rs. 26,218/-
 - NCUI Fund Amounting Rs. 1,068/-
 - Nepal Donation Amounting Rs. 2,005/-

We suggest that proper review may be done of the outstanding expenses and if no more payable, the same may be write off.

- xiv) Medical Advance given to N.N. SINGH amounting Rs. 9,80,000 Showing in Books of Account under Debtor. We suggest that ageing of advances should be reviewed from time to time and take appropriate actions. This is old amount and appropriate entry should be passed.
- xv) Physical Verification of Fixed Assets: It is strongly suggested that the Institute should develop a system of unique reference numbering or coding on each fixed assets and the location of the assets where it's lying, Control over identifying, recording, storing and disposal of assets retired from its

active use should be done more effectively. Ensure that all assets are safeguarded against damage or theft.

xvi) Physical Verification of Library Books and Stationary: Physical Verification Report of Library Books and Stationary are made available but we are not able to comment on safeguard against lost or theft of books and procedure for recovery in the case of lost or theft.

xvii) During the Audit it is observed that the Institute has given contract for Mess for Contractor. Proper Procedure is followed but On Sample basis we observed that No Rate is fixed for Meal Charges. Food Bill should be prepared with the help of Actual Participants attendance sheet. In some cases bill is charged not according to actual participants. Mess Committee should look after this matter. Proper internal control is required.

xviii) The Current Assets and Current Liabilities are subject to confirmation from parties. It has been observed that party wise ledgers have not been maintained for all Creditors / Debtors with Exception of Few. There has been no external confirmation statement available from parties.

xix) On verification of the Trial Balance we have found that Institute had given some amount of T T Advance amounting Rs. 32,000.00 to Dr. I. A. Khan which is classified under under the head Current Liability but the relevant and necessary details are not available from how long period it is outstanding in the accounts of the Institute. Further there is an outstanding payable of Rs. 36,78,531.00 as on date but detail not made available, hence we can not comment on its correctness. and from which a sum of Rs. 21,900.00 is still outstanding from the previous financial year. The management should look after the matter and should resolve the matter as earlier as possible.

xx) There should be reconciliation statement with respect to transaction done with Head Office. There should be quarterly reconciliation system so that remittance from NCCT A/c is accurate all the time.

xxi) During the Audit It is noticed that the unit has paid of Rs. 31,82,364/- on account of deposit of due Service Tax for the period from April 2013 June 2017 along with Rs. 4,77,355.00 as deposit of penalty and Rs. 18,41,359.00 as interest. Further the Institute has paid Rs. 55,01,078.00 as GST on Paid Programme Fees and Hostel Rent @ 18 %. Despite of repeated audit observation about applicability of Service Tax and Imposition of GST Liability, the Policy maker of the Institute had ignored resulting in payment of huge fine and loss as it cannot recover. It is the responsibility of the Head Office, with the oversight of those charged with governance, to ensure that all the Unit's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in all the unit's financial statements. Accountability should be fixed.

xxii) Receipt and Payment Account is not prepared on cash basis.

The Unit has earned interest on FDR. Bank Certificate and TDS Certificate in the form of FORM 16 or 26 AS not produced to us regarding the confirmation.

ICM, JAIPUR

i) The Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is

found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases.

- ii) As per the Circular No – 4-18/RES/F&A/2015-2016 dated 28/01/2016 available, the Institute can retain 50 % of the Surplus from the Entire paid Programme and 50 % is to be transferred to NCCT Head Quarters Accordingly 50% of total Surplus amounting Rs. 40,72,086 generated through paid programme is credited to Training Development Fund and 50% to NCCT-HO. The Institute has not established any measure to evaluate the operating result regularly in order to fix the amount to be transferred to the NCCT Head Office on Quarterly basis. Fee is accounted on receipt basis and fee due but not received is not accounted and to that extent income is understated . This is very serious accounting error and must be rectified.
- iii) Capital Fund of Rs. 1,06,95,355.24 shown in the Balance Sheet does not represent a correct balance as an adjustment entry of Rs. 8,66,171.00 made from Capital Fund without any approval from NCCT. This adjustment entry belongs to Expenditure on Other Rental Programme and directly debited to Capital Fund. By this amount expenditure is understated.
- iv) Building Fund of Rs. 97,28,067.08 shown in the Balance Sheet . Service Charges Recovered of Rs. 37,11,674.00 is directly credited to building fund without routed through Income & Expenditure account. Hence income is understated by Rs.37,11,674.00.
- v) Training Fund of Rs. 1,11,92,418.95 shown in the Balance Sheet . payment for GST Liability for many years and Payment for Assets Purchase total amounting of Rs. 20,26,202.00 are directly Debited to Training Development Fund. Further Surplus of Training Programme of Rs. 20,36,043.00 and Income from Investment of Rs. 5,15,587 are

directly Credited to Training Development Fund. By this amount expenditure and income are understated.

- vi) The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-2019 and we have relied on their Concurrent Year Report while conducting Statutory Audit of the Unit as concurrent auditors have checked day to day affairs of the unit.
- vii) During the Audit it was noticed that Expenses was not booked in proper accounting head for example Expenses of Photocopies were booked in Repairs and Renewals that in wrong practice.
- viii) TDS is being deducted on payment basis and then deposited accordingly in the month in which the expenses are paid. As per TDS Rule, TDS is accrued on payment or credit whichever is earlier but ICM is deducting and Booking the TDS as and when expenses are paid. This creates deferment of TDS Liability. Further TDS on Salary deduction rule as per Income Tax Act are Tax Calculate for the Financial Year and divide by 12 then deduct on monthly basis during the year but it was noticed that TDS for the month of February, 2019 was not deducted and balance tax deducted in the month of March, 2019.
- ix) It has been observed that there is a long list of old Dead Stock items being carried on. The Management should look into proper disposal / Write off of these items as they are devaluing day by day. It is strongly recommended to dispose the Dead Stock .
- x) Physical Verification of Library Books and Stationary: Physical Verification Report of Library Books and Stationary are made available but we are not able to comment on safeguard against lost or theft of books and procedure for recovery in the case of lost or theft as there is some books was missing in the report.

- xi) There is a huge amount receivable from very long period of Rs. 31,65,572/- Recoverable from CPWD and from CONFED of Rs. 12,600/- made pertaining for more than one year not seen settled so far in resulting liquidity blockage to the unit and having massive effect on finance management of the unit. The Institute should make an attempt to recover the same.
- xii) The Current Assets and Current Liabilities are subject to confirmation from parties. It has been observed that party wise ledgers have not been maintained for all Creditors / Debtors with Exception of Few. There has been no external confirmation statement available from parties. Few old creditors and debtors are shown in the books, we can not confirm where actually payable and recoverable.
- xiii) Institute should maintain Separate Bill Register to keep an Audit trail of bills raised as and when program are scheduled / held, Advances received against them and final payment received.
- xiv) There should be reconciliation statement with respect to transaction done with Head Office. There should be quarterly reconciliation system so that remittance from NCCT A/c is accurate all the time.
- xv) During the Audit It is noticed that the unit has paid of Rs. 15,47,083.00/- on account of deposit of due Service Tax for the period from 2013-2014 to 2017-2018 along with Rs. 8,17,879.00 as deposit of penalty and interest. Further the Institute has paid Rs. 4,89,800.00 as GST on Paid Programme Fees and Hostel Rent @ 18 %. Despite of repeated audit observation about applicability of Service Tax and Imposition of GST Liability, Institute had ignored resulting in

- payment of huge fine and loss as it cannot recovered. Accountability should be fixed.
- xvi) Receipt and Payment Account is not prepared.
- xvii) The Unit has earned interest on FDR. Bank Certificate and TDS Certificate in the form of FORM 16 or 26 AS not produced to us regarding the confirmation, hence we can not comment on the correctness of the income.
- xviii) MESS OPERATIONS :-

A uniform policy for appointment and operation of mess should be formed. There is scope for revenue leakage.

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ICM, Kannur

- i) The Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases.
- ii) CAPITAL FUND

Capital Fund of Rs. 2,03,85,205.58 shown in the Balance Sheet having entry of Assets Purchased of Rs. 18,850.00 and Depreciation amounting Rs. 16,32,909.95. Hence Capital Fund is debited to the extent of Rs. 16,32,909.95 as Depreciation and Credited to the extent of Rs. 18,850.00 as Assets Purchased..

iii) BUILDING FUND

Building Fund of Rs. 21,63,514.05(Net Balance) shown in the Schedule - 3 does not represent a correct Picture as Service Charge Recovered from Hostel of Rs.8,82,660.00 and other receipts of Rs. 75,665.00 are directly add back in Opening Balance of Building Fund without routing it to Income & Expenditure Account. Further Fixed Assets Purchased of Rs. 12,22,355.00, Building Tax of Rs. 46,339 is debited to Building Fund. We cannot comment on accuracy of the fund.

iv) TRAINING & DEVELOPMENT FUND

Training & Development Fund of Rs. 87,67,626.71 (Net Balance) shown in the Schedule - 3 does not represent a correct Picture as paid program surplus of Rs.18,81,008.14 from General and Rs. 7,99,192.00 are add back in Opening Balance of Training & Development Fund. Further Income from Investment of Rs. 68,942.00 from General and Rs. 89,222.00 from MBA, Other Receipts of Rs. 24,052.00 are Credited to Training & Development Fund. Further Revenue Expenditure of Rs. 24,000 and 7th CPC Arrear of Rs. 12,54,439.00 are debited to the TDF. We cannot comment on accuracy of the fund.

v) The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-2019 and we have relied on their Concurrent Year Report while conducting Statutory Audit of the Unit.

vi) Physical Verification of Fixed Assets: It is strongly suggested that the Institute should develop a system of unique reference numbering or coding on each fixed assets and the location of the assets where it's lying, Control over identifying, recording, storing and disposal of

assets retired from its active use should be done more effectively.

Ensure that

All assets are safeguarded against damage or theft.

vii) Physical Verification of Library Books and Stationary: Physical Verification Report of Library Books and Stationary are made available but we are not able to comment on safeguard against lost or theft of books and procedure for recovery in the case of lost or theft.

viii) The Current Assets and Current Liabilities are subject to confirmation from parties. It has been observed that party wise ledgers have not been maintained for all Creditors / Debtors with Exception of Few. There has been no external confirmation statement available from parties.

ix) MESS OPERATION

During the Audit it is observed that the Institute has given contract for Mess to Contractor. NCCT should form a uniform policy in this regard as there may be possibility of Revenue Leakage.

x) NCCT should conduct a training Course like Basic Tally & GST Training, Training about Income Tax Provisions, TDS Applicability, TDS Rates, GST Return, Payroll Management, Basic Business Essentials in Tally ERP 9 in their units to train their Accountant and administrative staffs so that Accounting and Statutory compliance mistake can be reduce and Future Liability can be Avoid.

xi) An amount of Rs. 6,434/- TA Advance made pertaining to the year 2012-2013 not seen settled so far. The Institute should make an attempt to recover the same from his salary or otherwise.

- xii) During the Audit It is noticed that the unit has paid of Rs. 34,16,571.00/- on account of deposit of due Service Tax along with interest and penalty. Further the Institute has paid Rs. 14,74,474.00 as GST on Paid Programme Fees. Despite of repeated audit observation about applicability of Service Tax and Imposition of GST Liability, the Policy maker of the Institute had ignored resulting in payment of huge fine and loss as it cannot recover. It is the responsibility of the Head Office, with the oversight of those charged with governance, to ensure that all the Unit's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in all the unit's financial statements.
- xiii) As per the circular No – 2-17/2016-17/F&A dated 04/07/2016 available to us the Institute while making investment decisions, certain factors such as risk, liquidity, maturity and yield. The Institute has a practice of investing the surplus fund as Fixed Deposits with the Co-operative Banks only. Since the Co-operative Bank are not under the strict control of Reserve Bank of India, The risk in depositing funds with this bank is presumed to be high.
- xiv) On verification of TDS Analysis and Compliance System – TRACES, It is observed that there is amount of Rs. 430/- as pending for payment on account of default in compliance with the TDS Provisions for the FY 2010-2011 to 2012-2013. Hence it is advised to check the justification report and to comply the provisions.
- xv) The Unit has earned interest on FDR. Bank Certificate and TDS Certificate in the form of FORM 16 or 26 AS not produced to us regarding the confirmation.

- xvi) Since the Institute is not strictly followed mercantile system the outstanding balance at the end of the period is not accurate.
- xvii) Receipt and Payment Account is not prepared on cash basis
- xviii) Fee from training programmes and students is accounted on receipt basis. No record produced for fee due from programmes and students.
- xix) Current assets and current liabilities are subject to confirmation , hence we can not comment on their correctness. Current liabilities needs proper verification. Old current assets are shown as recoverable, needs proper verification and confirmation.
- xx) GST Payment

Rs.14,74,474.00 paid on account of GST due to late registration. This is net loss to the organization. Accountability should be fixed

ICM, Thiruvananthapuram

- i) The Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases.
- ii) CAPITAL FUND
- Capital Fund of Rs. 44,13,737.60 shown in the Balance Sheet having entry of Depreciation amounting Rs. 2,20,183.21. Hence Capital Fund is debited to the extent of Rs. 2,20,183.21 and Income & Expenditure is credited.

iii) BUILDING FUND

Building Fund of Rs. 22,66,911.70 (Net Balance) shown in the Schedule - 3 does not represent a correct Picture as Service Charge Recovered from Hostel of Rs.5,07,950.00 are directly add back in Opening Balance of Building Fund without routing it to Income & Expenditure Account.. We cannot comment on accuracy of the fund.

iv) TRAINING & DEVELOPMENT FUND

Training & Development Fund of Rs. 86,34,470.03 (Net Balance) shown in the Schedule - 3 does not represent a correct Picture as paid program surplus of Rs.15,95,103.18 is add back in Opening Balance of Training & Development Fund. Further Income from Investment of Rs. 5,77,664.00 and Surplus from MBA of Rs. 3,33,841.75 are Credited to Training & Development Fund. Further Revenue Expenditure of Rs. 24,000 and 7th CPC Arrear of Rs. 32,61,313.00 are debited to the TDF. We cannot comment on accuracy of the fund.

v) The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-2019 and we have relied on their Concurrent Year Report while conducting Statutory Audit of the Unit.

vi) Physical Verification of Fixed Assets: It is strongly suggested that the Institute should develop a system of unique reference numbering or coding on each fixed assets and the location of the assets where it's lying, Control over identifying, recording, storing and disposal of assets retired from its active use should be done more effectively. Ensure that

All assets are safeguarded against damage or theft.

vii) Physical Verification of Library Books and Stationary: Physical Verification Report of Library Books and Stationary are made available but we are not able to comment on safeguard against lost or theft of books and procedure for recovery in the case of lost or theft.

viii) The Current Assets and Current Liabilities are subject to confirmation from parties. It has been observed that party wise ledgers have not been maintained for all Creditors / Debtors with Exception of Few. There has been no external confirmation statement available from parties.

ix) MESS OPERATION

During the Audit it is observed that the Institute has given contract for Mess to Contractor. NCCT should form a uniform policy in this regard as there may be possibility of Revenue Leakage.

x) NCCT should conduct a training Course like Basic Tally & GST Training, Training about Income Tax Provisions, TDS Applicability, TDS Rates, GST Return, Payroll Management, Basic Business Essentials in Tally ERP 9 in their units to train their Accountant and administrative staffs so that Accounting and Statutory compliance mistake can be reduce and Future Liability can be Avoid.

xi) Belated Filing of GST Return: Ensure that the GST Returns are filed within the due dates in order to avoid late fees.

xii) During the Audit it is observed that Vouchers have been found missing and in some vouchers, authorized Signatory is missing. It is suggested that Proper Supporting documents must be attached along with the vouchers. Proper authorization of the concerned authorities must be obtained in the vouchers as a part of effective internal control.

- xiii) During the audit it is found that, In receipt book, Receipt No. 3677 dated 16/01/2019, the amount accounted as receipt is only Rs. 5,030/- but actual amount received as per the day book is Rs. 10,030/-. It is suggested Matching of amounts with proper vouchers and bills are necessary.
- xiv) During the Audit It is noticed that the unit has paid of Rs. 20,85,100.00/- on account of deposit of due Service Tax for the period from 2013-2014 to 2017-2018 along with Rs. 8,76,397.00 as deposit of interest and Rs. 3,12,765.00 as penalty. Further the Institute has paid Rs. 19,08,844.00 as GST on Paid Programme Fees. Despite of repeated audit observation about applicability of Service Tax and Imposition of GST Liability, the Policy maker of the Institute had ignored resulting in payment of huge fine and loss as it cannot recovered. It is the responsibility of the Head Office, with the oversight of those charged with governance, to ensure that all the Unit's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in all the unit's financial statements.
- xv) The Unit has earned interest on FDR. Bank Certificate and TDS Certificate in the form of FORM 16 or 26 AS not produced to us regarding the confirmation.
- xvi) Receipt and Payment Account is not prepared on cash basis
- xvii) Fee from training programmes and students is accounted on receipt basis. No record produced for fee due from programmes and students.
- xviii) Current assets and current liabilities are subject to confirmation , hence we can not comment on their correctness. Current liabilities needs proper verification. Old current assets are shown as recoverable, needs proper verification and confirmation.

- xix) GST Payment

Rs.19,08,844.00 paid on account of GST due to late registration. This is net loss to the organization. Accountability should be fixed.

ICM, Madurai

- i) The Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases.
- ii) CAPITAL FUND

Capital Fund of Rs. 30,51,682.84 shown in the Balance Sheet having entry of Assets Purchased of Rs. 1,48,662.00 and Depreciation amounting Rs. 2,83,955.50. Hence Capital Fund is debited to the extent of Rs. 2,83,955.00 as Depreciation and Credited to the extent of Rs. 1,48,662.00 as Assets Purchased..
- iii) BUILDING FUND

Building Fund of Rs. 51,83,388.75(Net Balance) shown in the Schedule - 3 does not represent a correct Picture as Service Charge Recovered from Hostel of Rs.3,13,305.00 is directly add back in Opening Balance of Building Fund without routing it to Income & Expenditure Account. We cannot comment on accuracy of the fund.
- iv) TRAINING & DEVELOPMENT FUND

Training & Development Fund of Rs. 87,61,824.39 (Net Balance) shown in the Schedule - 3 does not represent a correct Picture as paid

program surplus of Rs.13,77,214.54 from General is add back in Opening Balance of Training & Development Fund. Further Income from Investment of Rs. 6,92,066.65.00 from General, Other Receipts of Rs. 23,288.00 are Credited to Training & Development Fund. Further Revenue Expenditure of Rs. 1,14,505.00 and 7th CPC Arrear of Rs. 12,51,611.00 are debited to the TDF. We cannot comment on accuracy of the fund.

- v) The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-2019 and we have relied on their Concurrent Year Report while conducting Statutory Audit of the Unit.
- vi) Physical Verification of Fixed Assets: It is strongly suggested that the Institute should develop a system of unique reference numbering or coding on each fixed assets and the location of the assets where it's lying, Control over identifying, recording, storing and disposal of assets retired from its active use should be done more effectively. Ensure that All assets are safeguarded against damage or theft.
- vii) Physical Verification of Library Books and Stationary: Physical Verification Report of Library Books and Stationary are made available but we are not able to comment on safeguard against lost or theft of books and procedure for recovery in the case of lost or theft.
- viii) The Current Assets and Current Liabilities are subject to confirmation from parties. It has been observed that party wise ledgers have not been maintained for all Creditors / Debtors with Exception of Few. There has been no external confirmation statement available from parties.

ix) MESS OPERATION

During the Audit it is observed that the Institute has given contract for Mess to Contractor. NCCT should form a uniform policy in this regard as there may be possibility of Revenue Leakage.

- x) NCCT should conduct a training Course like Basic Tally & GST Training, Training about Income Tax Provisions, TDS Applicability, TDS Rates, GST Return, Payroll Management, Basic Business Essentials in Tally ERP 9 in their units to train their Accountant and administrative staffs so that Accounting and Statutory compliance mistake can be reduce and Future Liability can be Avoid.
- xi) During the Audit It is noticed that the unit has paid of Rs. 41,38,248.00/- on account of deposit of due Service Tax along with interest and penalty. Further the Institute has also paid GST Arrear on Paid Programme Fees. Despite of repeated audit observation about applicability of Service Tax and Imposition of GST Liability, the Policy maker of the Institute had ignored resulting in payment of huge fine and loss as it cannot recover. It is the responsibility of the Head Office, with the oversight of those charged with governance, to ensure that all the Unit's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in all the unit's financial statements.
- xii) As per the circular No – 2-17/2016-17/F&A dated 04/07/2016 available to us the Institute while making investment decisions, certain factors such as risk, liquidity, maturity and yield. The Institute has a practice of investing the surplus fund as Fixed Deposits with the Co-operative Banks only. Since the Co-operative Bank are not under the strict control of Reserve Bank of India, The risk in depositing funds with this bank is presumed to be high.

- xiii) The Unit has earned interest on FDR. Bank Certificate and TDS Certificate in the form of FORM 16 or 26 AS not produced to us regarding the confirmation.
- xiv) Since the Institute is not strictly followed mercantile system the outstanding balance at the end of the period is not accurate.
- xv) Receipt and Payment Account is not prepared on cash basis.
- xvi) MBA—M. DEVELOPMENT & WELFARE FUND

Interest earned from investments Rs.4,52,993.00 is directly transferred to this fund and by this amount income is understated. Further 26AS and bank certificate of interest on investment not provided. Hence we can not comment whether proper accounting done for TDS and total interest accrued on investments. Further as per policy 50% of profit of MBA is transferred to capital fund and 50% to NCCT-Ho grant account.

- xvii) Fee from training programmes and students is accounted on receipt basis. No record produced for fee due from programmes and students.
- xviii) Current assets and current liabilities are subject to confirmation, hence we can not comment on their correctness. Current liabilities needs proper verification. Old current assets are shown as recoverable, needs proper verification and confirmation.
- xix) GST Payment

Rs.11,37,752.00 paid on account of GST due to late registration. This is net loss to the organization. Accountability should be fixed.

DNS RICM, PATNA

- xxiii) The Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases.
- xxiv) As per the Circular No – 4-18/RES/F&A/2015-2016 dated 28/01/2016 available, The Institute can retain 50 % of the Surplus from the Entire paid Programme and 50 % is to be transferred to NCCT Head Quarters .Accordingly 50% of total Surplus generated through paid programme is directly credited to Training Development Fund and 50% to NCCT.
- xxv) Building Fund of Rs. 6,36,06,043.34 shown in the Balance Sheet does not represent a correct balance as Service Charge Recovered total amounting Rs. 77,35,780.00, Saving Interest amounting Rs. 8,867.00, Income from Investment amounting Rs. 33,89,096.54, Other Addition amounting Rs. 3,32,353.00 are directly add back to building fund. Further Payment of Salaries, Wages and allowances etc amounting Rs. 28,140.00 is debited to Building Fund. By these amounts income and expenditure are understated.
- xxvi) Training Development Fund of Rs. 5,85,49,533.55.00 :- Surplus from paid program Amounting Rs. 95,73,002.00 plus Income from investment made on account of Funds amounting Rs. 41,80,027.80.00 are directly credited to TDF. Further Payment for Assets Purchase total amounting of Rs. 3,34,163.00 and Payment for salary and wages amounting Rs. 76,24,582.06 are directly Debited to Training Development Fund. By these amounts income and expenditure are understated.
- xxvii) During the Audit it is observed that The NCCT has not appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-

2019. In this regards it has been explained by the officials of Institute that despite being number of letter and reminders issued by the DNS RICM, NCCT –HO has not given approval for the Appointment of Concurrent Auditor. It seems like there is a conflict / dispute between them so we are of the opinion that the necessary action at HO level to appoint the concurrent Auditors.

xxviii) Physical Verification of Library Books and Stationary: Physical Verification

Report of Library Books and Stationary are made available but we are not able to comment on safeguard against lost or theft of books and procedure for recovery in the case of lost or theft.

xxix) Physical Verification of Fixed Assets: It is strongly suggested that the Institute should develop a system of unique reference numbering or coding on each fixed assets and the location of the assets where it's lying, Control over identifying, recording, storing and disposal of assets retired from its active use should be done more effectively. Ensure that all assets are safeguarded against damage or theft.

xxx) The Authority to issue cheques and made accounting entries is one person. Thus Authority should be delegated to different Employee so that work of one person will be checked by another and good Internal Control will be established.

xxxi) The Current Assets and Current Liabilities are subject to confirmation from parties. It has been observed that party wise ledgers have not been maintained for all Creditors / Debtors with Exception of Few. There has been no external confirmation statement available from parties.

xxxii) There is a huge amount received as advance against Training Program amounting Rs. 1,69,63,198. It is subject to verification. Institute should maintain Separate Bill Register to keep an Audit trail of bills raised as and when program are scheduled / held, Advances received against them and final payment received. Programme wise individual details should be maintained.

xxxiii) There should be reconciliation statement with respect to transaction done with Head Office on regular basis. There should be reconciliation system so that remittance from NCCT A/c is accurate all the time.

xxxiv) During the Audit It is noticed that the unit has not paid / settled due Service Tax for the period from April 2013-2014 to 30/06/2017 along with deposit of penalty and interest so we are of the opinion that the necessary action has to be taken by the management either to get it resolved at earliest after getting the necessary approval from NCCT as Interest and penalty are imposing day by day and as per information provided by the management that the total liability is approx 3,46,91,752.34. Further the Institute has paid Rs. 70,79,158.00 as GST on Paid Program Fees and Hostel Rent @ 18 %. Despite of repeated audit observation about applicability of Service Tax and Imposition of GST Liability, the Policy maker of the Institute had ignored resulting in payment of huge fine and loss as it cannot recover. It is the responsibility of the Head Office, with the oversight of those charged with governance, to ensure that all the Unit's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in all the unit's financial statements.

xxxv) Receipt and Payment Account is not prepared on cash basis.

xxxvi) The Unit has earned interest on FDR. Bank Certificate and TDS Certificate in the form of FORM 16 or 26 AS not produced to us regarding the confirmation hence we cannot comment on correctness of the TDS Outstanding.

xxxvii) MESS ACCOUNT

NCCT-HO should formulate a uniform policy for mess operations and appointment of mess contractor and fixation of rates etc. As there may be scope for leakages.

VAMNICOM, PUNE

- i) Depreciation charged as per accounting policy of NCCT and not as per income tax act, amount not quantified.
- ii) Current assets and current liabilities are not confirmed by the parties and there are some old liabilities and recoverable, which may be doubtful and may impact the true and correctness of the current assets and current liabilities.
- iii) Books of Accounts not prepared as per accrual systems. Maximum transaction are on cash basis.
- iv) Receipt & Payment Account not maintained as per cash basis.
- v) An amount of Rs. 1,32,72,074.00 shown in balance sheet as capital work in progress previous year it was Rs. 10,65,000.00, and still pending under capital work in progress. It is necessary to take immediate action to transfer this amount to respective Asset. Status of project not known. Action should be taken for completion of the project and its capitalization.

- vi) Separate record for contractual employee attendance should be maintained from Regular employee
- vii) Tds deducted unnecessary of those Guest faculties whose honorarium does not exceed the taxable limit as per section 194 J of income tax Act, 1961.
- viii) In the case of course PGDM, the data documents related to fees received for Batch 2017-19, Batch 2018-20 & Batch 2019-21, fees accounted on receipt basis there is difference of Rs. -41,89,674.00.
- ix) In the case of course PGDM, the data documents related to fees received for batch 2014-16, Batch 2015-17 & Batch 2016-18, is not provided to us. These could not be verified
- x) Interest income received by Vamnicom on investments not reconciled with bank. Form 26AS also not provided for our verification.
- xi) The national council for cooperative training has appointed a firm of chartered accountants as concurrent auditors for the financial year 2018-19 and we have relied on their concurrent audit report while conducting statutory audit of the Vamnicom..
- xii) As per instruction given by the ministry of agriculture, additional expenditure due to revised 6th pay commission has to be met out 80% from grant and balance 20% from own resources. Instructions given by the ministry not adhered .
- xiii) In case of Vamnicom interest on FDR Rs.2,48,85,805.00 is directly credited to Building Fund , TDF etc and interest from PGDM Rs. 8,74,390.00 also not routed through Income & Expenditure account, hence by this amount income is understated.

xiv) As per circular interest of FDR from TDF and Building Fund should be transferred to NCCT- HO, but it has not been transferred to head Office.

xv) Income from Kerala coop bank Rs.7,988.00 not booked.

Before the court	Case Number	Date/Year of filling	Nature of case
Regional Labour Court Pune	RLCP/36(10)/2015	26.05.2015	Payment of Gratuity of Tukaram Ghenu Ovhat ex casual employee.
Labour Court No.-3 Swargate Pune	PGA No. 29/2013	2013	Retirement Gratuity payable of Shri V.M. Rao Ex professioner.
Mumbai High Court	Writ petition WPST/1866/2016	2016	Case filed by prof. P. chattopadhyay against VAMNICOM Ex-Director Er. Sanjeeb Patjoshi, IPS, ADG.
Pune Civil Court, Sr. Division	Special Civil suit No. 733/2016	2016	Filed by prof. P. chattopadhyay against Jr. Secretary Govt. of India, Director General NCCT, Secretary NCCT, Director VAMNICOM, Registrar VAMNICOM

xvi) Rent receivable from ATM, and other tenants not booked on accrual basis.

xvii) In case of Saraswat Bank, cheques older then three months amounting to Rs.14,38,309.00 not reversed.

As informed by the Institute (VAMNICOM) following court cases are pending against the institute:

All these cases are filed against the VAMNICOM. The VAMNICOM is Respondent in all these cases. No provision made for contingent liability

xviii) Pending Accounts:
Following Accounts are pending since long:-

S. No	Particular	Amount (Dr) as on 31.03.2019	Amount (Cr) as on 31.03.2019	Amount Pending from
1.	Gratuity withheld amount of Shri N.Kanagsabai		22,540.00	01.04.2008
2.	Late Shri S.R More amount payable		20,000.00	01.04.2008
3.	Prof.P.Chattopadhyay prog. fee payable		8000.00	31.03.2012
4.	Expenditure payable 2013.14		17,71,135.00	10.10.2014
5.	NCUI Funds Books and journals	16,620.99		01.04.2013
6.	Financial Assistance from co-operative education- fund NCUI	41195.00		01.04.2013
7.	Expenditure payable 2014-15		32,886.00	01.04.2015
8.	NCUI Fund = Up Gradation of Cyber Net Lab at dcbmh	1,69,997.00		01.04.2015
9.	Prog. expenditure payable 2014-15		30,730.00	01.04.2015
10.	Expenditure payable 2015-16		2,00,636.00	
11.	Dr. D Ravi Prog. fee Receivable	5,000.00		08.05.2015
12.	NABARD Chair Account		1,09,599.50	

Necessary action should be taken at the earliest to close these accounts.

xix).CAPITAL FUND

Fixed assets of Rs.1,03,45,037.00 purchased during the year 2018-19 are credited to capital fund and depreciation of Rs.50,80,300.46 is debited to capital fund but closing balance does not tally with the fixed assets. Difference is coming since long.

xx). Interest of Rs.44,29,110.00 and Misc. item rs.1,77,162.25 is directly credited to the fund and by that amount income is understated. Further following is debited to the fund:-

1. GST-TDS	Rs. .44,820.00
2. CPC-Arrear	Rs.41,50,766.00
3. CPC0-arrear	Rs. 13,68,314.00

These expenses not routed through Income & Expenditure account and by that amount expenditure is understated.

xxi) BUILDING FUND

Building rent, licence fee and interest from investments is directly credited to building fund Rs.1,90,04,558.00 and by that amount income is understated.

xxii) OTHER LIABILITIES

PGD account	Rs.2,13,12,329.81
Sales	Rs .5,04,362.00

These were not explained to us.

xxiv) Provisions of Rs.38,16,397.21 , its basis and documents not produced for our verification. Hence we can not comment

xxv) Following are the debit balance of Rs.4,55,026.00 which are taken in advance received schedule and due to this current liabilities are understated .

xxvi) GST paid Rs.25,17,710.50 is shown in Debtors. Details not produced

for our verification.

Head office

viii) _Form 16 issued to employees contains signature of other authority even if name of authority is B.S.Rohilla (Previous Director/ Finance) and it may lead to any dispute/litigation against NCCT in future.

ix) Depreciation charged as per accounting policy of NCCT and not as per Income Tax act. Amount and its impact not ascertained.

x) NCCT has converted into Society from 16/04/2018 but it has not closed its accounts upto 15/04/2018 as NCCT old entity . New entity came in existence on 16/04/2018 but assets taken over are as on 1st April, 2018.

xi) NCCT has taken new Pan No. AAATN3477B and surrendered old pan number .

xii) No advance tax paid by the NCCT. The advance tax liability not calculated, hence we can not comment on the liability.

xiii) Fixed assets purchased during the year of amounting of 71,925 in 6 Bills dated 26/12/2018 . bills are in the name of contractual employee Mr. Manoj Negi.

xiv) An amount of 7,52,730.00 in sundry creditor in respect of CPWD has been transferred to TDF during the year but this transfer is subject to confirmation so we can not comment on it. Lod amount but no supporting documents produced to us.

xv) As per accounting policy of NCCT , income/expenses from investment out of earmarked fund is to be added or deducted directly from that respective

funds but it has transferred all such incomes NCCT-HQ including ICMs to Pension funds without reflecting it through Income & Expenditure account.

xvi) Provision (excluding Vamnicom) in respect of following liabilities given below:

	As per Balance sheet	As per Actuary Report	Differences
Gratuity	25,71,35,782.00	20,54,55,405.00	5,16,80,377.00 excess provision
Leave Encashment	29,71,12,860.00	27,73,21,378.00	1,97,91,482.00 excess Provision

To that extent liabilities are overstated .

xvii) Detail of sundry creditor should be maintained with proper subsidiary record and balance of Rs. 1,75,608.00 (except 9,000.00) is as on 31.03.2019 is subject to confirmation.

xviii) Provision for gratuity of Rs. 3,00,00,000.00 has been reversed during the year and no supporting documents produced to us to comment on it.

xix) Sundry Debtors and advances are subject to confirmation.

xx) Expenses of Rs. 7,57,385.00 in respect of 7th CPC of NER reason not charged last year 2017-18 but now has been charged this year. Expenses relating to previous charged during the year.

xxi) Provision of Rs. 4,68,41,818.20 in respect of 7th CPC arrears unpaid to employees but calculation and employee wise detail not shown to us.

xxii) Interest on fixed deposits of Rs. 49,461.48 in respect of two Other Funds - FDRs given below has not been incorporated this year due to taking of wrong date, hence income is understated..

	ISSUED DATE	TAKING DATE	FDRs No.
SBI	28/05/2018	28/04/2018	37721667030
CANARA BANK	06/02/2019	11/02/2019	746/12

xxiii) Internal Audit has not been conducted from 2014.

xxiv) Internal control is very weak and internal audit department should be strengthened.

xxv) Dead assets sold during the year has not been deducted from fixed assets ledgers and proceed from these has been transferred to Govt of india (Grant) and fixed assets records not updated accordingly.

xxvi) The current assets and current liabilities are subject to confirmation. NCCT should get confirmation of balance from all debtors and creditors. And proper subsidiary records should be maintained.

xxvii) Interest on Fixed deposits of Rs.17,39,86,094.26 (including transferred from ICMS) has been directly transferred to Pension funds hence due to it income has been understated of all units.

xxviii) NCCT-HQ has not made provision for taxation hence it will lead to interest and penalty u/s 234 B and 234 C in contravention of Provision of income tax even if It has not obtained 12AA certificate and not paid advance tax.

xxix) Concurrent Audit has been conducted by concurrent auditor for the financial year 2018-19. We have relied on the report of concurrent auditors while planning our audit.

xxx) Physical verification of assets not done at the end of the year. We can not comment on shortfall in assets . Further fixed assets register not maintained and updated as per requirements.

xxxii) Investment in following entities are not as per the prescribed rules issued by ministry of agriculture.:-

LIC Housing Ltd. (NHB)	13,00,00,000.00
PNB Housing Fin. LTD. (NHB)	3,64,12,749.00
KTDFC LTD.(NBFC)	4,00,00,000.00

GPF

- i) Proper record for payment and provision of GPF should be maintained.
- ii) Stock register of stationery should be maintained properly and issue and receipt entries should be made to have proper control on it.
- iii) An amount of Rs. 1,00,00,000.00 received by GPF from general accounts but entry of it has been done through Suspense Gis. accounts and this amount has been reinvested by GPF in fixed deposit thereof has been transferred by general account to GPF on date 31.03.2019 .
- iv) Investment in following entities are not as per the prescribed rules issued by Ministry of agriculture.

LIC Housing Ltd. (NHB)	2,90,00,000.00
PNB Housing Fin. LTD. (NHB)	72,43,230.00

Pension

Investment in following entities are not as per the prescribed rules issued by ministry of agriculture

KTDFC LTD(NBFC)	4,50,00,000.00
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Subject to Above:

- (a) 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;
- (b) In our opinion, proper books of account as required by law have been kept by the NCCT as Unit so far as appears from our examination of those books,
- (c) The Balance Sheet and Income and Expenditure account dealt with by this report are in agreement with the Books of Account;
- (d) In our opinion, the Balance Sheet and Income and Expenditure Account dealt with by this report comply with the Accounting Standards issued by the Institute of Chartered Accountants of India.

For GUPTA VERMA & SETHI
Chartered Accountants
FRN. No.02605-N

KRISHAN SETHI

(Partner)

Mem.No.- 081303

Place : New Delhi

Date : 19/09 /2019

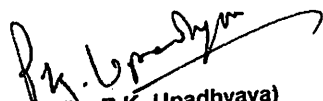
UDIR.No: 1908/303 ANNA B Sejo

**NATIONAL COUNCIL FOR CO-OPERATIVE TRAINING
CONSOLIDATED BALANCE SHEET
AS ON 31ST MARCH 2019**

PARTICULARS	SCHEDULE	CURRENT YR.	PREVIOUS YR.
CAPITAL FUND AND LIABILITIES			
CAPITAL FUND	1	44,03,62,018.60	44,47,80,542.89
RESERVE AND SURPLUS	2	-	-
EARMARKED / ENDOWMENT FUND	3	91,86,36,902.36	84,70,52,951.09
LOANS AND BORROWINGS	4	46,73,000.00	65,45,000.00
CURRENT LIABILITIES AND PROVISIONS	5	1,52,07,96,353.49	1,21,13,01,255.63
TOTAL		2,88,44,68,274.45	2,50,96,79,749.61
ASSETS			
FIXED ASSETS	6	36,97,13,718.89	37,53,47,576.28
CAPITAL-WORK-IN-PROGRESS	6	4,31,90,448.00	2,96,46,000.00
INVESTMENT- FROM EARMARKED / ENDOWMENT	7A	1,02,88,52,182.39	99,60,94,046.95
INVESTMENT- Others	7B	29,01,91,749.00	26,54,02,806.56
CURRENT ASSETS, LOANS AND ADVANCES	8	1,15,25,20,176.17	84,31,89,319.82
MISCELLANEOUS EXPENDITURE (To the extent not written off)			
TOTAL		2,88,44,68,274.45	2,50,96,79,749.61
SIGNIFICANT ACCOUNTING POLICIES	20		
CONTINGENT LIABILITIES AND NOTES TO A	21		

As per our Audit Report of even date
For M/s Gupta Verma & Sethi

Chartered Accountant
200 FRN No. 02605-N
10/09/2019


(Dr. P.K. Upadhyaya)
Director (Finance) I/c


(Mohan Kumar Mishra)
Secretary, NCCT

(Krishan Sethi)
Partner
M.No. 081303

Date: 19.09.2019
Place: New Delhi

**NATIONAL COUNCIL FOR CO-OPERATIVE TRAINING
CONSOLIDATED INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2019**

PARTICULARS	SCHEDULE	CURRENT YR.	PREVIOUS YR.
INCOME			
GRANTS & SUBSIDIES	9	41,88,52,964.22	42,81,48,878.29
FEES AND ACADEMIC RECEIPTS	10	32,31,05,658.44	25,74,18,016.85
INCOME FROM INVESTMENTS	11	-	-
INTEREST EARNED	12	-	-
SERVICES CHARGES RECOVERED	13	-	-
OTHER RECEIPTS	14	-	-
TOTAL		74,19,58,622.66	68,55,66,895.14
EXPENDITURE			
ESTABLISHMENT EXPENSES	15	34,49,15,222.27	35,45,02,817.04
TRAINING EXPENSES	16	1,40,73,022.21	2,74,18,264.50
ADMINISTRATIVE EXPENSES ETC.	17	7,55,44,589.91	7,50,24,850.85
EXPENDITURE ON PAID PROGRAMME	18	13,65,99,760.05	12,26,19,983.00
EXPENDITURE ON RESEARCH & CONSULTANCY	19	14,83,157.52	12,13,289.00
DEPRICIATION	6	2,89,04,677.76	3,00,16,734.42
TOTAL		60,15,20,429.72	61,07,95,938.81
BALANCE BEING EXCESS OF INCOME OVER EXPENDITURE		14,04,38,192.94	7,47,70,956.33
TRANSFER TO NCCT		6,47,25,636.61	5,89,02,899.81
TRANSFER TO TRAINING & DEVELOPMENT FUND		9,65,38,172.50	5,89,02,899.19
PURCHASE OF FIXED ASSETS		1,60,912.00	17,79,564.00
TRANSFER TO BUILDING FUND		77,35,780.00	1,25,200.00
TRANSFER TO CAPITAL FUND(Depreciation)		(2,89,04,677.76)	(3,00,16,734.42)
TRANSFER TO CAPITAL FUND		-	(89,431.00)
RECIVABLE FROM NCCT		(32,09,42,976.85)	(1,48,33,439.25)
TRANSFER TO GENERAL			
SIGNIFICANT ACCOUNTING POLICIES	20		
CONTINGENT LIABILITIES AND NOTES TO ACCOUNTS	21		

As per our Audit Report of even date

For M/s Gupta Verma & Sethi

Chartered Accountant

FRN No. 02605-N

FRN-02605-11

(Signature)

(Dr. P.K. Upadhyaya)
Director (Finance) I/c

(Signature)
(Mohan Kumar Mishra)
Secretary, NCCT

304 (Krishan Sethi) Member

3453 - Delhi Partner

New Delhi M.No. 081303

Date: 19-09-2019
Place: Delhi

(NATIONAL COUNCIL FOR COOPERATIVE TRAINING)
(Funded by Ministry of Agriculture & Farmers Welfare (DOAC))
SCHEDULE OF FIXED ASSETS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS ON 31.03.2019

(Amount in Rs.)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost/valuation at beginning of the year	Additions during the year	Deductions during the year	Cost/valuation at the year end	As at the beginning of the year	During the year	Deductions during the year	Total up to the Year end	As at the Current year end	As at the previous year end
A. FIXED ASSETS										
i) LAND										
a) Freehold	1,39,06,847.17	0.00	0.00	1,39,06,847.17	21,06,185.00	1,55,062.00	0.00	22,61,247.00	1,16,45,600.17	1,18,00,662.17
b) Leasehold	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ii) BUILDINGS										
a) On Freehold Land	51,03,46,804.99	1,04,76,311.00	0.00	52,08,23,115.99	21,41,53,639.21	1,50,82,915.82	0.00	22,92,36,555.03	29,15,86,560.96	29,61,93,166.27
b) On Leasehold Land	2,41,93,092.00	4,11,289.00	0.00	2,46,04,381.00	1,15,62,671.40	7,38,131.43	0.00	1,23,00,802.83	1,23,03,578.17	1,26,30,420.60
c) Ownership Flats/Premises										
d) Superstructures on Land not belonging to the entity										
iii) PLANT & MACHINERY										
iv) VEHICLES	1,69,69,930.00	77,116.00	0.00	1,70,47,046.00	52,25,569.50	8,80,890.36	0.00	61,06,459.86	1,09,40,586.14	1,17,44,360.50
v) FURNITURE & FIXTURES	1,64,14,699.99	7,39,608.15	0.00	1,71,54,308.14	1,41,71,742.55	5,94,685.33	0.00	1,47,66,427.88	23,87,880.26	22,42,957.44
vi) OFFICE EQUIPMENT	9,66,95,979.81	9,83,696.80	3,69,180.36	9,73,10,496.25	8,56,44,403.73	27,64,379.44	3,69,180.36	8,80,39,602.81	92,70,893.44	1,10,51,578.08
vii) COMPUTER/PERIPHERALS	2,23,82,526.47	8,16,778.32	13,709.90	2,31,85,594.89	2,06,62,078.17	5,23,526.40	13,709.90	2,11,71,894.67	20,13,700.22	17,20,448.30
viii) ELECTRIC INSTALLATIONS	8,57,40,747.58	42,26,498.60	9,32,681.00	8,90,34,565.18	7,99,92,601.46	33,06,728.42	9,32,681.00	8,23,66,648.88	66,67,916.30	57,48,146.12
ix) LIBRARY BOOKS	2,66,37,618.20	5,81,599.89	25,283.00	2,71,93,935.09	1,79,17,852.17	17,35,143.62	25,283.00	1,96,27,712.79	75,66,222.30	87,19,766.03
x) TUBEWELLS & W.SUPPLY	2,29,64,084.81	2,51,598.00	1,57,321.00	2,30,58,361.81	2,17,05,594.01	4,59,243.08	1,57,321.00	2,20,07,516.09	10,50,845.72	11,83,726.80
xi) OTHER FIXED ASSETS	2,11,357.00	0.00	0.00	2,11,357.00	76,904.20	76,904.20	0.00	1,53,808.40	57,548.60	1,34,452.80
xii) AUDIO VISUAL EQUIPMENT	2,16,51,694.42	2,33,964.89	0.00	2,18,85,659.31	1,92,47,242.72	4,85,473.31	0.00	1,97,32,716.03	21,52,943.28	24,04,453.70
xiii) GENERATOR	2,14,49,854.38	15,11,410.12	9,800.00	2,29,51,464.50	1,56,01,280.62	11,96,520.99	9,800.00	1,67,88,001.61	61,63,462.89	58,48,572.76
xiv) UTENCILS	14,66,156.00	0.00	0.00	14,66,156.00	14,66,155.00	0.00	0.00	14,66,155.00	1.00	1.00
xv) Air Conditioner	29,97,356.92	1,62,550.00	0.00	31,59,906.92	21,33,688.41	1,45,445.34	0.00	22,79,133.75	8,80,773.17	8,63,668.51
TOTAL(A)	88,98,38,920.71	2,31,96,059.86	15,16,765.51	91,15,18,215.06	51,44,16,583.92	2,89,04,677.76	15,16,765.51	54,18,04,496.17	36,97,13,718.89	37,53,47,576.28
B. CAPITAL WORK IN PROGRESS (B)										
TOTAL (A+B)	2,96,46,000.00	2,55,58,926.00	1,20,14,478.00	4,31,90,448.00	51,44,16,583.92	2,89,04,677.76	15,16,765.51	54,18,04,496.17	41,29,04,166.89	40,49,93,576.28

(Signature)
DR. P. K. UPADHYAYA
DIRECTOR (FINANCE)/IC

(Signature)
(MOHAN KUMAR MISHRA)
SECRETARY, NCCT

As per our Audit Report of even date
Chartered Accountant
V. Gupta & Verma & Sethi
FIRN No. 02605-N

(KRISHAN SETHI)
M. NO 081303

PLACE: NEW DELHI
DATE: 19.09.2019

NATIONAL COUNCIL FOR COOPERATIVE TRAINING
(Funded by Ministry of Agriculture & Farmers Welfare (DOAC))
SCHEDULE OF FIXED ASSETS ANNEXED TO AND FORMING PART OF BALANCE SHEET AS ON 31.03.2019

No.	NAME OF UNIT	GROSS BLOCK		NET BLOCK	
		AS AT 01.04.2018	AS AT 31.03.2019	AS AT 01.04.2018	AS AT 31.03.2019
1	VAMNICOM, PUNE	18,08,42,803.00	20,27,12,142.15	7,88,41,053.50	9,63,64,864.30
	MBA/PGDM/OTHER	41,10,193.00	91,78,927.80	12,61,450.00	54,39,332.80
2	RICM, BANGALORE	10,27,34,523.67	10,32,28,215.67	4,77,23,883.23	4,54,69,842.32
	MBA/PGDM/OTHER	0.00	0.00	0.00	0.00
3	RICM, CHANDIGARH	3,58,82,562.46	3,67,84,629.46	1,49,16,543.52	1,45,74,404.40
	MBA/PGDM/OTHER	0.00	0.00	0.00	0.00
4	RICM, GANDHINAGAR	3,53,69,548.06	3,68,80,975.06	1,67,85,317.72	1,66,71,540.65
	MBA/PGDM/OTHER	47,94,885.01	50,42,151.01	26,82,230.18	24,43,615.44
5	RICM, KALYANI	58,37,949.30	57,07,594.99	29,19,849.60	29,79,256.33
	MBA/PGDM/OTHER	0.00	0.00	0.00	0.00
6	RICM, PATNA	4,17,93,036.53	4,21,36,963.53	1,59,79,970.12	1,46,00,325.12
	MBA/PGDM/OTHER	0.00	0.00	0.00	0.00
7	ICM, BHOPAL	1,45,33,012.00	1,48,67,127.00	36,04,932.00	35,72,988.00
	MBA/PGDM/OTHER	48,38,067.00	48,38,067.00	4,72,328.00	1,15,268.00
8	ICM, BHUBANESHWAR	5,71,11,684.00	5,73,71,616.00	4,02,25,380.00	3,93,27,703.00
	MBA/PGDM/OTHER	0.00	0.00	0.00	0.00
9	ICM, CHENNAI	2,58,74,951.97	2,61,13,703.97	29,39,974.06	28,03,801.46
	MBA/PGDM/OTHER	42,09,817.00	42,09,817.00	35,19,492.36	33,74,985.20
10	ICM, DEHRADUN	2,61,43,222.04	2,62,20,337.04	1,07,49,325.00	1,01,82,017.75
	MBA/PGDM/OTHER	1,41,86,512.18	1,41,86,512.18	76,15,830.00	69,38,724.28
11	ICM, GUWAHATI	4,48,30,439.00	4,48,44,578.00	2,13,97,361.00	2,00,92,971.00
	MBA/PGDM/OTHER	0.00	0.00	0.00	0.00
12	ICM, HYDERABAD	3,30,88,013.00	3,36,30,478.00	1,22,44,015.00	1,13,42,785.00
	MBA/PGDM/OTHER	0.00	0.00	0.00	0.00
13	ICM, IMPHAL	9,32,69,435.50	9,61,32,885.50	5,58,63,285.19	5,57,78,815.28
	MBA/PGDM/OTHER	39,98,733.00	39,98,733.00	3,42,301.00	2,14,171.00
14	ICM, JAIPUR	2,22,50,317.00	2,25,97,347.00	1,29,47,359.00	1,22,32,527.00
	MBA/PGDM/OTHER	0.00	0.00	0.00	0.00
15	ICM, KANNUR	5,03,46,455.32	5,03,65,305.32	2,41,46,780.03	2,25,32,720.06
	MBA/PGDM/OTHER	0.00	0.00	0.00	0.00
16	ICM, LUCKNOW	2,13,39,191.57	2,14,94,887.57	72,67,281.26	67,33,549.73
	MBA/PGDM/OTHER	10,25,066.30	10,25,066.30	2,81,174.81	1,97,519.60
17	ICM, MADURAI	1,37,69,955.91	1,39,18,617.91	9,95,288.10	8,59,994.60
	MBA/PGDM/OTHER	0.00	0.00	0.00	0.00
18	ICM, NAGPUR	3,31,07,289.00	3,31,32,053.92	1,09,51,467.78	1,00,96,389.17
	MBA/PGDM/OTHER	15,77,664.00	15,77,664.00	13,21,632.76	12,75,741.76
19	ICM, PUNE	1,44,18,167.00	1,44,22,096.00	25,07,908.84	23,16,739.11
	MBA/PGDM/OTHER	0.00	0.00	0.00	0.00
20	ICM, TRIVANDRUM	1,99,84,336.40	1,99,84,336.40	29,32,562.95	27,12,379.74
	MBA/PGDM/OTHER	0.00	0.00	0.00	0.00
21	NCCT (H.Q.)	82,17,090.49	81,05,834.28	15,57,599.27	16,59,194.77
	TOTAL	91,94,84,920.71	95,47,08,663.06	40,49,93,576.28	41,29,04,166.89

As per our Audit Report of even date: *(Signature)*
Gupta Verma & Senthil Kumar Chartered Accountants
FRN No. 02605-N

(Signature)
(MOHAN KUMAR MISHRA)
SECRETARY, NCCT

(Signature)
(Dr. P. K. Upadhyaya)
(DIRECTOR (FINANCE) I/c)

(Signature)
(KRISHAN SETHI)
PARTNER

NATIONAL COUNCIL FOR COOPERATIVE TRAINING

Funded by Ministry of Agriculture & Farmers Welfare (DOAC & FW)

Head wise Expenditure incurred during the year F.Y 2018-19

For which Grant was provided by the Ministry of Agriculture and Farmers Welfare
(Department of Agriculture, Cooperation & Farmers Welfare)

SL. NO.	HEAD OF ACCOUNTS	NCCT/ICMS	NER (ICM)	VAMNICOMPUNE	TOTAL
1	Establishment Expenses	24,32,32,493.60	3,46,86,256.00	6,09,74,060.67	33,88,92,810.27
2	Training Expenses	76,58,664.95	91,219.00	10,22,969.26	87,72,853.21
3	Administrative Expenses	4,35,29,761.44	44,93,657.23	2,30,02,970.07	7,10,26,388.74
4	Books and A. V. Aids.	1,29,998.00	30,914.00	-	1,60,912.00
	Total	29,45,50,917.99	3,93,02,046.23	8,50,00,000.00	41,88,52,964.22

(Amount in Rs.)

Gupta Verma & Sethi
Chartered Accountant

FRN No. 02605-N

Gupta Verma & Sethi
Chartered Accountants
(FF No-02605-N)

(Krishan Sethi)

Partner
M. NO.081303



(Mohan Kumar Mishra)
Secretary, NCCCT



(Dr. P.K. Upadhyaya)
Director (Finance)I/c

Date: 19.09.2019

Place: New Delhi

NATIONAL COUNCIL FOR COOPERATIVE TRAINING

FUNDED BY THE MINISTRY OF AGRICULTURE & FARMERS WELFARE (DOAC & FW)

RECEIPT AND PAYMENT ACCOUNT OF CFCT INTEREST AND GRANT-IN-AID FROM GOVT. OF INDIA

FOR THE YEAR ENDED 31 ST MARCH 2019

RECEIPTS	DETAIL	AMOUNT (Rs.)	PAYMENTS	DETAIL	AMOUNT (Rs.)
Opening Balance	-	-	Opening Balance (Dr.)		14,83,83,136.54
Interest Received from- Corpus Fund for Cooperative Training (CFCT)	-	-	Expenditure Incurred	29,45,50,917.99	
Grant-in-Aid Received from Ministry of Agriculture (DOAC & FW) during the year 2018-19 :			(i) NCCT & RICMs/ICMs	3,93,02,046.23	
(i) NCCT & RICMs/ICMs	1,68,75,000.00	7,92,00,000.00	(ii) NE-Region ICMS	8,50,00,000.00	41,88,52,964.22
(ii) NE-Region ICMS	70,00,000.00		(iii) Vamnicom Pune		
(iii) Vamnicom Pune	5,53,25,000.00				
Deficit Grant of F.year 2015-16 and 2016-17 received during the year 2018-19	14,68,00,000.00	14,68,00,000.00			
NCCT & RICMs/ICMs (Miscellaneous Receipts)	4,43,123.91	4,43,123.91			
Grant Received/Receivable from State Governments	1,98,50,000.00	1,98,50,000.00			
Grant Receivable from DOAC & FW (Deficit during the year)		32,09,42,976.85			
Total		56,72,36,100.76	Total		56,72,36,100.76

(Signature)
 (Dr. P.K. Upadhyaya)
 Director (Finance)/c

(Mohan Kumar Mishra)
 Secretary, NCCT

Gupta Verma & Sethi
 Chartered Accountant
 FRN No. 02605-N

(Signature)
 (Krishan Sethi)
 Partner
 M. NO.081303

Gupta Verma & Sethi
 Chartered Accountant
 FRN No. 02605-N

Date: 19.09.2019
 Place: New Delhi

GFR 12-A
[See Rule 238(1&2)]

FORM OF UTILISATION CERTIFICATE FOR AUTONOMOUS BODIES OF THE GRANTEE ORGANISATION

UTILIZATION CERTIFICATE FOR THE YEAR 2018-2019 IN RESPECT OF RECURRING GRANTS-IN-AID

1. Name of the Scheme :For Grant-in-aid received from DOAC&FW, and Interest received from CFCT for NCCT/RICMs/ICMs under the Central Sector Integrated Scheme on Agricultural Cooperation during the year 2018-19.
2. Whether recurring or non-recurring grants : Recurring
3. Grants position at the beginning of the Financial year : 2018-2019
 - (i) Cash in Hand/Bank NIL
 - (ii) Unadjusted advances NIL
 - (iii) Total NIL
 - (iv) Deficit due from DOAC&FW Rs. 666.35
4. Details of grant received, expenditure incurred and closing balances

(Actual Rs. In Lakhs)								
Unspent Balances of Grants received (figure as at Sl. No. 3(iii))	Interest Earned thereon	Misc. Receipt /Interest deposited back to the Government	Grant received during the year			Total available funds (2+3+4)	Expenditure incurred	Closing Balances (5-6)
1	2	3	4			5	6	7
			Sanction	Date	Amount			
Unspent balance Nil /Deficit Rs.666.35	-	-	CFCT Int.	2018-19	--		2945.50	
-			G-28011/2/2016-CET	27.9.18	24.44			
			G-28011/2/2016-CET	27.9.18	9.00			
			G-28011/2/2016-CET	21.1.18	24.44			
			G-28011/2/2016-CET	21.1.19	9.00			
			G-28011/2/2016-CET	15.3.19	48.87			
			G-28011/2/2016-CET	15.3.19	18.00			
			G-28011/2/2016-CET	26.3.19	15.00			
			G-28011/2/2016-CET	26.3.19	10.00			
			G-28011/2/2016-CET	26.3.19	10.00			
			G-28011/2/2016-CET	19.6.19	666.35			
			State Governments	2018-19	198.50			
Unspent balance Nil /Deficit Rs. 666.35					1033.60	1033.60	2945.50 (+)666.35 3611.85	Deficit 2578.25



5. Component-wise utilization of grants :

Grant-in-aid General	Grant-in-aid Salary	Grant-in-aid Creation of capital assets	Total (figures as at Column of table above)
1033.60	-	-	1033.60

6. Details of grants position at the end of the year

- (i) Cash in Hand/Bank -
(ii) Unadjusted Advances -
(iii) Total -
(iv) Deficit due from DOAC&FW Rs. 2578.25


Certified that I have satisfied myself that the conditions on which grants were sanctioned have been duly fulfilled/are being fulfilled and that I have exercised following checks to see that the money has been actually utilized for the purpose for which it was sanctioned :-

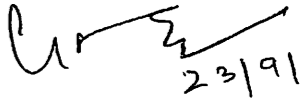
- (i) The main accounts and other subsidiary accounts and registers (including assets registers) are maintained as prescribed in the relevant Act/Rules/Standing instructions (mention the Act/Rules) and have been duly audited by designated auditors. The figures depicted above tally with the audited figures mentioned in financial statement/accounts.
- (ii) There exist internal controls for safeguarding public funds/assets, watching outcomes and achievements of physical targets against the financial inputs, ensuring quality in assets creation, etc., and the periodic evaluation of internal controls is exercised to ensure their effectiveness.
- (iii) To the best of our knowledge and belief, no transactions have been entered that are in violation of relevant Act/Rules/standing instructions and scheme guidelines.
- (iv) The responsibilities among the key functionaries for execution of the scheme have been assigned in clear terms and are not general in nature.
- (v) The benefits were extended to the intended beneficiaries and only such areas/districts were covered where the scheme was intended to operate.
- (vi) The expenditure on various components of the scheme was in the proportions authorized as per the scheme guidelines and terms and conditions of the grants-in-aid.
- (vii) It has been ensured that the physical and financial performance under the Central Sector Integrated Scheme on Agricultural Cooperation during the year 2018-19 (name of the scheme) has been according to the requirements, as prescribed in the guidelines issued by Government of India and the performance/targets achieved statement for the year to which the utilization of the fund resulted in outcomes given at Annexure - I duly enclosed.

- (viii) The utilization of the fund resulted in outcomes given at Annexure - II duly enclosed (to be formulated by the Ministry/Department concerned as per their requirements/specifications.)
- (ix) Details of various schemes executed by the agency through grants-in-aid received from the same Ministry or from other Ministries are enclosed at Annexure - II (to be formulated by the Ministry/Department concerned as per their requirements/specifications).

Dated: 23rd September, 2019

Place: New Delhi

Signature 
(Name: Dr. P.K. Upadhyaya)
Director (Finance) I/c

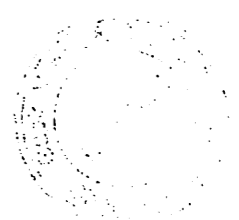
Signature 
(Name: Mohan Kumar Mishra)
Secretary, NCCT

Auditor

The utilization certificate may be considered along with our observations given in our audit report of NCCT for the financial year ending on 31st March, 2019.

Place : New Delhi
Date : 23rd September, 2019

For Gupta Verma & Sethi
Chartered accountants
FRN No. 02605-N


Krishan Sethi
(Partner)
M.no.081303

UTILIZATION CERTIFICATE FOR THE YEAR 2018-2019 IN RESPECT OF RECURRING GRANTS-IN-AID

- Name of the Scheme : For Grant-in-aid received from DOAC&FW, and Interest received from CFCT for NCCT/ICMs (NER) under the Central Sector Integrated Scheme on Agricultural Cooperation during the year 2018-2019.
- Whether recurring or non-recurring grants : Recurring
- Grants position at the beginning of the Financial year : 2018-2019
 - Cash in Hand/Bank NIL
 - Unadjusted advances NIL
 - Total NIL
 - Deficit due from DOAC&FW Rs. 505.32

4. Details of grant received, expenditure incurred and closing balances

(Actuals Rs. In Lakhs)

Unspent Balances of Grants received (figure as at Sl. No. 3(iii))	Interest Earned thereon	Misc. Receipt /Interest deposited back to the Government	Grant received during the year			Total available funds (2+3+4)	Expenditure incurred	Closin Balan (5-6)
			Sanction	Date	Amount			
1	2	3	4			5	6	7
Unspent Balance Nil/Deficit Rs. 505.32	-		CFCT Int.	2018-2019	--		393.02	
			G-28011/2/2016-CET	27.9.18	8.25			
			G-28011/2/2016-CET	27.9.18	9.25			
			G-28011/2/2016-CET	10.1.19	9.25			
			G-28011/2/2016-CET	21.1.19	8.25			
			G-28011/2/2016-CET	15.3.19	18.50			
			G-28011/2/2016-CET	15.3.19	16.50			
			G-28011/2/2016-CET	19.6.19	505.32			
Unspent Balance Nil /Deficit Rs. 505.32		4.43.0				579.75	393.02 (+505.32 898.34	Def 318.

5. Component-wise utilization of grants :

Grant-in-aid General	Grant-in-aid Salary	Grant-in-aid Creation of capital assets	Total (figures as at Column of table above)
Rs.579.75	--	-	Rs.579.75

6. Details of grants position at the end of the year

- Cash in Hand/Bank NIL
- Unadjusted Advances NIL
- Total NIL
- Deficit due from DOAC&FW Rs.318.59


Certified that I have satisfied myself that the conditions on which grants were sanctioned have been duly fulfilled/are being fulfilled and that I have exercised following checks to see that the money has been actually utilized for the purpose for which it was sanctioned :-

- The main accounts and other subsidiary accounts and registers (including assets registers) are maintained as prescribed in the relevant Act/Rules/Standing instructions (mention the Act/Rules) and have been duly audited by designated auditors. The figures depicted above tally with the audited figures mentioned in financial statement/accounts.
- There exist internal controls for safeguarding public funds/assets, watching outcomes and achievements of physical targets against the financial inputs, ensuring quality in assets creation, etc., and the periodic evaluation of internal controls is exercised to ensure their effectiveness.
- To the best of our knowledge and belief, no transactions have been entered that are in violation of relevant Act/Rules/standing instructions and scheme guidelines.
- The responsibilities among the key functionaries for execution of the scheme have been assigned in clear terms and are not general in nature.
- The benefits were extended to the intended beneficiaries and only such areas/districts were covered where the scheme was intended to operate.
- The expenditure on various components of the scheme was in the proportions authorized as per the scheme guidelines and terms and conditions of the grants-in-aid.
- It has been ensured that the physical and financial performance under the Central Sector Integrated Scheme on Agricultural Cooperation during the year 2018-2019(name of the scheme) has been according to the requirements, as prescribed in the guidelines issued by Government of India and the performance/targets achieved statement for the year to which the utilization of the fund resulted in outcomes given at Annexure - I duly enclosed.

- (viii) The utilization of the fund resulted in outcomes given at Annexure – II duly enclosed (to be formulated by the Ministry/Department concerned as per their requirements/specifications.)
- (ix) Details of various schemes executed by the agency through grants-in-aid received from the same Ministry or from other Ministries are enclosed at Annexure – II (to be formulated by the Ministry/Department concerned as per their requirements/specifications).

Dated : 23rd September, 2019


Place : New Delhi

Signature 
 (Name: Dr.P.K.Upadhyaya)
 Director (Finance) I/c


Auditor

The utilization certificate may be considered along with our observations given in our audit report of NCCT for the financial year ending on 31st March, 2019.

Place : New Delhi
 Date : 23rd September, 2019

Signature 
 (Name: Mohan Kumar Mishra)
 Secretary, NCCT

For Gupta Verma&Sethi
 Chartered accountants
 FRN No. 02605-N


 KrishanSethi
 (Partner)
 M.no.081303

UTILIZATION CERTIFICATE FOR THE YEAR 2018-2019 IN RESPECT OF RECURRING GRANTS-IN-AID

1. Name of the Scheme: For Grant-in-aid received from DOAC&FW, for VAMNICOM, Pune under the Central Sector Integrated Scheme on Agricultural Cooperation during the year 2018-19.
2. Whether recurring or non-recurring grants : Recurring
3. Grants position at the beginning of the Financial year : 2018-2019
 - (i) Cash in Hand/Bank NIL
 - (ii) Unadjusted advances NIL
 - (iii) Total NIL
 - (iv) Deficit due from DOAC&FW Rs. 312.16
4. Details of grant received, expenditure incurred and closing balances

Unspent Balances of Grants received (figure as at Sl. No. 3(iii))	Interest Earned thereon	Misc. Receipt Interest deposited back to the Government	Grant received during the year			Total available funds (2+3+4)	Expenditure incurred	Closing Balance (5-6)
			Sanction	Date	Amount			
1	2	3	4			5	6	7
Unspent balance Nil /Deficit Rs. 312.16	-	-	G-28011/2/2016-CET	27.9.18	107.81		850.00	
			G-28011/2/2016-CET	27.9.18	18.75			
			G-28011/2/2016-CET	27.9.18	4.01			
			G-28011/2/2016-CET	10.1.18	107.81			
			G-28011/2/2016-CET	21.1.19	18.75			
			G-28011/2/2016-CET	21.1.19	19.49			
			G-28011/2/2016-CET	15.3.19	215.63			
			G-28011/2/2016-CET	15.3.19	37.50			
			G-28011/2/2016-CET	15.3.19	23.50			
			G-28011/2/2016-CET	19.6.19	296.33			
Unspent balance Nil /Deficit Rs. 312.16	-	-			849.58	849.58	850.00	De 31.
							+ 312.16	
							1162.16	

5. Component-wise utilization of grants :

Grant-in-aid General	Grant-in-aid Salary	Grant-in-aid Creation of capital assets	Total (figures as at Column of table above)
Rs.849.58	-	-	Rs.849.58

6. Details of grants position at the end of the year

- (i) Cash in Hand/Bank NIL
- (ii) Unadjusted Advances NIL
- (iii) Total NIL
- (iv) Deficit due from DOAC&FW Rs. 312.58

Certified that I have satisfied myself that the conditions on which grants were sanctioned have been duly fulfilled/are being fulfilled and that I have exercised following checks to see that the money has been actually utilized for the purpose for which it was sanctioned :-

- (i) The main accounts and other subsidiary accounts and registers (including assets registers) are maintained as prescribed in the relevant Act/Rules/Standing instructions (mention the Act/Rules) and have been duly audited by designated auditors. The figures depicted above tally with the audited figures mentioned in financial statement/accounts.
- (ii) There exist internal controls for safeguarding public funds/assets, watching outcomes and achievements of physical targets against the financial inputs, ensuring quality in assets creation, etc., and the periodic evaluation of internal controls is exercised to ensure their effectiveness.
- (iii) To the best of our knowledge and belief, no transactions have been entered that are in violation of relevant Act/Rules/standing instructions and scheme guidelines.
- (iv) The responsibilities among the key functionaries for execution of the scheme have been assigned in clear terms and are not general in nature.
- (v) The benefits were extended to the intended beneficiaries and only such areas/districts were covered where the scheme was intended to operate.
- (vi) The expenditure on various components of the scheme was in the proportions authorized as per the scheme guidelines and terms and conditions of the grants-in-aid.
- (vii) It has been ensured that the physical and financial performance under the Central Sector Integrated Scheme on Agricultural Cooperation during the year 2018-19(name of the scheme) has been according to the requirements, as prescribed in the guidelines issued by Government of India and the performance/targets achieved statement for the year to which the utilization of the fund resulted in outcomes given at Annexure - I duly enclosed.

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- (ix) Details of various schemes executed by the agency through grants-in-aid received from the same Ministry or from other Ministries are enclosed at Annexure - II (to be formulated by the Ministry/Department concerned as per their requirements/specifications).

Signature

(Name: Dr.P.K.Upadhyaya)
Director (Finance) I/c

Auditor

The utilization certificate may be considered along with our observations given in our audit report of NCCT for the financial year ending on 31st March, 2019.

Place : New Delhi
Date : 23rd September, 2019

Signature

(Name: Mohan Kumar Mishra)
Secretary, NCCT

For Gupta Verma&Sethi
Chartered accountants
FRN No. 02605-N

KrishanSethi
(Partner)
M.no.081303

NATIONAL COUNCIL FOR COOPERATIVE TRAINING
(FUNDED BY MINISTRY OF AGRICULTURE AND FARMERS WELFARE)
(DOAC & FW)

Balance Sheet of General/Contributory Provident Fund as at 31st March'2019

LIABILITIES	AMOUNT(Rs)	ASSETS	AMOUNT(Rs)
Reserve & Surplus		Investments	
Opening Balance	27761154.37	Investments(Term Deposits)	19,10,66,356.00
Add:-Surplus during the year	1133446.52	Current Assets	
Other Liabilities		Advances to Subscribers	57,92,472.00
Employees Subscription		Interest Accrued	2,10,84,830.00
		Bank Accounts	1,27,41,989.45
Suspense GIS		TDS on FDR receivable	2,43,789.00
		NCCT Gen.A/c	68,83,570.44
TOTAL	23,78,13,006.89	TOTAL	23,78,13,006.89

As per our Audit Report of even date
for M/s Gupta Verma & Sethi

Chartered Accountants
Gupta Verma & Sethi
FRN No.02605-N
Chartered Accountants
FRN-02605-N

(KRISHAN SETHI) 204 - Delhi Chamber
PARTNER
New Delhi - 110 002
M.NO.081303



(MOHAN KUMAR MISHRA)
SECRETARY, NCCT



(DR.P.K.UPADHYAYA)
DIRECTOR(FINANCE)

NATIONAL COUNCIL FOR COOPERATIVE TRAINING
(FUNDED BY MINISTRY OF AGRICULTURE AND FARMERS WELFARE)
(DOAC & FW)

INCOME & EXPENDITURE ACCOUNT OF NCCT GPF/CPF ACCOUNT
FOR THE YEAR ENDED MARCH 31ST 2019

EXPENDITURE	AMOUNT(Rs.)	INCOME	AMOUNTS(Rs)
<u>Interest allowed to Subscribers</u>			
On Employees' Subscription	14357844.00	By <u>Interest on Investments</u>	14778190.00
Bank Charges	690.30	On Fixed Deposits	713790.82
Surplus during the year (Excess of Income over Expenditure)	1133446.52	On Saving Bank Account	
Total	15491980.82	Total	15491980.82

50

As per our Audit Report of even date
for M/s Gupta Verma & Sethi

Chartered Accountants

FRN No.02605-N

Shri. Verma & Sethi
Chartered Accountants
FF-106, 106/11

(MOHAN KUMAR MISHRA)
SECRETARY, NCCT

(DR.P.K.UPADHYAYA)
DIRECTOR(FINANCE)

(KRISHAN SETHI)
PARTNER
M.NO.081303

Chartered Accountant
106/11, 106/11
FF-106, 106/11

NATIONAL COUNCIL FOR COOPERATIVE TRAINING
(FUNDED BY MINISTRY OF AGRICULTURE AND FARMERS WELFARE)
(DOAC & FW)

Balance Sheet of Pension Fund as at 31st March'2019

LIABILITIES	AMOUNT(Rs)	ASSETS	AMOUNT(Rs)
<u>Pension Fund</u>		<u>Investments</u>	
Opening Balance	32,85,94,563.81	Investment (Term Deposit)	17,24,05,028.87
Add: Surplus	14,45,96,854.90	Interest Accrued	1,79,16,410.00
<u>Other Liabilities</u>		<u>Current Assets</u>	
TDS Payable A/c		Cash at Bank	60,30,707.69
		NCCT Gen A/c	27,69,46,307.15
		TDS receivable from Bank	95,224.00
TOTAL	47,33,93,677.71	TOTAL	47,33,93,677.71

As per our Audit Report of even date
for M/s Gupta Verma & Sethi
Chartered Accountants

20th Verma & Sethi
Chartered Accountants
FRN No.02605-N
B-10, Sector-14, Gurgaon
Haryana-122005-1

(KRISHAN SETHI)
PARTNER
M.NO.081303



(MOHAN KUMAR MISHRA)
SECRETARY, NCCT



(DR. P.K UPADHYAYA)
DIRECTOR(FINANCE)

NATIONAL COUNCIL FOR COOPERATIVE TRAINING
(FUNDED BY MINISTRY OF AGRICULTURE AND FARMERS WELFARE)
(DOAC & FW)

INCOME & EXPENDITURE ACCOUNT OF PENSION FUND
FOR THE YEAR ENDED MARCH 31st 2019

EXPENDITURE	AMOUNT(Rs.)	INCOME	AMOUNTS(Rs)
Pension	134327551.50	Interest on Investment	3,27,78,524.82
Commutation of pension	25487605.00	Pension Contribution Received	3,50,71,127.00
Surplus during the year (Excess of Income over Expenditure)	144596854.90	Cont. from NCCT - Interest on Investments	17,39,86,094.26
		Cont. from NCCT Paid Prog.	5,23,07,447.67
		Cont. from NCCT Proff. Courses	96,54,177.65
		Interest on Saving Bank Accounts	6,14,640.00
Total	304412011.40	Total	30,44,12,011.40

As per our Audit Report of even date

for M/s Gupta Verma & Sethi
Chartered Accountants
FRN No.02605-N

Gupta Verma & Sethi
Chartered Accountants
FRN-02605-N

(KRISHAN SETHI)
PARTNER
M.NO.081303


(DR. P.K UPADHYAYA)
DIRECTOR(FINANCE)

(MOHAN KUMAR MISHRA)
SECRETARY, NCCT

Schedule 'C'

NATIONAL COUNCIL FOR COOPERATIVE TRAINING, NEW DELHI (Funded by Ministry of Agriculture & Farmers Welfare – Department of Agriculture, Cooperation & Farmers Welfare)

ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019.

A. ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

- i. The financial statements are prepared on historical cost conventions.
- ii. The accounts have been prepared on the concept of going concern.
- iii. The Income and Expenditure have been recognized on Accrual system of accounting from the financial year 2008-09.

2. FIXED ASSETS

- i. Fixed Assets are stated at cost of acquisition. The value of buildings reflect the cost incurred by ICMs out of grants/ contribution / donations received from Central Govt, State Govts, State Cooperative Union, Cooperative Movement, Internal generations etc.
- ii. The value of buildings, include some ICMs in whose case the land is allotted by State Governments in the name of respective State Cooperative Unions for establishment of cooperative training institutes but has been given for exclusive use of ICMs under an agreement to carry out training activities.
- iii. The value of Fixed Assets including buildings are capitalized at the beginning of the financial year 2008- 09 with a contra under capital fund. Donations received from State Govts/Cooperative Movements/others and utilized for building construction/acquisition of fixed assets have been included for the purpose of calculating the value of fixed assets reflected in balance sheet.

3. DEPRECIATION

- i. NCCT being an academic/training institution, the Straight Line Method (SLM) of calculation of depreciation has been adopted w.e.f. financial year 2009-10 by following identical rate of depreciation with the academic institutions/central universities.
- ii. Assets costing below Rs.5000/- and where WDV is less than Rs.5000/- are fully depreciated in that year.
- iii. Library books, sports goods, hostel utensils and other assets costing below Rs.5000/- are depreciated fully in the year of acquisition.

4. EARMARKED/ENDOWMENT FUNDS

NCCT has maintained Training Development Fund, Building Fund and few other designate funds as Earmarked/Endowment Funds in line with G.O.I. guidelines to Central Autonomous Bodies. All additions/income to these funds are directly credited to funds and all utilization/deductions out of these funds are directly debited to funds.

5. ACCOUNTING OF GOVERNMENT GRANTS/INTEREST COMPONENT OF CORPUS FUND FOR COOPERATIVE TRAINING.

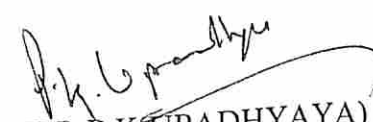
- i) Government grant/Interest from Corpus Fund is accounted for on receipt basis.
- ii) Receipts and Payments account is prepared to the extent of the Central Govt. grant/Corpus Fund Interest received only. The ICMs located at Nagpur, Kannur and Madurai are given grants by the respective State Govts./Cooperative Unions to the extent of 50% of total expenditure of the said ICMs. The grants received from State Govts./Cooperative Unions are not included under the receipt side but set off against 50% expenditure of these ICMs.


B. NOTES ON ACCOUNTS

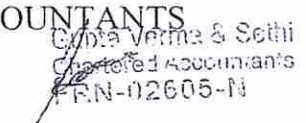
1. National Council for Cooperative Training (NCCT) is an autonomous body created by Govt. of India and is fully funded by Ministry of Agriculture and Farmers Welfare, Department of Agriculture, Cooperation & Farmers Welfare under the Central Sector Integrated Scheme on Agricultural Cooperation of Govt. of India through release of grant-in-aid from DOAC & FW and allocation of Corpus Fund Interest as created by DOAC, MOA, GOI. As per Govt. of India instruction Accounts of NCCT are being prepared as per grant-in-aid rules, G.F.R. and other G.O.I. instructions issued from time to time. NCCT is also formed as a Committee of National Cooperative Union of India (NCUI) registered as a Multi State Cooperative Society, under their bye laws 16 (A) with the approval of Govt. of India.

2. The National Council for Cooperative Training is following Government of India rules as regards establishment, service matters and other related matters except Recruitment rules framed by NCCT itself.
3. With the approval of Govt. of India, NCCT has introduced GPF-cum-Pension Scheme for its employees from the year 1988. Earlier the employees were covered under CPF scheme. Almost all employees have opted for GPF-cum-Pension scheme except few employees who continue on CPF scheme. The rules adopted for these schemes are same as applicable in Govt. of India for civil posts. The accounts of GPF and Pension Scheme are not merged in the Balance sheet of NCCT and are presented separately.
4. All ongoing fee based training programmes which are not completed/concluded and having credit balances are shown under "Advance received against Training Programmes". Similarly the debit balances being expenditure of the ongoing programmes are shown under Amount receivable against training programmes.
5. In case of Professional Courses, spread over next financial year, income and expenditure is recognized on receipt basis.
6. With effect from the Financial Year 2012-13 for the purpose of strengthening NCCT Pension Scheme, the Interest Earned/Accrued on Investment of NCCT Hq. and its unit's level Funds is being transferred to the NCCT Pension Scheme.
7. Previous year figures have been regrouped/rearranged, wherever necessary to make them comparable with current year's figures.

FOR M/S GUPTA VERMA & SETHI
CHARTERED ACCOUNTANTS


(DR. P.K. UPADHYAYA)
DIRECTOR (FINANCE)


(MOHAN KUMAR MISHRA)
SECRETARY, NCCT


(KRISHAN SETHI)
PARTNER
Gupta Verma & Sethi
Chartered Accountants
FRN-02605-11
204 - Delhi Chamber
Delhi Gate
New Delhi - 110 002

NEW DELHI.
DATED: 19.09.2019

**Compliance on observations of Statutory Audit Report for
the Year 2018-19**

Main Report

Particulars/Observation	Compliance
<p>We have audited the accompanying standalone financial statements of National Council for Cooperative Training which comprise Balance Sheet as at 31st March, 2019 and the Income and Expenditure Account for the year ended on that date annexed thereto and a summary of significant accounting policies and other explanatory information.</p>	<p align="center">Informatory</p>
<p><u>Management's Responsibility for the Financial Statements</u></p> <p>Management is responsible for the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, and financial performance of the NCCT in accordance with the Accounting principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the NCCT and for preventing and detecting frauds and other irregularities ; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records , relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p>	<p align="center">Informatory</p>
<p><u>Auditor's Responsibility</u></p> <p>Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.</p>	<p align="center">Informatory</p>

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the NCCT's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the NCCT has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the NCCT's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the NCCT as at March 31, 2019;
- In the case of the Income and Expenditure Account, of the "Deficit of income over expenditure" for the year ended on that date.

Report on Other Legal and Regulatory Requirements

We Report the following

Informatory

observation/comments/discrepancies / inconsistencies; if any:

Common Points in All Branches

- Depreciation is charged as per accounting policy of NCCT. The current assets and current liabilities are subject to confirmation.
- The accrual concept has not been fully adopted.
- The NCCT-HO has appointed concurrent auditors for each unit for in depth checking of accounts. We have relied on concurrent Audit Report for the financial year 2018-19.
- Income from investment and paid program/professional share/ service charges from hostel of following unit directly transferred to TDF & Building Funds instead of showing in income and expenditure A/c and then further transferred to NCCT- Head Office per accounting policy of NCCT but this practice is against the income Tax/Accounting rule and this practice understated the profit and loss of current year.

Consolidation Issues

- It is found that Consolidated chart of Depreciation of all the units and HQ prepared of last some years and current year except financial year 2017-18, details of each in this chart not made so we cannot comment on the consolidated figure whether it is correct or not .consolidated schedule of fixed assets could not be tallied with individual schedule.
- All the accounting standards have not been complied properly like AS-9, AS-21, AS-22, AS-10 etc.
- Effect of inter unit balance has not been eliminated hence due to which current assets and liabilities overstated. Amount of Rs. 19,26,30,073.65 is shown in current assets and rs. 19,47,30,328.02 is shown in current liabilities. By these amounts current assets

NCCT being a academic/training imparting body Depreciation is being charged as per rate/practice in Central Universities

Informatory

Informatory

These transfers are being done as per accounting policy of NCCT dully submitted to auditors.

Noted

Accounting Standards are being followed as applicable to NCCT. However noted for future.

Noted

iv) and current liabilities are overstated. The head office should formulate a uniform mess policy, which should be followed by all units. There is scope for revenue leakage.	Noted
ICM, CHENNAI	
GENERAL A/C	
Depreciation is charged as per rates decided by NCCT policy. Depreciation not charged as per income tax rules. Amount of variation not calculated.	Infomatory
The current assets and current liabilities are subject to confirmation. We can not comment on its recoverability.	We are setting current asset receivable and current liabilities payable.
Goods and Service tax registration not taken in time, the NICM has paid Rs.14,48,648.00 towards GST, from its own funds. This is net loss to the Institute. No dues certificate not produced, hence we can not comment whether full amount paid or something still pending towards interest and penalties. Accountability should be fixed for such huge loss to the Institute.	As advised by NCCT GST registration has been taken and GST implemented.
The national council for cooperative training has appointed a firm of chartered accountants as concurrent auditors for the financial year 2018-19 and we have relied on their concurrent audit report while conducting statutory audit of the ICM	Informatory
SERVICE TAX LIABILITY The NICM has paid Rs.28,39,429.00 towards service tax for previous years due to non compliance of Service Tax provisions. Interest and penalty yet to be paid. No provision made for such liability. Accountability should be fixed for huge loss to the NICM.	As advised by NCCT service has been paid.
Physical Verification of fixed assets not done as per laid down procedure. We can not comment whether there is any loss due to theft or any other reason.	Noted. Efforts will be made as per NCCT guidelines.
Receipt And Payment Account not prepared on Cash basis.	Receipt And Payment Account is being maintained as per NCCT guidelines.
Funds of the institute are not backed by equilent Investments.	Noted
Interest accrued on FDR does not tally with FDR.	Noted. Reconciliation will be made.
MBA Accounts All expenses are booked under Administrative	Noted

expenses. Institute should book expenses as per its nature.	
Income from building Rs.20,42,713.00 directly credited to building fund. Other administrative expenses Rs.16,07,279.00 are directly debited to Building fund .Net income from Building ,Hostel is very small and expenses are very high. This needs proper verification and investigation. Other institute income is much higher.	Noted. Rectification will be made in current year.
Bank certificate of interest earned on FDR of banks, not produced for reconciliation and for confirmation of correctness of amount. Further whether TDS is deducted or not, we cannot comment as 26 AS not provided to us.	Noted. Rectification will be made in current year.
Contractual & Contingent Staff and permanent staff salary both debited in under salary & wages -pay head, while a separate head is for Contractual & Contingent Staff..	Noted. Rectification will be made in current year.
Caution deposit received from student but no details available. Old deposits, and record should be prepared.	Noted and will be implemented during the current year.
Attendance Register is not being maintained properly for contractual employees.	Noted and will be implemented during the current year.
T.D.F 50% surplus of paid programme is credited to TDF Rs.28,84,745.00 MBA surplus also credited to TDF.Rs. 16,71,606.00 paid on account of CPC arrear also debited to TDF, hence by this amount expenses are understated. Rs.200552.00 booked twice.	Noted. 7th CPC implemented as per NCCT guidelines by debiting 70% expenses from Govt.Grant and 30% from TDF
Bank Reconciliation with Indian Bank Cheque deposited in 2017 still shown as receivable. Entries not reversed.	Noted.
Pending dues from students and Paid programmes Institute is not maintain any record in financial books for amount recoverable from students and from paid programs. No detail made available. Very serious lapse and needs immediate attention and action.	Noted for corrective action during current year.
MESS OPERATIONS NCCT- HO should formulate a uniform policy for appointment of mess contractor, its rates and operation. There is scope for revenue leakage.	Informatory
No TDS deducted from mess contractor.	Noted for corrective action during current year.
SUNDRY DEBTORS Rs. 82,02,096.91 Expenses incurred on paid programmes already held, against which payment not received has not	Noted for corrective action during current year.

been booked as expenditure but are shown as sundry debtors. More serious, income/ fee receivable from programmes already held are not shown as debtors. Only record is kept in files. Very serious issue, Financial records should show the receivable fee in books.	
Security Deposits Rs. 24,000.00 No detail available / produced.	Noted. Reconciliation will be made.
Suspense Receipts Rs.39,72,756.37 The above figure relates to various programmes already done. Fee received not taken to proper revenue head. Proper adjustment should be done. Fee due for MBA is Rs. 1800000.00 but booked Rs.17,82000.00. Balance receivable Rs18000.00 not explained. Current Liabilities Rs.37,881.00 In MBA books above figure shown as advance received against training programmes. Further no detail given for advance of Rs.3,06,060.00 advance from Trainee and others.	Fee due for MBA is Rs.17,82,000/- only and it is very evident from BRS statement for that period. Hence there is no balance receivable
ICM HYDERABAD	
ICM Hyderabad has not taken Goods and Service Tax registration; GST paid Rs.17,52,260.00 . Accountability should be fixed and appropriate action should be taken against the concerned staff.	We have taken GST number bearing NO. 36AAEAN3477BIZP, dated 18.09.2018 and paid the GST we have followed the instructions of the NCCT time to time as per the guidelines of NCCT regarding GST.
Depreciation charged as per accounting policy of NCCT and not as per Income Tax act. Amount and its impact not ascertained.	No Comment.
TRAINING DEVELOPMENT FUND Interest earned on investments Rs.10,97,437.00 is directly credited to TDF . Arrear paid to staff amounting to Rs.13,95,662.00 debited to TDF. Seminar exp Rs.26,768.00 debited to TDF and further GST for Feb & March Rs.60,014.26 debited to TDF and by these amount expense understated.	Transferred the interest as per NCCT guidelines only. we have debited the 7th CPC arrears to TDF as per approval of the NCCT vide its letter No. 7th CPC/2018-19/F&A dated 10.10.2018. we have debited GST for February and March as per approval of the NCCT vide its letter No. S.Tax/2009-10/F&A , dt. 29.03.2019.

MESS ACCOUNTS Strict internal control required for mess operations. No. of persons/ participants taking food, rates requires internal control. NCCT- H O should make uniform policy for appointment of mess contractor, mess operations and other maintenance of records.	there is no mess operation in ICM, Hyd. we have given mess contract of ICM and State Cooperative Bank. While paying the mess bill we are verifying as per rule/records. Secondly we have strict internal control system of bills with the mess contractor. at the beginning the bills is verified by the course Asst. then by the Course Coordinator then by the office Supdt. after the verification file is put up to the Director for approval. after that the file goes to the Accountant after the verification by the Accountant payment will be made.
Form 26 AS not provided to us, hence we cannot comment on correctness of TDS standing in the Books.	Noted for future guidance.
ICM is keeping their surplus in the form of fixed Deposits with central Bank at a lower rate of interest, it is better if they invest with other banks giving better rate of interest.	We will explore the possibilities of depositing the F.D. in other banks for higher interest.
BUILDING FUND Rs. 11,13,522.00 earned as hostel rent is credited to building fund. Further salary of Rs. 24,000.00 paid is debited to building fund and by this amount expenses are understated.	As per NCCT Guidelines, we are directly crediting the amount to Building Fund at the time of Closing the Account (year end). The Warden allowance of Rs. 2000/- per month. The Exp. shown in B/F as per Council's letter No. 3-15/1/78-Admn, dt. 10.08.2016 (12th months x Rs. 2000/- = Rs. 24000/-)
i) Current Liabilities : a) PACS in Guntur Rs.15,725.00 b) PACS IN EG Rs.4,899.00 c) PACS in machine Rs.6,000.00 d) PACS in Nizamabad Rs. 56,000.00 e) PACS in Tirupati rs. 27,000.00	ICM shall make adjustment as addresses of the parties are not known. there amounts were collected by the District Cooperative Officers to conduct programmes. ICM has conducted programmes and some PACS employees have not attended the programmes.
Stock Register: It was observed that the stock register has not been maintained properly.	No. - ICM Hyd. has maintained stock Register properly and also shown to the Auditor during audit.
The current assets and current liabilities are subject to confirmation. ICM should get confirmation of balance from all debtors and creditors.	Confirmed.

Pension receivable from NCCT-HO Rs. 2,24,032.00 dr. receivable from head office is wrongly shown in other liability and due to this current assets and current liabilities are understated by Rs. 2,24,032.00	NCCT has remitted the Pension amount for the month of October 2018 on 17.05.2019 during the month of May 2019. the account is closed.
It was observed that a few assets do not have tagging at computer lab and some of them are not working lying at store room. in order to maintain accurate asset records, when receiving a new asset n to the organization, the first step is to pu tag. therefore, it is advised to tag the assets which have no tag and maintain correct closing numbers of particular assets.	No. we have tagged all assets.
Fixed Assets Register: ICM has a fixed Assets register but, it was observed that they are not showing accumulated depreciation in it. It is advised to put a column for accumulated depreciation. Fixed assets register should be maintained as per income tax requirements.	ICM, Hyd. is following NCCT procedure.
ICM is having assets bought 15 years ago, and are no longer operational. It is advised to dispose off or write off these assets.	Noted- will identify the assets and obtain permission from NCCT to dispose of such assets by following rules.
The national council for cooperative training has appointed a firm of chartered accountants as concurrent auditors for the financial year 2018-19 and we have relied on their concurrent audit report while conducting statutory audit of the ICM , as concurrent auditors are required to verify day to day affairs on regular basis.	NO comments.
Interest earned on saving account Rs.1,57,326.00 directly transferred to NCCT- HO and due to this income is understated.	As per NCCT guidelines we have transferred the interest to NCCT, H.Q. directly at the time of closing the account (year end).
xvii) Service Tax paid by the ICM due to non registration in time. Accountability should be fixed and appropriate action be taken.	We have followed NCCT guidelines.
RICM KALYANI The NCCT appointed firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-19 and we have relied on their Concurrent Year Report while conducting Statutory audit of the Unit	No Comment
Surplus of Rs. 8,31,012.00 on paid program is credited to Training Development Fund and NCCT equally as per Accounting Policy of NCCT Income from investments Rs.1,87,904.00 is directly credited to TDF and Rs.303,146.73 Hostel receipts also credited to TDF with out accounting through Income and Expenditure account and by these amounts income is understated. Further salary of	As per NCCT guidelines Rs.3,03,146.73 of Hostel Receipts were transferred to Building Fund not credited to TDF.

Rs.12,82,832.00 paid due to 7th pay commission is debited to TDF and by this amount expenditure is understated.	
Service Charges from Hostel of Rs. 8,28,512.00 and Hostel receipts Rs.18,457.00 and interest from investments Rs.2,37,325.00 is directly credited to building fund without routed through Income & Expenditure account as per accounting policy of NCCT however this practice is not acceptable as per Income tax Act / Accounting rules as it understates the current year profit. Hence Building Fund shown in the Balance Sheet does not represent a correct balance . Rs.24,000.00 paid towards salary is debited to Building Fund with routing through Income & Expenditure account.	As per NCCT direction Rs.12,82,832.00 were debited to TDF for payment of 7th CPC arrear as 30 % Component.
Depreciation has been properly charged by the unit but rate of depreciation was given by NVCCCT itself as per their own policy and gu9idelines. Depreciation of Rs.3,90,221.26 is debited to capital fund and assets purchased worth Rs. 4,49,627.99 credited to capital fund.	It was done as per guidelines of NCCT, New Delhi.
Details of course fee receivable year wise Rs. 6,13,663.00, prepaid expenses rs.41,923.00 and course advance fee Rs.1,95,000.00 not given for our verification.	All documents including relevant advance register were shown for verification. Paid programme Statement was also shown during audit.
No confirmation received for Current assets and current liabilities. It is advised that ICM should get confirmation from all current liability and current assets.	All relevant documents were given at the time of audit.
MESS ACCOUNTS The Head office should frame a policy to be followed by all institutes as there is scope of leakage in mess operations.	The Institute will follow any new policy frame work if prepare as per auditor's view.
As per instruction given by ministry revised 6th pay commission additional expenditure meet out from grant only 80% and 20% meet out from own resource generation. But instruction given by ministry not followed by unit.	In relation to the 6th CPC arrear payment was not done as 80% from Ministry fund and 20% from own resource of the unit. Cent percent payment was made from Ministry's Fund via NCCT.
SERVICE TAX LIABILITY During the year RICM Kalyani has paid Rs. 12,20,832.00 towards service tax liability , penalty and interest due to non registration in time in spite of advise from the statutory Auditors. Accountability should be fixed and appropriate action be taken against the staff due to whom such huge liability has occurred.	The interest penalty of Service tax caused by technical problem. Similar problem happen for all institutes.
GST Registration Number has not taken by the unit resulting in GST liability would be imposed. During the Audit it is noticed that the unit has received summon regarding GST Liability from the Department. Quantum of amount cannot be	GST registration was done on 28-11-2018 with registration No. AA191118024206F. Liabilities were cleared as early as possible.

ascertained. GST paid by the Institute is net loss to the organization. Accountability should be fixed against the staff "responsible for such error.	
There was no reconciliation statement provided with respect to transaction done with Head Office. There should be quarterly reconciliation system so that remittance system of Hostel Bills raised with respect to Hostel Occupancy Register. There should be proper calculation sheet for transfer of various amounts to Ear Marked Funds and share of resource generation so that the same can be verified.	It will be followed as per observation and suggestion of auditors.
PHYSICAL VERIFICATION OF STOCK:- No provision made for old, damaged and obsolete items. Value of such assets not ascertained.	Physical verification reports of all physical assets were provided during audit.
Academic Fee :- Fee as per P & L account Rs. 31,49,797.00 Fee as per Statement Rs. 28,66,234.00 Difference Rs. 2,83,563.00 Difference not explained to us.	Rs. 31,49,797.00 is the correct figure as shown in Schedule 10.
Mess Fund accounts for the financial year 2018-19 not prepared by the institute. The Head office should frame a policy to be followed by all institutes as there is scope of leakage in mess operations.	Action has been taken to prepare Mess Fund Accounts for the year 2018-19. Audited Statement will be sent to the Council after audited by the Concurrent Auditor.
Internal control for boarding and lodging income is lacking. Proper record of supply of items not maintained. Approval of rate required from competent authority. Goods are purchased through thrift & credit society and there is scope for manipulating the things, hence it is suggested that uniform system should be devised and that should be followed strictly.	Internal Control System will be strengthened with the constitution of New Mess Committee.
ICM, LUCKNOW Depreciation not charged as per income tax schedule. depreciation charged as per accounting policy of NCCT. Impact not calculated.	Depreciation has been charged as per existing policies of the NCCT H.Q. if the management direct for change in the procedure the same shall be taken into account
The current assets and current liabilities are not confirmed by parties, hence we can not comment on their correctness.	Current Assets and Current Liabilities are reconciled time to time however, no balance confirmation is obtained against the same.
The accrual concept has not been fully adopted. Fee of paid programmes are accounted on receipt basis. Accrued and fee due not accounted. It is very serious internal control deficiency. Appropriate action be taken in this regard. Fee due and accrued amounting to Rs.20,82,790.00 not taken in accounts.	Books of accounts are being prepared on the basis of policies followed by the H.Q. NCCT fee of paid programmes are accounted on receipt basis.

The NCCT- HO has appointed concurrent auditors for each unit for in depth checking of accounts. We have relied on concurrent Audit Report findings for the financial year 2018-19.	No comments						
Internal control of fixed assets is very weak. Fixed assets register not maintained as per requirements	Fixed Assets register is being maintained at the Institute Inconsistency pointed out by the Auditor has been taken into account and rectified.						
Receipt And Payment A/c is not maintained on cash basis. .	Receipt & Payment are being maintained on Cash Basis only from years.						
Physical Verification of fixed assets, library books and stationery is not done as per laid down procedure, hence we cannot comment on any loss of fixed assets.	Physical verification are done , reporters are submitted further to the NCCT H.Q.						
GST paid during the year is Rs.5,60,984.00. The amount is not recovered from parties due to non registration. Accountability should be fixed for such loss to the ICM- Lucknow.	From September-18 onwards the GST has been recovered from parties and deposited on the monthly basis. whereas prior to that there was no GST NO. Taken by the institute.						
SERVICE TAX :- ICM- Lucknow paid a sum of Rs.55,85,792.58 on account of service tax , Interest and penalty due to non registration. The statutory auditor long back advised to take registration, but due to no action ICM has suffered huge loss on account of payment towards service tax. Accountability should be fixed and action should be initiated.	The institute has paid only Rs. 28,98,085.19 as principal service tax amount, and the process for exemption of Interest and penalty as against Samadhan Yagna is in progress.						
Income from investment and paid program/Professional share /Service Charges from hostel of following unit directly transferred to TDF & Building Funds instead of showing in income and expenditure A/c and by this amount income is understated.	Books of accounts are being prepared on the basis of policies followed by the H.Q. NCCT.						
<table border="1"> <thead> <tr> <th>Paid Program Share</th> <th>Interest on investments</th> <th>Service Charges From Hostel</th> </tr> </thead> <tbody> <tr> <td>10,86,250.00</td> <td>1,41,310.00</td> <td>15,89,501.00</td> </tr> </tbody> </table>	Paid Program Share	Interest on investments	Service Charges From Hostel	10,86,250.00	1,41,310.00	15,89,501.00	
Paid Program Share	Interest on investments	Service Charges From Hostel					
10,86,250.00	1,41,310.00	15,89,501.00					
Further a sum of Rs.15,15,216.00 is debited to TDF on account of salary, GST and assets purchased and by this amount expenditure is understated. MBA Fee not accounted on accrual basis. Amount due not made available and satisfactory record for such income not maintained.	All such as expenditure are made after the approval of H.Q NCCT All course fee realise during the Financial Year. There is no need of accounting on accrual basic.						
Contractual Faculty attendance register have not maintained properly.	Contractual faculty Attendance register were maintained. now it is maintained in Bio-Matrix Machine as						

Provision for House Tax Liability Rs. 84,32,896.00 is demanded by Lucknow Development Agency. Correct amount not yet settled. No provision made for such liability, It may impact the true and correctness of the accounts.	well. Process for exemption from House Tax is initiated and we are expecting this will be either completely waved out or some nominal tax will be borne by Institute.								
TDS receivable form NCCT Rs.7,03,754.00 shown as current asset. But year wise details not provided to us. TDS is in mess and adjustment entries should be made and only receivable as on 31st March, 2019 should be shown outstanding.	TDS Receivable from NCCT Rs. 7,03,754.00 is a Current Asset of the Institute as because receivable from NCCT after the filling of ITR Returns by H.Q. and the year wise details were shown to Audit Team it is already appearing in balance sheet and tally each year.								
Form 26 AS not provided to us, hence we can not comment whether all TDS has been accounted or not..	No comments								
Scholarship fund of Rs.1,36,588.00 is shown as liabilities instead of fund hence fund is understated and liabilities is overstated. No transactions during the year.									
Income from investment and paid program/Professional share /Service Charges from hostel of following unit directly transferred to TDF & Building Funds instead of showing in income and expenditure A/c and then further transferred to NCCT-Head Office as per accounting policy of NCCT but this practice is against the Income Tax Act/Accounting rule and this practice understated the profit of current year.									
<table border="1"> <thead> <tr> <th>MBA Profit Share</th> <th>Professional</th> <th>Interest On FDR</th> <th>Service Charges</th> </tr> </thead> <tbody> <tr> <td>5,87,009.50</td> <td>Nil</td> <td>Detail of interest not provided for verification</td> <td></td> </tr> </tbody> </table>	MBA Profit Share	Professional	Interest On FDR	Service Charges	5,87,009.50	Nil	Detail of interest not provided for verification		
MBA Profit Share	Professional	Interest On FDR	Service Charges						
5,87,009.50	Nil	Detail of interest not provided for verification							
Interest on investment not accounted for , amount , detail of interest earned not provided , hence we can not comment on its correctness. Interest due and accrued on investment :-									

Proper details of interest due on investment not made, detail verification is required to ascertained the correct picture . We can not comment whether interest due on investment has been accounted for or not.	
Other deposits (Caution money) Rs.10,51,800.00 show as liabilities but	
Advance given to external faculty Rs. 10,000.00,as per rule any external staff but not eligible for advance.	
MESS FUND :- ICM has Opened a separate mess fund account but accounts for the financial year 2018- 19 not given for our verification.	Provided all relevant documents and seen as well and provided Xerox copies also.
Ration is purchased without following proper procedure, even purchase bills not signed by the seller.	Proper procedure followed.
38 bills / cash memo from Laxmi Bhog Sweats Rajaji puram in March 2018but debited in the month of June 2018. These seems to be suspicious, as why amount was not claimed. Cash payment made in Feb. and March 2018 but claimed in June 2018. No GST number, no serial number. All bills seems to be bogus. We suggest proper verification should be done as there is scope for leakage.	As there was no GST no of Laxmi Blog sweets, so we were waiting for its registration. the moments its was registered in June-18 then only all bill were settle through cheques.
Bills for purchase of vegetables are on plain paper, no authenticity, no address of seller or signatures, no shop details, no rubber stamp . Rate very . No procedure for purchase. Record of inward and consumption not satisfactory , issue of material not there . It requires deep verification.	Vegetables are purchased from local Sabzi Mandi where no one gives bills. it is known fact there rates of vegetables fluctuate it can be verified from rates of other places.
Purchase of consumables :- It was seem that curd was purchase one day on different rate, other day on higher rate, next day on lower rate, but no explanation given for such variation .	Purchase of consumables, goods like curd, paneer etc. are market driven and its rate vary on day to day basis.
It needs special; verification as there is scope for revenue leakage in mess operations. Internal procedure for purchase and maintenance of consumption records not satisfactory.	Records are kept systematically it can be checked or verified again.
Rates charged from participants vary. No uniform policy.	Rates charged from participants vary because of Budget of training

	programmes and paying capacity of user organization.
Heavy amount transferred on last days of March, 2019 , needs proper verification	The heavy amount transferred on last days of year end was due to fee receipts of most of the programmes in closing month of financial year.
Auditorium rate not fixed.	For generating more funds we try out level best to rent out Auditorium at any cost. As per the paying capacity of higher we change out rates as per common practices.
RICM, Bangalore	
The commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases.	Noted. Accounts are being maintained as per NCCT policy.
CAPITAL FUND Capital Fund of Rs.4,77,23,883.23 shown in the Balance Sheet having adjustment entry of Depreciation amount Rs.27,47,732.91. As a policy of the NCCT HQ, depreciation charged is credited to Income and Expenditure account.	Depreciation has been shown in the Income and Expenditure Account and deducted from Capital Fund Account as per NCCT Policy.
BUILDING FUND Building Fund of Rs. 2,82,37,982.00 (Net Balance) shown in the Schedule-3 does not represent a correct picture as income on account of Rent from hostel and other facilities is directly credited to Building Fund of Rs.31,17,834.00 without routing it to Income and Expenditure Account. Further other expenses of Rs.9,49,449.50 is debited to Building Fund and to that extent expenditure is understated.	Rent receipts are being credited to Building Fund. Building Fund is being shown under Schedule 3 of the Balance Sheet as per NCCT format and policy.
TRAINING AND DEVELOPMENT FUND Training and Development Fund is debited by different nature of entries like payment made to K.S.Coop.Apex Bank Ltd of Rs.21,600.00, Pay and Allowandes of Rs.10,99,046.00. TDS Default payment of Rs.2,39,458.00, Training programme Fees of Rs.6,720.00. Without debiting to correct head. Hence we cannot comment on its correctness.	KSCoop. Apex Bank Ltd., of Rs.21,600/- stale cheque credited to TDF. Rs.10,99,046.00 relates to 30% of 7 th CPC Arrears and paid from TDF as per NCCT guidelines. TDS Short Deductions Payment of Rs.2,39,458.00 was paid as per NCCT approval No.3-4/2002-Admn(Vol III) dated 27/2/2019. Training Programme Fees of Rs.6,720/- double entry rectified.
The NCCT has appointed a firm of Chartered	Informatory

Accountant as a Concurrent Auditor for the Financial Year 2018-2019 and we have relied on their Concurrent Year Report while conducting Statutory Audit of the Unit. Concurrent Auditors refused to attest the accounts.	
Physical Verification of Fixed Assets: It is strongly suggested that the Institute should develop a system of unique reference numbering or coding on each fixed assets and the location of the assets where it's lying. Control over identifying, recording, storing and disposal of assets retired from its active use should be done more effectively. Ensure that all assets are safeguarded against damage or theft. No record produced for physical verification of fixed assets.	Noted for future action.
Physical Verification of Library Books and Stationery: Physical Verification Report of Library Books and Stationary are made available but we are not able to comment on safeguard against lost or theft of books and procedure for recovery in the case of lost or theft as there is some books was missing in the report.	Necessary action will be initiated.
The current Assets and Current Liabilities are subject to confirmation from parties. It has been observed that party wise ledgers have not been maintained for all Creditors/Debtors with Exception of Few. There has been no external confirmation statement available from parties.	In future the confirmation statements will be obtained from Sundry Creditors and sundry debtors.
During the year it was observed that all bank charges and Water and Electricity charges are accounted as Miscellaneous Expenses and it is explained to us that this system is followed as per the suggestions and requirements of NCCT.	Water and Electricity charges are being paid through e-payment and debited to Water and Electricity account. The Bank Charges for e-payment of Rs.5.90 are debited in Miscellaneous Expenses.
On Scrutiny of the Balance sheet we observed that the balance lying in the Account head " Other current Assets" like B.COM affiliation fees of Rs.74,264.00, Electricity Deposit of Rs.2,92,428.00, Interest receivable on FD of Rs.3,80,650.00. KICM evaluation receivable of Rs.35,065.00, Luxury Tax Registration fees of Rs.25,000.00, Receivable from Sandhya Caters of Rs.1,500.00. TDS from KICM of Rs.40,527.00. In this regard it has been explained by the officials of Institute that such balance pertaining to very old period so we are of the opinion that the necessary action has to be taken by the management either to get it resolved after roll back	The institute will take necessary initiatives to ascertain the amount receivable and accordingly steps will be taken to collect the amount outstanding.

over the earlier years or to square up such amount after getting the necessary approval from NCCT. Hence we cannot comment on the correctness of current assets and current liabilities in the absence of confirmation from parties.	
On verification of the Balance Sheet, we found that the amount of Rs.13,19,221.00 relates to Refund From Service Tax Department which had been pre deposited in terms of Section 35F of the Central Excise Act, 1944 with O/O Assistant Commissioner of the Central Tax has already been received but it is showing under the head other current liability. This indicates that some wrong entry took place during the earlier year. Management should look into the matter and justify a reason for the same. If the account exists without any base, then the management should nullify the account after due permissions/approvals from concerned authorities. By this amount current liabilities are overstated.	Necessary correct entry will be passed to rectify the mistake.
We noticed that as well as informed by the Competent Authority that the Institute is maintaining Sufficient balance of FDR's in the bank but on such amount the Bank had not deducted any amount of TDS on the interest amount which violates the provision of Income Tax Act, 1961. Also, it is not clear that whether the amount of interest credited pertains to the net of TDS or it is a gross amount of Interest. Copy of 26 AS not given, hence we can not comment on the amount of TDS and amount recoverable from NCCT HQ.	Noted
Provident Fund contribution deducted from the employees is transferred to NCCT Delhi for Payment. Payments are made in NCCT Delhi on behalf of the institute. We were unable to verify the payment details. During the Audit it was observed that PF is not being deducted and paid in respect of Contingent staff. It is suggested to examine the applicability of PF provisions in respect of and Contingent staffs and take necessary action.	For—Regular employees GPF is being deducted and transferred to NCCT. GPF accounts are being maintained at NCCT. No Contingent staff is appointed by the institute and only few services have been outsourced.
As per the Provisions of the Income Tax Act, 1961 tax has to be deducted source on Professional Charges paid to an Individual if the total payment made during the year exceeds Rs. 30,000. The RICM is deducting TDS below Rs.30,000 on account payment to Guest Faculties for their professional	Noted and corrective action will be taken.

services. Further, it was observed that the management has aggregated the GST amount while calculating TDS to be deducted. GST portion of the amount has to be excluded while calculating tax to be deducted at source.	
Mess operation: During Audit it is observed that the institute has given contract for mess operations. Food bill should be prepared with the help of actual participants attendance sheet. In some cases bill is charged for higher number of persons and not according to actual participants. NCCT should for a uniform policy in this regard as there may be possibility of revenue leakage.	We are paying mess bills as per attendance of participants. The institute already initiated steps in this regard. The institute for the current year used to provide farewell lunch to the long duration programme wherein only the participants, Faculty directly associated with the programme, course assistant and MTS is provided farewell lunch.
NCCT should conduct a training course like basic tally and GST Training. Training about IT, TDS applicability, TDS rates, GST Returns, Pay roll management, basic business essential in Tally ERP 9 in their units to train the Accountant and Administrative staffs so that accounting and statutory compliance mistakes can be reduced and future liability can be avoided. It is observed that Accounts Staff are not aware of number of provisions and accounting systems. Proper training to be given to Account Staff.	The Accountant cum Office superintendent I/c and Accountant is at present undergoing training on Tally ERP 9 based on the instructions of the NCCT. With regard to GST and other legal aspects, NCCT may conduct suitable training programmes.
During the audit it is explained to us by the RICM officials that the Ex-Chairman, MC Mr.BS Viswanathan is creating dispute and disturbing the RICM in so many ways. He has formed a parallel institute in same name with ulterior motives. All the stakeholders of the RICM are suffering and business and growth of the units has been stopped. The NCCT-HO should take appropriate action to stop such illegal activity. Civil suit is pending between the parties.	The institute is pursuing the legal issues and adhering the instructions of the NCCT in this regard.
Payment from NIRB: The institute has received one time grant/amount of Rs.50,00,000 in lieu of construction of one wing for NIRB used till 31st December, 2019. This amount is not repayable but is shown in liability. Appropriate entries should be passed. In our opinion liabilities are overstated by this amount. Agreement with NIRB is going to expire on 31-12-2019 but no notice for eviction served on NIRB. A proper and timely action is suggested to avoid further litigation.	RICM, B'lore has received Rs.50.00 lakhs as an advance from NIRB. Rs.5.00 lakhs per year rent is being deducted and credited to Building Fund account as a rent receipt for the period Jan'10 to Dec'19. NCCT is informed about the matter and based on the instruction of NCCT, action is initiated.
ICM received a sum of Rs. 10,00,000 from apex bank	Institute received Rs.10.00 lakhs as an

on account of transfer of sum portion of land. The amount is not repayable but still is being shown in liability. A proper book entry should be passed.	entire 99 years lease amount as per agreement from ACSTI. Rs.1,000/- lease rent per year will be deducted for the period 27.7.1988 to 31.3.2020 of Rs.31,750.00 will be debited to ACSTI Lease Amount and credited to Building Maintenance Fund as a rent during 2019-20. From 2020-21, Rs.1,000/- rent will be paid till the lease agreement dated i.e., 26/7/2087
Fee Receivable: Fee from paid programmes is accounted on receipt basis. No entries made for fee receivable. It is very serious matter and leave scope for revenue leakage. Proper record for fee not received should be prepared and entries for such fee receivable should be made in financial books. By such amount income and sundry debtors under stated.	We have shown the details of Programmes Fees Receivable as on 31 st March 2019 of Rs.47,52,717.20.00 and it is appearing in the balance sheet.
ICM, BHOPAL	
The Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases	Institute is maintain the accrual accounting system for the example - made the provision for Receivable, Course Fee, Payable Expenditure, Accrued interest etc.
As per the Circular No - 4-18/RES/F&A/2015-2016 dated 28/01/2016 available, The Institute can retain 50 % of the Surplus from the Entire Programme and 50 % is to be transferred to NCCT Head Quarters Accordingly 50% of total Surplus generated through paid programme is directly credited to Training Development Fund and 50% to NCCT. The Institute has not established any measure to evaluate the operating result regularly in order to fix the amount to be transferred to the NCCT Head Quarters.	As per the Norms of NCCT no comments
Capital Fund of Rs. 39,78,840.61 shown in the Balance Sheet does not represent a correct balance as an adjustment entry of Rs. 77,002.00 related to reversal of excess provision made and Depreciation amounting Rs. 3,66,059.00 from Capital Fund.	The entry has been made as per norms & suggested by Auditors/ NCCT.
Building Fund of Rs. 17,39,842.55 shown in the Balance Sheet does not represent a correct balance as Service Charges Recovered (Hostel Rent) of Rs. 60,165.00 is directly credited to building fund without routed through Income & Expenditure account.	Amount transfer as per NCCT norms.
Training Fund of Rs. 93,50,019.79 shown in the Balance Sheet do not represent a correct balance as payment for salaries, wages and allowances of Rs.	Expenditure under Establishment head has been booked for 7th CPC arrear as per NCCT instruction. other

8,63,602.00 and Payment for Assets Purchase total amounting of Rs. 3,52,500.00 are directly Debited to Training Development Fund. Further Surplus of Training Programme of Rs. 20,65,950.55 and Income from Investment of Rs. 3,30,816 are directly Credited to Training Development Fund. By these amounts Income and expenditure are understated.	entry are made as per NCCT rules.
The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-2019 and we have relied on their Concurrent Year Report while conducting Statutory Audit of the Unit.	No comments
Physical Verification of Library Books and Stationary: Physical Verification Report of Library Books and Stationary are made available but we are not able to comment on safeguard against lost or theft of books and procedure for recovery in the case of lost or theft as there is some books was missing in the report.	Noted for future
The Current Assets and Current Liabilities are subject to confirmation from parties. It has been observed that party wise ledgers have not been maintained for all Creditors / Debtors with Exception of Few. There has been no external confirmation statement available from parties.	The Current assets and Liabilities accounts are as per norms
Institute should maintain Separate Bill Register to keep an Audit trail of bills raised as and when program are scheduled / held, Advances received against them and final payment received.	Noted for future.
There should be reconciliation statement with respect to transaction done with Head Office. There should be quarterly reconciliation system so that remittance from NCCT A/c is accurate all the time.	Reconciliation of Remittance Account prepared as per NCCT instruction.
During the Audit It is noticed that the unit has paid of Rs. 14,72,837.00/- on account of deposit of due Service Tax for the period from 2013-2014 to 2017-2018 along with Rs. 8,37,074.00 as deposit of interest and Rs. 2,20,926.00 as penalty. Further the Institute has paid Rs. 4,62,540.00 as GST on Paid Programme Fees and Hostel Rent @ 18 %. Despite of repeated audit observation about applicability of Service Tax and Imposition of GST Liability, the Policy maker of the Institute had ignored resulting in payment of huge fine and loss as it cannot recovered. It is the responsibility of the Head Office, with the oversight of those charged with governance, to ensure that all the Unit's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in all the unit's financial statements.	Service tax and GST deposited as per the instruction & approval of the NCCT.

Receipt and Payment Account is not prepared on cash basis.	Receipt and payment account has prepared as per instruction of H.Q.
The Unit has earned interest on FDR. Bank Certificate and TDS Certificate in the form of FORM 16 or 26 AS not produced to us regarding the confirmation.	Institute has received the form 16A from Bank that can be verify.
During the Audit it is observed that the Institute has given contract for Mess for Contractor Namely Dhansara Sharma. The Only authority who will decide to give Mess Contract is "MESS COMMITTEE" on the basis of quotations received from various Food Contractors. The Institute Has failed to produce us Mess Committee Order, MOU between ICM and Present Mess Contractor, Details of Quotations Called from other Contractors. Further No Rate is fixed for Meal Charges. It is suggested that Mess Committee should be formed and all the documents should keep up to date. Uniform mess policy should be framed at head office level.	Mess policy will be followed in future as per guidance received.
It is suggested to make day to day bank reconciliation as Several long outstanding transactions persisting in the BRS whose justifications were not available by the Institute have been reversed by the Institute. Bank reconciliation should be prepared on regular basis.	Institute made the bank reconciliation on monthly basis.
On Scrutiny of the Trial Balance we observed that the balance lying in the Account head " Other Current Assets" was on consolidated manner without any bifurcation in the name of various other accounts. In this regards it has been explained by the officials of Institute that such balance pertaining to Very Old Period so we are of the opinion that the necessary action has to be taken by the management either to get it resolved after roll back over the earlier years or to square up such amount after getting the necessary approval from NCCT.	Institute will take the necessary action as suggested by Auditor.
On Verification of the Trial Balance, we found that the amount of Rs. 1905/- pertains to very long period and the name of person/employee was not available with the competent authority. In this regards, we are of the opinion that such amount should be adjusted in current year and should square off the account.	The entry will made as suggested by the Auditor.
Festival Advance of Rs. 8100/- Cr. :- The nature of the ledger should be "Dr." but here the closing balance arrived in Credit. This shows that the amount had been recovered by the organization from various staff members without giving any Actual Advance to the respective employees / staff which is	The will be adjusted shortly.

not practical. This indicates that some wrong transactions took place during the earlier years. Management should look into the matter and justify a reason for the same. If the Account exists without any base, then the management should nullify the account after due permissions / approvals from Concerned Authorities.	
Fee Receivable (Old) : Rs. 71,393 Dr. :- On verification of ledger account, we noticed that the amount is receivable in form of fees from the various Organizations but the necessary details were not furnished for our verification.	Institute is already maintaining the receivable fees register organization wise.
Unknown RTGS of Rs. 1,28,270.00 Cr. :- On Verification of the Trial Balance, we found the amount pertains to very long period. No Proper explanation had been furnished by the Concerned Officials. The management should look after the matter and should resolve the matter as earlier as possible. On verification of the Trial Balance we have found that Institute had given some amount of Advance to the Mess Contractor amounting to Rs. 10,000/- which is classified under the Current Assets but the relevant and necessary details are not available from how long period it is outstanding in the accounts of the Institute.	As per suggestion of auditors the said amount will be adjusted very soon. Said amount is still outstanding against mess contractor that can be verify from balance sheet Sch. 8
Other Current Liability of Rs. 3,87,220.00 Cr. :- In this reference, No satisfactory explanation had been furnished by the Competent Authority as it relates to very old period.	As suggested the said amount has been reverse back in the concerned head of account. the details has already perused to the Auditors.
We Noticed that as well as informed by the Competent Authority that the Institute is maintaining Sufficient balance of FDR's in the bank but on such amount the Bank had not deducted any amount of TDS on the interest amount which violates the provision of Income Tax Act, 1961. Also, It is not clear that whether the amount of interest credited pertains to the net of TDS or it is a gross amount of Interest.	The Bank has deducted the Income Tax as per rule. Certificate can be verify.

MICM, BHUBANESWAR	
The Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases.	Accounts are presently maintained as per the guidelines issued by NCCT as amended from time to time.
During the Audit it is observed that no rate is fixed for Meal Charges. On Sample Verification conducted by us it is found that different rates are charged from Participants of different programme.	Payment towards mess cook subsidy already discontinued. Further action in this regard will be initiated as per guidelines issued by NCCT considering the viability of outsourcing.
During the Audit it is observed that no rate is fixed for Meal Charges. On Sample Verification conducted by us it is found that different rates are charged from Participants of different programme. From Bill Copy, it was observed Higher number of participants is shown against actual number and higher amount is charged by the mess cook by inflating the bill. The Present Practice Adopting by the MICM is against the policy and guidelines issued by the NCCT. There is no internal control at all. There is large variation in the rates.	Noted... Meal charges varies as per the budget provision sanctioned by the sponsoring organization depending on duration of the programmes, level of participants etc.
Old Balances are still appearing in the Balance are brought forward since long need to be adjusted / cleared immediately like Recovery made from Mr. R.N. Sahoo, Ex-Employee of the Institute for Rs. 1,79,625/- against shortage of Fixed Assets during the tenure of his office has been kept unadjusted till date. Fixed Assets is over stated to that extent.	Noted..... Action will be initiated as per guidelines issued by NCCT, New Delhi after considering provisions under Limitation Act.
During the audit it is observed that an LDC Employee namely Deepti Mohanty is claiming HRA since 2008 with the help of MICM Director. As per rule HRA is not admissible if her husband has been allotted accommodation at the same station by the Central Government, State Government, An Autonomous Public Undertaking or Semi-Government Organization where she resides. She is living with husband who has been allotted 3 Bed Room Class - 1 Quarter, also earning rental income from her quarter. Despite this she is claiming from MICM in the name of HRA and it seems like Director is supporting her.	Noted..... However, since it is an old case relating to the year 2008, from the existing office record it appears that the Principal/Director during 2008 might have allowed the drawal of HRA as per the records available in the Service Book mentioned based as per the address mentioned in the service book. The service book of the concerned employee was also sent to NCCT several times since 2008 till date. Further action in this regard will be initiated as per the instructions/guidelines issued by NCCT.

The MICM is showing Other Current Liability amounting Rs.2,55,97,329.50 under the Current Liabilities & Provisions in the Balance Sheet which Consists Fixed Assets Shortage Recovery amounting Rs.1,79,625.00, GST Liability amounting Rs.3,08,580.50, NCCT Fund (Repair/Renovation) amounting Rs.1,20,000.00, RKVY (Infrastructural Development Fund) amounting Rs.1,28,76,000.00. These are old balance and subject to verification. Further Centre Charges received from BPUT for Rs.58,070 payable to staff for their supervision work kept un-disbursed till yet and shown under Current Liabilities as on the Audit. An early action for disbursement is suggested. These are subject to verification and confirmation.	Noted..... Action will be taken at the earliest.
There are very old balance showing under the head Current Assets, Loans and Advances like Amount recoverable from CPWD amounting Rs.1,73,000.00, Security Deposit amounting Rs.2,500, LAMPCS Training Programme Receivable amounting Rs.86,966.42, TDS on Investment amounting Rs.3,197.00. In this regards it has been explained by the officials of Institute that such balance pertaining to very Old Period so we are of the opinion that the necessary action has to be taken by the management either to get it resolved after roll back over the earlier years or to square up such amount after getting the necessary approval from NCCT. We cannot certify their correctness.	Noted.. Action in this regard will be initiated as per the instructions/guidelines issued by NCCT.
The MICM is showing Capital Work in Progress amounting Rs.2,46,31,000.00 under the head assets side of Balance Sheet which consist Rs.1,04,02,000 belong to Executive Engineer PWD (R&B) and Executive Engineer PHD (BBSR) amounting Rs.1,42,29,000.00 towards repair and renovation of Civil & Electrical Works. It is subject to verification. Work done certificate may be obtained from the respective department to assess the quantum of works completed by them.	Noted..... Correspondences for obtaining work completion certificate has been made with the concerned Departments, Govt. of Odisha.
In comparison to the Previous year, Expenditure on Repair & Renewals and Repair & Maintenance (Building) seems to be higher. Further on sample verification conducted by us Purchase Procedure is not following by the MICM. No Purchase Requisition, No Quotation Called, Even Tax Invoice is not	The Repair & Maintenance work includes day-to-day repair maintenance work of urgent/petty nature and mostly labour intensive and hence purchase procedure has not been strictly followed in these cases.

collected with GST Number from the concerned vendor. As per information gathered, Campus Supervisor is involved in personal benefits.	However, noted for future guidance.
Provision for Salary to contingent Staff and Payment to Guest Lecture should not be made where the amount is not certain.	Noted for future guidance.
"Other Current Liabilities" include amount received from Blazer, pre-Placement fee and Seminar Fee which are non refundable and unspent balance under these heads are to be shown and transferred to (Specific) earmark Fund account instead of keeping the same under the Other Current Liabilities.	Accounts are maintained as per NCCT guidelines. Separate funds can be maintained with the approval of NCCT only.
As per the Circular No.4-18/RES/F&A/2015-2016 dated 28/01/2016 available, The Institute can retain 50% of the Surplus from the Entire Programme and 50% is to be transferred to NCCT Head Quarters Accordingly 50% of total Surplus amounting Rs.16,42,669.04 generated through paid programmes is credited to Training Development Fund and 50% to NCCT.	No comments.
Building Fund of Rs.1,03,61,892.20 show in the Balance Sheet does not represent a correct balance as Accrued Interest Reversed for the Financial Year 2017-2018 amounting Rs.1,09,530.00 is transferred to building fund to match the closing balance of FDR as on 31/03/2019. Further Income from Investment made on account of funds amounting Rs.1,30,981.00 is directly credited to building fund. Further Service Charges (General & MBA) of Rs.11,66,060.00 is directly credited to building fund without routed through Income & Expenditure account and to that extend income is understated.	Accounts are maintained as per NCCT guidelines.
Training Fund of Rs.39,85,628.82 shown in the Balance Sheet do not represent a correct balance as payment of 7th CPC Arrears of Rs.12,09750.00, Payment for Administrative Expenses amounting 1,89,434.00 and Payment for Assets Purchase of Rs.2,17,772.00 are directly Debited to Training Development Fund. Further Surplus of Training Programme of Rs.8,21,334.04 is Credited to Training development Fund.	No comments. This is as per NCCT guidelines.
The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-19 and we have relied on their Concurrent Year Report while conducting Statutory	No comments.

Audit of the Unit. The concurrent Auditors are required to verify day to day transactions.	
Physical Verification of Fixed Assets: It is strongly suggested that the Institute should develop a system of unique reference numbering or coding on each fixed assets and the location of the assets where it's laying, Control over identifying, recording, storing and disposal of assets retired from its active use should be done more effectively. Ensure that all assets are safeguarded against damage or theft.	Noted for Future guidance.
Physical Verification of Library Books and Stationary: Physical Verification Report of Library Books and Stationary are made available but we are not able to comment on safeguard against lost or theft of books and procedure for recovery in the case of lost or theft.	Noted for future guidance
There is a huge amount received Against Training Programme amounting Rs.12,05,099.00. This amount belongs to previous year and old in nature so it is subject to verification. Institute should maintain separate Bill Register to keep an Audit trail of bills raised as and when program are scheduled / held, Advances received against them and final payment received. These balances are subject to confirmation.	Noted for future guidance
During the Audit it is noticed that the unit has paid of Rs.30,34,138.00 on account of deposit of due Service Tax for the period from 2014-2015 to 2017-18 along with Rs.7,56,388.00 as deposit of interest and Rs.2,97,098.00 as deposit of Penalty. Further the Institute has paid Rs.1,89,434 GST plus Rs.44,204 as interest on Paid Programme Fees and Hostel Rent @18%. Despite of repeated audit observation about applicability of Service Tax and Imposition of GST Liability, the Policy maker of the Institute had ignored resulting in payment of huge fine and loss as it cannot recover. Accountability should be fixed.	No Comments.
The Unit has earned interest on FDR, Bank Certificate and TDS Certificate in the form of FORM 16 or 26 AS not produced to us regarding the confirmation.	As the Institute uses PAN number allotted to NCCT, Form 26 AS may be verified at NCCT. However, Noted for future guidance.

RICM, CHANDIGARH	
The Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some case.	Institute is following the accounting system as per the guidelines of NCCT HQ. Audit is requested to kindly apprise us for further improvement.
Income and Expenses are to be classified and accounted according to their nature and then only the financial statement can be prepared in order to give more information to the users otherwise the decision taken based on these reporting would be arbitrary. But in many situations the Institute accounted many income and expenditure in Common heads. All the fee received from regular course as well as from paid programmes have been accounted under a common head " Fees & Academic Receipts (PP)" in our opinion paid programme and other receipts should be shown separately. All the expenditure in connection with programmes other than Boarding & Lodging, Course Materials, Stationery, Travelling and Honorarium to Faculties and accounted under a common head " Other Expenses (PP)" and it result to become the major item of expenditure under the group : Expenditure on Paid Programmes(PP)" It is suggested that the expenditure should be classified and recorded as per its nature so that comparative could be done. As per the detailed annexure provided by the Institute per day rate per participants for meal as well hostel rent should also be mentioned in the annexure further other charges received and other programme Expenses should be removed and instead appropriate heads should be mentioned in the respective columns.	<p>1 This procedure is followed as per the prescribed Performa as received from NCCT HQ.</p> <p>2. Institute is showing all the expenditure of paid programme as per the Prescribed Performa as received from NCCT HQ. and all the expenditure are shown separately.</p> <p>3. Institute taken a consolidated fee of paid programmes out of which actual meal cost paid to contractor and other exp. Are taken head wise.</p>
As per the Circular No. 4-18/RES/F&A/2015-16 dated 28.01.2016 available. The Institute can retain 50% of the surplus from the Entire programme and 50% is to be transferred to NCCT Head Quarts Accordingly 50% of total surplus amounting Rs 10404007.18 generated through paid programme is directly credited to Training Development Fund and 50% to NCCT.	Institute has transferred total surplus of Paid prog. To Training Development fund to root income from TDF and then 50% of Surplus transferred to NCCT HQ. as guided by NCCT HQ.
Capital Fund of Rs 14254938.54 shown in the balance sheet does not represent a correct balance as Assets purchased amounting Rs 902066.59 and amount receivable from PGDM amounting Rs 1880442.18 are directly credited to capital fund. Further Depreciation amounting Rs 1244206.12 is directly debited to Capital fund without routed through Income & Expenditure account. NCCT	This Payable/Recoverable to PGDM A/c is a PGDM Fund A/c. Since PGDM course is discontinued it appears that this money has not been represented with any liquid asset since long. Therefore this amount is credited to capital fund A/c . Other than this Institute is adhering Guidelines of

should frame a policy specifically directing which item will be accounted in the capital fund.	NCCT HQ.
Building Fund of Rs 3161029.58 shown in the balance sheet does not represent a correct picture . Payment made for other expenses of Rs 6581/- is debited to Building fund and Service Charges from auditorium of Rs 1240452/- is directly credited to building fund without routed through Income & Expenditure account and to that extent expenditure and income is understated.	As per the NCCT Order sum of Rs 6581/- paid to Hostel Warden for 3 months and 9 days from Building Fund and sum of Rs. 1240452/- of Hostel rent is transferred to Building fund as per guidelines of NCCT HQ.
Training Fund of Rs 4389457.54 shown in the Balance Sheet do not represent a correct position. Income from Investment of Rs 373136/- Court fee from PGDM of Rs. 566140/- 21st HDCM© for the year 2018-19 of Rs 5202003.54 Last year accrued Interest of Rs 124578/- are directly transferred to Training Development Fund without routed through Income and Expenditure account. This practice is not acceptable as per Income Tax Act/ Accounting rules as it understates the current year profit. Further Fixed assets purchased amounting to Rs 897381/- and Salary, wages and allowances of Rs 3570304.41/- are debited to Training Fund.	All entries are done as per Guided by NCCT. Audit is requested to kindly guide us for further improvement.
Institute having current bank account with PSCB of Rs 6345.91/- showing in the balance sheet under the head current assets, Loan, Advances etc but failed to produce us bank Certificate indicating closing bank balance as on 31.03.2019 for our verification. Hence we cannot comment on the correctness of bank balance.	Institute has Initiated an action for closing the bank account of PSCB. This account is dormant hence certificate of closing balance as on 31.03.2019 was not provided by the bank.
The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-19 and we have relied on their Concurrent Year Report while conducting Statutory Audit of the Unit.	No Action Required
Physical Verification of Fixed Assets. It is strongly suggested that the Institute should develop a system of unique reference numbering or coding on each fixed assets and the location of the assets where it's laying. Control over identifying recording storing and disposal of assets retired from its active use should be done more effectively. Ensure that all assets are safeguarded against damage or theft.	Institute is following the same procedure and system unique reference No. is done on each fixed asset along with its location.
Physical Verification of Library Books. Due to Non availability of Physical Verification Report of Library Books we are not able to comment on safeguard against lost of theft of books and procedure for recovery in case of lost of theft.	For last 8 years Institute is not having any permanent LIA and only the receipt and issue of the books is done by Hindi Steno and 1 LDC.
An Amount of Rs 14944/- Recoverable from NCUI	Institute is in the continues process of

made pertaining for more than one year not seen settled so far. The Institute should make an attempt to recover the same. Further an amount of Rs 2098/- TTA Advance made pertaining to last year not seen settled so far. Instead of showing in under the head current assets. Institute is showing in under the head current liability. The Insitutte should make an attempt to recover the same from his salary or otherwise. Further paid programme fee recoverable amounting Rs 346152/- is subject to verication as it is an adjustment entry of many years of programme which are not closed in 2018-19 and taken forward for the year 2019-20.	recovering amount of Rs 14944/- from NCUI and letters has been issued to Dy. Director Pune for Settlement of his TTA Advance of Amt. 2098/- NCCT is requested please do the needful help in this case. As Institute is organizing prog for cooperative dept./Organizations and many times fees is not received during the same financial year and hence is taken up in the next financial year.
No Confirmation obtained in case of Current assets and current liabilities.	Related facts were explained to Auditor
Institute should maintain Separate bill register to keep an Audit trail of bills raised as and when program are scheduled/Held . Advance received against them and final payment received.	We are already maintaining the Programme register and record of fee receipt.
There should be reconciliation statement with respect to transaction done with Head Office There should be quarterly reconciliation system so that remittance from NCCT A/c is accurate all the time.	This is done as per the guidelines of NCCT.
During the Audit it is noticed that the unit has paid Rs 2567847/- on account of deposit of due Service Tax for the period from 2013-14 to 2016-17 along with Rs 2352978/- as deposit of penalty and interest. Further the Institute has paid Rs 2758006/- as GST on Paid Programme Fee and Hostel rent @ 18% despite of repeated audit observation about applicability of service Tax and Imposition of GST Liability the policy maker of the Institute had ignored resulting in payment of huge fine and loss as it cannot recovered. It is the responsibility of the Head office with the oversight of those charged with governance to ensure that all the Units operations are conducted in accordance with the provisions of law and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in all the units financial statements.	All payment were done as per order of NCCT HQ.
Receipt and Payment Account is not proper as it is not prepared on Cash Basis.	Due attention will be given as per NCCT HQ.
The Unit has earned interest on FDR . Bank Certificate produced to us for reconciliation and confirmation. As per the Account Department TDS	Only Interest certificate was provided by the Bank and no from 16 & 26AS

has not been deducted by the bank but TDS Certificate in the form of FORM 16 of 26 AS not produced to us regarding the confirmation.	was provided by them.
Cash in hand of Rs 9413/- is showing under the head Current Assets. Loan. Advance but Unit has failed to produce us Cash Book Register for our Verification	We are maintaining patty cash book on daily basis. Due to oversight the same was not presented.
Mess Operations:- The NCCT HO should frame a uniform policy for mess activities i.e. appointment of mess contractor, rates, menu and record for charging to the Institute. It is important to mention that there is a scope for revenue leakage.	Institute is adhering the same procedure as guided by the NCCT HQ.
URICM, GANDHINAGAR	
The commonly prevailing basis of accounting are either cash of accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases.	As per NCCT instruction, Institute follows the accrual system in terms of accounting. However, Institute noted the audit observation and will follow the direction after taking instruction from council.
As per the Circular No. 4-18/RES/F&A/2015-16 dated 28/01/2016 available, the Institute can retain 50% of the Surplus from the entire paid programme and 50% is to be transferred to NCCT Head Office. Accordingly, 50% of total surplus generated through paid programme is credited to Training Development Fund and 50% to NCCT-HQ. The Institute has not established any measure to evaluate the operating result regularly in order to fix the amount to be transferred to the NCCT Head Quarters.	The said system is as per NCCT direction.
Building Fund of Rs. 1,18,54,954.24 shown in the Balance Sheet does not represent a correct balance as Service Charge Recovered total amount Rs. 23,92,260.24 is credited to building fund., Further payment of salaries, wages and allowances, etc. amounting Rs.24,000 is debited to Building Fund. By these amounts Income & Expenditure are understated.	Institute follows the said system as per NCCT direction.
Training Development Fund of Rs.13518549.00 shown in the Balance Sheet do not represent a correct balance as Surplus from paid program amounting Rs. 16,53,792 plus Income from investment made on account of funds amount Rs. 7,57,425 are directly credited to TDF. Further	Institute follows the guidelines of NCCT and asper instruction of NCCT making entries in TDS as well as other accounting records.

Payment for Assets Purchased total amounting of Rs.15, 11,427.00 and payment for salary and wages amounting Rs.15,41,371.00 are directly debited to Training & Development Fund. Income is understated by Rs. 7,57,425.00 and expenditure is understated by Rs. 15,51,371.00	
There is a fund shown in schedule -3 Namely "Other Fund" which is very old in nature and has opening balance of Rs.1,65,928.87. Purpose of this Fund not explained to us.	The said amount is received from donations from different Coop. Institutions of Gujarat for development work of the Institute. However, Institute will settle this account in due course of time.
The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-19 and we have relied on their Concurrent Year Report while conducting Statutory Audit of the Unit as concurrent auditors are to verify the transactions on day to day basis.	No comments.
Physical Verification of Library Books and Stationery. Physical Verification Report of Library Books and Stationery made available but we not able to comment on safeguard against lost or theft of books and procedure followed for verification and procedure for recovery in the case of lost or theft.	Institute maintains the record properly and making necessary entries in the book of library register. Hence, automatic verification occurs at Institute level. No further action required.
Physical Verification of Fixed Assets. It is strongly suggested that the Institute should develop a system of unique numbering or coding on each fixed assets and the location of the assets where it's lying. Control over identifying, recording, storing and disposal of assets retired from its active user should be done more effectively. Ensure that all assets are safeguarded against damage of theft.	Noted for future.
The Authority to issue cheques and make accounting entries is with same person. Thus Authority should be delegated to different employees so that work of one person will be checked by another and good Internal Control will be established.	This is due to shortage of regular staff. However, noted for future.
The amount of GST Credit should be separately mentioned in Accounts. We suggest to segregate the amount of GST Credit instead of including in expenses and to shows as GST receivable separately. Actual entry passed in books of Accounts.	Institute already implemented the system as per audit suggestion.
During the audit it is observed that URICM follow Accounting Standard in maintenance of books of Account. However Legal and Professional Expenses are material in nature for which URICM do not	All the Units of NCCT including the Institute maintains the accounting system with regard to General Budget expenditure, Ledger as per the

maintained separately ledger and merge with miscellaneous expenses.	guidelines prescribed by the NCCT. Hence, Institute cannot open more accounts / ledger at Institute level without permission of NCCT.
The Current Assets and Current Liabilities are subject to confirmation from Parties. It has been observed that party wise ledgers have not been maintained for all Creditors/Debtors with exception of few. There has been not external confirmation statement available from parties.	Institute is maintaining party wise accounts as required for all creditors and debtors. However, observation of audit is noted for future.
There is huge amount received against Training Program amounting Rs. 22,00,000.00. It is subject to verification. Institute should maintain separate Bill Register to keep an Audit trail of bills raised as and when programme are scheduled/held. Advance received against them and final payment received.	The said amount of Rs. 22,00,000.00 is deposited by "Fishery Department" as advance program fee to conduct Diploma Programme for Fishery Officers during the year 2019-20. The programme will be concluded on 5th Nov.2019 and the said amount will be settled against course fee. Settlement of this case will be put-up before next audit.
There should be reconciliation statement with respect to transaction done with Head Office. There should be quarterly reconciliation system so that remittance from NCCT A/c is accurate all the time.	Noted for future.
During the Audit it is observed that at present, entry in Hostel receipt Register and Receipt Book is done by a single person. He is also in charge of collection of receipts. Further Hostel Register is not properly maintained. We suggest delegating responsibilities among two or more persons as a checker so that Internal Control can be maintain and no case of Fraud can be seen in future.	This is due to shortage of regular staff. However, noted for future.
There is a huge amount receivable from very long period towards TDS from NCCT amount Rs. 25,91,516/- (of URICM General) and Rs. 1,10,818/- (of URICM PGDM Course) appropriate entries should be passed.	The matter is pending at NCCT level and after receiving proper direction from NCCT, Institute will make necessary entries as per audit observation.
During the Audit it is noticed that the unit has paid of Rs. 49,38,307.00 on account of deposit of due Service Tax for the period from 01/04/2013 to 30/06/2017 along with Rs. 7,40,746 as deposit of penalty and Rs. 35,34,763.00 as Payment of interest. Further the Institute has paid Rs.88,000.00 as GST on Paid Programe Fees and Hostel Rent @18%. Despite of repeated audit observation about applicability of	Institute follow the instruction and policy of NCCT time to time. In this matter also, Institute followed the direction of NCCT. Institute paid the GST & Service Tax fixed / charged by the GST Department after getting approval / direction from NCCT.

Service Tax and Imposition of GST liability, the policy maker of the Institute had ignored resulting in payment of huge fine and loss as it cannot recover. It is suggested that accountability should be fixed for such huge loss to the organization and appropriate action should be initiated.	
Receipt and Payment Account is not prepared on cash basis.	Institute prepares the Receipt & Payment Account as per direction / guidelines of NCCT.
The Unit has earned interest on FDR. Bank Certificate and TDS Certificate in the form of Form 16 and 26 AS not produced to us regarding the confirmation hence we cannot comment on correctness of the TDS Outstanding.	Institute always maintaining and producing the necessary certificate (FDR/TDS Form No16 & 26) during Audit. Hence, this para may be deleted.
During the audit it is observed that No GST is charged and paid on Hostel Rental Income by the URICM. As per explanation given by the management, GST is not applicable if rent is below Rs. 1000/-. As URICM has been paid GST Arrear for many years along with Service Tax as a Fine. So proper guidance should be obtained to avoid future liability.	Noted for future.
MESS OPERATIONS :	
The NCCT-HQ should frame a uniform policy for operation and allotment of mess contract. At present uniform system not being followed and there is scope for leakage.	Institute will follow NCCT-HQ guidelines / policy on this matter.
ICM, GUWAHATI	
The Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases	Accepted- we will apply Accrual basis from the next financial year.

Capital Fund of Rs. 2,33,57,539.04 shown in the Balance Sheet does not represent a correct balance as loss amounting to Rs. 16,71,670.96 is deducted from Capital Fund. Generally depreciation is deducted from Capital Fund as per Accounting Policy adopted by the NCCT. Further Assets Purchase amounting Rs. 17,500 debited to TDF but not Credited to Capital Fund. The Management has no explanation about this entry.	Accepted- Rs. 16,71670.96 will be rectified in the next Financial Year 2019-20 and assets purchase of Rs. 17,500/- will be shown in the Capital Fund account.
Training Fund of Rs. 29,51,813.50 shown in the Balance Sheet do not represent a correct balance as payment for salaries, wages and allowances of Rs. 4,64,281.50 and Payment for Assets Purchase total amounting of Rs. 17,500.00 plus Rs. 812.00 of other expenses are directly Debited to Training Development Fund. Further Income from Investment of Rs. 3,68,516 are directly Credited to Training Development Fund. By these amounts income and expenses are understated.	Accepted- As per NCCT rule 100% of Interest of Bank FDR and 50 % of Resource Generation (Rs. 3,68,516.00) transferred to NCCT, H.Q. hence Rs. 4,64,281,50 as 30% 7Th CPC arrear, Rs. 17,500.00 as purchase of 2 Nos. of Computer Printers and 812 00 as GST debited from our FDR Account.
The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-2019 and we have relied on their Concurrent Year Report while conducting Statutory Audit of the Unit. On Scrutiny of the Trial Balance we observed that there is a difference in Trial Balance of Rs. 16,477. which was not explained.	Accepted - As per Trail Balance a difference of Rs. 16,477.00 is shown but as per Concurrent Auditor, there is no difference in Trail Balance otherwise Balance sheet would not have tallied they have rectified the said amount in Tally Data which is shown for software problems.
Physical Verification of Fixed Assets: It is strongly suggested that the Institute should develop a system of unique reference numbering or coding on each fixed assets and the location of the assets where it's lying, Control over identifying, recording, storing and disposal of assets retired from its active use should be done more effectively. Ensure that all assets are safeguarded against damage or theft.	Accepted- Physical verification of fixed assets is done properly and we will follow the instruction of NCCT, H.Q
Physical Verification of Library Books and Stationary: Physical Verification Report of Library Books and Stationary are made available but we are not able to comment on safeguard against lost or theft of books and procedure for recovery in the case of lost or theft.	Accepted- we will followed the instruction of NCCT, H.Q in future.
The Current Assets and Current Liabilities are subject to confirmation from parties. It has been observed that party wise ledgers have not been maintained for all Creditors / Debtors with Exception of Few. There has been no external	Accepted- we have followed the instruction of NCCT, H.Q

confirmation statement available from parties.	
In Schedule - 3, There is a fund showing namely LDP PROGRAME FUND amounting Rs. 82,570.00 (Opening Balance) which belongs to Financial Year 2016-2017. Programe Fees received but Program could not be conducted by the ICM and Balance is still outstanding. In addition Rs. 25,800 as expenditure deducted from that balance for adjustment entry for earlier wrong entry passed. It's a old fund and subject to verification.	Accepted- both will be rectified accordingly in the Financial Year 2019-20 as per NCCT, H.Q Instruction.
In Schedule - 3, There is a fund showing namely ICM HOSTEL CONSTRUCTION FUND received from NEC Shilong amounting Rs. 5,49,80,356.50 (Opening Balance) for construction of Hostel But Construction could not be completed hence balance is outstanding. In addition Interest on saving amounting Rs. 22,32,422.00 is directly transferred to that fund. It is advised to earn higher interest, FDR should be made.	Accepted - as per instruction of NCCT, H.Q, we have opened a Joint S.B. A/c namely ICM, HOSTEL CONSTRUCTION A/c and interest of Rs. 22,32,422.00 is directly transferred to the above mentioned A/c we will follow all instruction of NCCT, H.Q. in future.
During the Audit It is noticed that the unit has paid of Rs. 11,66,213.00 on account of deposit of due Service Tax for older period along with Rs. Receipt and Payment Account is not prepared on cash basis.	Accepted- we will follow the instructions of NCCT in future. as per instruction of NCCT, H.Q we went to Accepted- it will follow in future as per NCCT Instruction.
The Unit has earned interest on FDR. Bank Certificate and TDS Certificate in the form of FORM 16 or 26 AS not produced to us regarding the confirmation.	Accepted- it will follow in future as per NCCT Instruction.
During the Audit it is observed that the Institute has given mess work for staff on salary basis. The Institute Has failed to produce us Mess Committee Order, MOU between ICM and Present Mess Cook, Details of Quotations Called from other Contractors. Further No Rate is fixed for Meal Charges. It is suggested that Mess Committee should be formed and give mess contract to outsourcing on the basis of quotations and comparative statements and all the documents should keep up to date. A uniform mess policy should be formulated at head office level applicable to all units.	Accepted- it will follow in future as per NCCT Instruction.

As per information given to us, the Institute had newly taken registration under GST on 10.09.2018 however till date no compliances have been followed in the matters of collecting and Depositing GST as well as filing of Returns. In our opinion, urgent steps should be taken in this regard to avoid future liabilities.			Accepted - we have been filling GST Return of the Institute in every month properly.
On Scrutiny of the Trial Balance we observed that the balance lying in the Account head " Current Assets". In this regards it has been explained by the officials of Institute that such balance pertaining to Very Old Period so we are of the opinion that the necessary action has to be taken by the management either to get it resolved after roll back over the earlier years or to square up such amount after getting the necessary approval from NCCT like Old Amount Receivable from ICM Manipur amounting Rs. 94,000.00			Accepted- we have send may letters to ICM, Manipur for settlement this matter As per instruction of NCCT we will Communicate with ICM, Imphal, in future.
Further Following advances are recoverable from Employees:			Accepted- we have been recovering the Excess Payment of Salary from Akhil Chndra Deka and Sanjib Puzari in very month from their salary.
Name of Employee	Type of Advance	Amount Due as on 31/03/2019	
Akhil Chandra Deka	Excess Payment of Salary	31,000.00	
Sanjib Pujari	Excess Payment of Salary	14,000.00	

<p>ICM, NAGPUR</p> <p>The Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases.</p>	<p>At present the Institute is following both the methods in certain cases.</p> <p>The Institute will follow Accrual system of accounting in future.</p>
<p>During the Audit it is observed that the Institute has given contract for Mess to his employee's wife. This itself violation of rule as Institute's staff relative is not eligible to get Mess Contract. The only authority who will decide to give Mess Contract is "Mess Committee" on the basis of quotations received various Food Contractors. The Institute has failed to produce us Mess Committee Order, MOU between ICM and Present Mess Contractor, Details of Quotations Called from other Contractors. This Practice is against policy and guidelines issued by the NCCT. As per information received/gathered, Mr. Tiknayak is sharing the income with the mess contractor. This is very serious violation and needs special investigation. Further NCCT-HO should frame broad guideline for running the mess. There is scope for leakage of funds. It required immediate attention. The Director ICM informed that now procedure has been started for appointment of mess contractor and procedure is being followed.</p>	<p>The Purchase Committee decided to give contract for supply of food to the trainees since 07-05-2014 to M/s Yash Foods Services & Caterers.</p> <p>On 26-03-2018, M/s Yash Foods Services & Caterers shown inability to provide food to the trainees on the then existing rates i.e. Rs.200/- per day per head which included Breakfast, Lunch and Dinner for short term training programmes. Further, the service provider requested for enhancement of the rates from Rs.200/- to Rs.265/- per head. The Institute called Purchase Committee meeting on 06-04-2018 and enhanced the rates from Rs.200/- to Rs.220/- per head with following conditions.</p> <ol style="list-style-type: none"> 1. The Mess Contractor has to pay 10% services charge to Institute that comes to Rs.22/- per head per day. 2. The Mess Contractor should not supply food to the outsiders. <p>It is worthwhile to state here that with this less rate nobody was ready to provide food to the trainees as per the discussions held with different food caterers.</p> <p>The Institute's Purchase Committee meeting held on 17-10-2019 and decided that Institute will call quotations from food caterers for running of DGICM Mess through newspaper advertisement by following</p>

	<p>proper procedures.</p> <p>It is enquired with the Mess Contractor about any role played by Shri R.B. Tiknayat, Office Suptd. in respect of financial matters, profit sharing. The Mess Contractor has denied such role played by Shri R.B. Tiknayat, Office Suptd. while discharging her food catering services in the Institute.</p>
<p>A Circular is issued by the Head Office vide Circular No 2-2/2000-Misc/2019-dated 04/02/2019 regarding Procedure to accord travelling on official tour in all the cases where the approval of NCCT (Hqrs) must be obtained well in advance and in any case before proceeding the tour otherwise case concerned person will have to bear the cost of tour. During the Audit It is noticed that the ICM is not following NCCT's Guidelines & Policies. The Office Superintendent of ICM Namely Ravindra Tiknayak has visited recently for Kathmandu Tour for Leadership Development Programme without any approval from NCCT Headquarters. There is no need to go there for any other officer except Guest Faculty. The ICM's Director has given permission to him. The practice adopting by the ICM is against Policy and Guidelines issued by the NCCT. Please look into the matter and take necessary action. The Director explained that due to staff shortage and Mr. Tikanayak being well converse with local language has to accompany.</p>	<p>As per the records of the Institute since 1997 the Institute is organising outstation programmes in different parts of the country. Shri R.B. Tiknayat was accompanied with the Faculty members, Principals, Vice-Principals and Guest speakers to assist for smooth conducting of outstation training programmes.</p> <p>By considering the present conditions of the Institute i.e. shortage of Faculty members, financial resource conditions, the Director assigned him to assist Guest faculty members at Nepal for conducting of training programme. Since Shri R.B. Tiknayat, Office Suptd. is well versed with Marathi language, he knows the cooperative leaders of Maharashtra State and these leaders insist his presence for smooth conducting of training programmes.</p>
<p>As per the Circular No -4-18/RES/F&A/2015-2016 dated 28/01/2016 available, the Institute can retain 50% of the Surplus from the Entire Programme and 50% is to be transferred to NCCT Head Quarters Accordingly 50% of total Surplus amounting Rs. 37,28,344.22 generated through paid programme is directly credited to Training Development Fund and 50% to NCCT.</p> <p>Building Fund of Rs. 72,63,881.08 shown in the Balance Sheet does not represent a correct balance</p>	<p>The total net surplus amount of Rs.37,28,344.22 for the year 2018-19 is credited directly to TDF account of the Institute. As per the NCCT circular 50% of the total net surplus remitted to NCCT through Remittance account.</p> <p>Noted and the same will be revisited and rectified</p>

<p>as payment made for Construction to CPWD of Rs. 6,20,425/-, Advance Fees Refund of Rs. 1,43,116.00 and Payment of Security Guard of Rs. 55,582.00 are debited to Building Fund. Further Service Charges from Hostel of Rs. 3,39,825.00 is directly credited to building fund without routed through Income & Expenditure account. Hence due to this income & expenditure account does not represent a correct position.</p>	
<p>Training Fund of Rs. 1,71,76,832.81 shown in the Balance Sheet do not represent a correct balance as payment of 7th CPC Arrears of Rs. 8,78,695 and Payment for GST Liability for many years of Rs. 13,16,110.00 and Payment for Assets Purchase of Rs. 22,694 are directly Debited to Training Development Fund. Further Surplus of Training Programme of Rs. 18,64,172.11 is Credited to Training Development Fund. The income for the year 2018-19 is understated and overstated by these amounts. We had been advising since long for service tax liabilities but no action taken and Institute suffered huge loss. Accountability should be fixed. We appreciate the efforts of RICM Director for taking corrective measure in reducing the service tax liability.</p>	<p>As per NCCT order we have paid 7th CPC arrears of Rs.8,78,695.00/- and payment for GST liability of Rs.13,16,110.00/-.</p> <p>As per NCCT approval we have purchased assets of Rs.22,694.00/-</p> <p>As per guidelines of the NCCT, 50% net resource generation amount of Rs.18,64,172.11/- is credited to Training Development Fund.</p> <p>The Statutory Auditors are not given any guidelines to the Unit for collection and remittance of Service Tax to the Department since the Service Tax is effected in year 2007.</p>
<p>Institute having Current Bank Account with two Banks showing in the Balance Sheet under the head Current Assets, Loans, Advances etc but failed to produce us bank Certificate indicating closing bank balance as on 31/03/2019 for our verification during the Audit. Further Bank Reconciliation Statement has not been prepared by the institute. Hence we can not comment whether bank balance tally with the bank records.</p>	<p>The Institute obtained Closing Balance Certificate as on 31-03-2019 from Bank of Baroda for two Super Saving Bank accounts (a. Institute's General Account and b. Institute's MBA account)</p>
<p>The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-2019 for conducting detailed day to day audit and we have relied on their Concurrent audit Report while conducting Statutory Audit of the Unit. Concurrent Auditors has not reported any major or serious irregularities and we have relied on its report while conducting statutory audit of the institute as random basic.</p>	<p>No comments</p>
<p>Physical Verification of Fixed Assets: It is strongly</p>	<p>Physical verification of Fixed assets</p>

<p>suggested that the Institute should develop a system of unique reference numbering or coding on each fixed assets and the location of the assets where it's lying, Control over identifying, recording, storing and disposal of assets retired from its active use should be done more effectively. Ensure that all assets are safeguarded against damage or theft. Proper assets register as required is not maintained and physical verification as per required procedure not done, hence we can not comment whether there is any loss of assets or not.</p> <p>Physical Verification of Library Books and Stationery: Physical Verification Report of Library Books and Stationery are made available, hence we are not able to comment on safeguard against lost or theft of books and procedure for recovery in the case of lost or theft as there is some books was missing in the report. Proper library register as required is not maintained and physical verification as per required procedure not done, hence we can not comment whether there is any loss of assets or not.</p>	<p>register is maintained and also shown to the Auditor along with physical verification report.</p> <p>The Library register is also maintained with updated entries.</p>
<p>There is huge amount receivable from very long period of Rs.3,41,92,000.00/- Recoverable from Government of Maharashtra made pertaining for more than one year not seen settled so far. Further an amount of Rs. 6,320/- related to Seminar For Fishing made pertaining to last year not seen settled so far. An amount of Rs. 77,408.00 from Financial Assistance Education Fund made pertaining to last year not settled so far in resulting liquidity blockage to the unit and having massive effect on finance management of the unit. The Institute should make an attempt to recover the same.</p>	<p>The Institute is making rigorous efforts for getting Government of Maharashtra grant i.e. 50% share accrued to the long standing dues of Rs.3,41,92,000/- yet to be received.</p> <p>Seminar on Fisheries Cooperatives organised at this Institute and the balance amount of Rs.6,320/- is receivable from Fisheries Federation with whom the Institute is in continuous persuasion.</p> <p>The bill is submitted to NCUI for reimbursement of balance amount of Rs.77,408/- from financial assistance education fund under copy to NCCT, New Delhi.</p>
<p>No confirmation obtained in case of Current assets and current liabilities. Hence we can not comment on their correctness.</p>	<p>No comment</p>
<p>Institute should maintain Separate Bill Register to keep and Audit trail of bills raised as and when programme are scheduled/held, Advances received against them and final payment received.</p>	<p>No compliance is required.</p>

There should be reconciliation statement with respect to transaction done with Head Office. There should be quarterly reconciliation system so that remittance from NCCT A/c is accurate all the time.	Noted
During the Audit It is noticed that the unit has paid of Rs. 2,93,984/- on account of deposit of due Service Tax for the period from 2013-2014 to 2016-2017 along with Rs. 2,30,189.00 as deposit of penalty and interest. Further the Institute has paid Rs. 13,16,110.00 as GST on Paid Programme Fees and Hostel Rent @ 18%. Despite of repeated audit observation about applicability of Service Tax and Imposition of GST Liability, the Policy maker of the Institute had ignored resulting in payment of huge fine and loss as it cannot be recovered.	The matter is before GST Directorate, Nagpur
Receipt and Payment Account is not prepared.	Prepared
The Unit has earned interest on FDR. Bank Certificate and TDS Certificate in the form of FORM 16 or 26 AS not produced to us regarding the confirmation for General Account. Hence we can not comment on their accuracy of interest earned and TDS deducted and their accounting treatment.	Institute obtained the TDS certificate from the Bank.
In the case of MBA Division, Schedule - 18 (Expenditure on Professional Programmes) details is not prepared properly against Expenditure Claimed on professional Programmes of Rs. 8,18,004.00 therefore it is subject to verification. The head office should prepare a uniform mess policy applicable on all units. There is strong possibility of revenue leakage in mess accounts.	No comment
ICM, Dehradun	
Depreciation not charged as per income tax schedule. Depreciation charged as per accounting policy of NCCT.	Depreciation is charged as per policy of NCCT in this regard.
The current assets and current liabilities are subject to confirmation.	Confirmed and appearing as per ledger balances.
The accrual concept has not been fully adopted.	The Institute is fully adopting the accrual concept.
Internal control of fixed assets is very weak. Proper fixed assets records as required not maintained.	Institute had done as per instructions received from NCCT.
Receipt And Payment A/c is not maintained as per cash basis.	Receipt and Payment is maintained on cash basis as per instructions from NCCT.

Physical Verification of fixed assets is not done as per laid down procedure, hence we cannot comment on any loss of fixed assets.	All assets are physically verified & entered in books.										
Service tax deposited by ICM during the financial year 2018-19 Rs. 50,49,804.00 with interest and penalty. This amount has not been recovered from client, it is a loss of the organization due to negligence of the work of unit. In spite of observations from Auditors, no action taken. It is suggested that accountability should be fixed and appropriate action should be initiated against the staff responsible for such a huge loss to the organization.	Institute had done as per instructions received from NCCT.										
GST Rs.831156.00 deposited by unit in 2019-20, this amount has not been recovered from client, it is a loss of the organization due to negligence of the staff. Accountability should be fixed.	Institute had done as per instructions received from NCCT.										
External faculty records like agreement copy, attendance records have not been properly maintained by unit.	Noted for future.										
Program files have not been maintained properly like Budget copy, Acceptance letter, bills copy not attached.	Now all programme files are maintained.										
Income from investment and paid program/Professional share /Service Charges from hostel of following unit directly transferred to TDF & Building Funds instead of showing in income and expenditure A/c and then further transferred to NCCT-Head Office per accounting policy of NCCT but this practice is against the Income Tax Act/Accounting rule and this practice understates the profit of current year.	No comments.										
<table border="1"> <thead> <tr> <th>Paid Share</th> <th>Program</th> <th>Professional Share</th> <th>Interest On FDR</th> <th>Service Charges From Hostel</th> </tr> </thead> <tbody> <tr> <td>24,26,803.00</td> <td></td> <td>Nil</td> <td>3,48,798.00</td> <td>6,07,444.00</td> </tr> </tbody> </table>	Paid Share	Program	Professional Share	Interest On FDR	Service Charges From Hostel	24,26,803.00		Nil	3,48,798.00	6,07,444.00	
Paid Share	Program	Professional Share	Interest On FDR	Service Charges From Hostel							
24,26,803.00		Nil	3,48,798.00	6,07,444.00							
ICM, PUNE											
Depreciation charged as per accounting policy of NCCT and transferred to capital fund. Depreciation	Informatory										

not charged as per income tax act and financial impact not calculated.	
Current assets and current liabilities are not confirmed by parties. Few current assets and current liabilities may be not recoverable or payable and may impact the correctness. It is advised that institute should get confirmation from all current assets and current liabilities .	Noted. Effort are being made to settle outstanding Current Assets and Current Liabilities
G S T registration not taken at due date, and institute has to pay Rs.10,35,148.00 from its own sources. It is a net loss to the ICM. Accountability should be fixed and appropriate action should be taken for such huge loss to the Institute.	GST registration number has been obtained. we have paid Rs.10,35,148.00 o 3.03.2019
The national council for cooperative training has appointed a firm of chartered accountants as concurrent auditors for the financial year 2018-19 and we have relied on their concurrent audit report while conducting statutory audit of the ICM. In our opinion quality of report not satisfactory.	No Comments
As per instruction given by the ministry of agriculture, additional expenditure due to revised 6th pay commission has to be met out 80% from grant and balance 20% from own resources. Instructions given by the ministry not adhered. And to that extent expenses are understated.Salaries and other Administrative expenses amounting to Rs,12,54,763.00 and Rs. 10,35,148.00 respectively are debited to Training Development Fund and to that extent expenses are understated.	During the year 2018-19 ICM, Pune has paid 7th CPC arrears as per NCCT guidelines 70% from Government and 30% from TDF A/c
Receipt & payment account not made as per cash basis.	Receipt and Payments A/c is being prepared as per format is given by NCCT
Separate Ledger for TDS not maintain in Tally ERP 9 (Software).	Separate Ledger for TDS has already maintained in Tally ERP (Software)
Attendance record of Contractual employee is not being maintained properly.	Register is being maintained and duly signed by officials.
TRAINING DEVELOPMENT FUND. Rs. 12,54,763.00 and Rs.10,35,148.00 is debited to TDF on account of Salaries and allowances and other Administrative expenses and to that extent	As advised by NCCT 30% 7th CPC arrears of Rs. 12,54,763/- and GST Rs.10,35,148/- has been paid

expenses are understated.	
There is no Rent Agreement between ICM & Landlord provided to us during our audit verification.	Rent agreement copy is available with the Institute.
BUILDING FUND Rs.6,14,466.00 and rs. 89,400.00 income from building is directly credited to Building Fund and to that extent income is understated.	Building fund a/c is being maintained as per NCCT guidelines.
PROFESSIONAL FEE The ICM appointed concurrent Auditor for calculation of liability on account of service tax and GST with out following procedure. As explained by the management time left for filing the return was very less and no one was willing to take the assignment, hence we had to appoint them but fee is not yet released and we are negotiating with the firm.	Compliance has been already done at the time of personal visit of M/s Sethi & Co. vide leter No. ICM/Audit/2019/278 dated 29.08.2019
SERVICE TAX The ICM paid service tax liability of Rs.37,50,140.00 due to not taking in time. Accountability should be fixed for such huge loss to the Institute As it was advise long back by the Auditors.	Service Tax has been implemented as per advice of NCCT and paid on 26.07.2019
MESS Accounts There is scope for leakage in the procedure adopted for appointment of mess contractor and operation of mess account. It is advised that a proper system should be devised at Head office level which should be followed by all institutes for operation of mess accounts.	Noted. Mess contract will be awarded after following prescribed procedure.
OTHER CURRENT ASSETS Details not made available for our comments	Current assets is as under Rs.17,900/- 16th Cooperative Congress (NCUI) Account receivable RS.2,253/- Accrued interest from Bank FD Rs.1,12,543/- TDS receivable asset
ICM, IMPHAL The commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases.	Noted for future
As per the Circular No.-4-18/RES/F&A/ 2015-16 dated 28-/01/2016 available. The Institute can retain 50% of the Surplus from the entire paid programme and 50% is to be transferred to NCCT Head Quarters. Accordingly 50% of total surplus	Noted

amounting Rs. 32,73,379.00 generated through paid programme is directly credited to Training Development Fund and 50% to NCCT.	
Capital Fund of Rs. 5,30,83,622.36 shown in the Balance Sheet does not represent a correct balance as NCCT Loan amounting Rs. 8,00,000.00 related to building fund Rs. 30,05,411.00 adjustment entry not explained, an adjustment entry for assets purchased amounting Rs. 20,096.00, an adjustment entry related to Distributable for Za-Zenchu Project amounting Rs. 21,900.28, are directly credited to Capital fund as addition during the year. Further an entry passed viz Capital Fund debited to Profit & Loss Account Credited amounting Rs. 31,09,976.91 as deduction during the year and another entry of Rs. 30,901.00 related to NCUI grant, expenses for AHVY project, LDP programme, Nepal donation as deduction from capital fund. Entries not explained to us, hence we cannot comment on correctness of the balance. Further these fund are not backed by equal investment	Rs 8,00,000/- from TDF is utilized for repayment of loan taken from NCCT New Delhi and Rs. 30,05,411/- from Building Fund were utilized for construction of ICM Hostel. Purchase of books for Rs 20,096/- and depreciation on fixed assets for the year 2018-19 Rs.31,09,976.91 are adjusted to Capital Fund. The amount shown as outstanding liability of Rs. 21,900.28 w.e.f., 2014-15 is due to non released of fund to be received from NCUI New Delhi for Za-Zenchu Project was adjusted to Capital Fund. The total amount of Rs.30,901 /- is the write off value of the following outstanding- 1 AHVY Project, DC Handicraft amounting to Rs. 1,610/- 2 LDP Prog. amounting to Rs. 26,218/- 3 NCUI Fund amounting to Rs. 1,068/- 4 Nepal Donation amounting to Rs. 2,005/- Total Rs. 30,901/- Which are suggested by Concurrent Auditor of ICM
Building Fund of Rs.36,45,151.00 shown in the Balance Sheet does not represent a correct balance as service charge recovered from building Rs.8,23,611.00 is directly credited to building fund without routed through income and expenditure account. Further assets purchased amounting Rs. 30,05,411.00 is debited to Building Fund. Hence Building Fund does not represent a correct picture.	Service charges received as room rent for hostel fee and hall hiring Rs. 8,23,611/- is added to the opening balance of building fund i.e., Rs. 28,21,540/- (Rs. 28,21,540 + 8,23,611= Rs. 36,45,151/-). Out of the total available a sum of Rs. 30,05,411/- is utilized for construction of hostel during the year 2018-19. The remaining current balance is Rs. 6,39,740/- under the head Building Fund.
Training Fund of Rs.35,44,924.84 shown in the Balance Sheet do not represent a correct balance as payment for purchase of assets total amounting of Rs.8,00,000/-, salary, wages and allowance amounting Rs.948082/- are directly debited to Training & Development Fund. Further surplus of	Rs 8,00,000/- is the term loan repayment against loan sanctioned by NCCT New Delhi for construction of Hostel Building was adjusted to remittance to NCCT A/C as per NCCT letter No. 3- 1/88-Admn(Vol-v) dated

Training programmes of Rs.24,39,508/- is directly credited to Training Development Fund. We cannot clarified the correctness of the fund.	1-8-2017 An amount of Rs 9,48,082 /- is utilized from TDF for payment towards 30% of total 7CPC arrear to the employees as per advise of NCCT New Delhi vide letter No. 7th CPC/2018-19/F&A dated 10-10-2018.
During the audit it is observed that one Fixed Deposit of Rs.50,000/- is available in ICM since 2001 @ 11%. Institute is receiving interest income from that FDR in cash but books of account transaction has not been reflected. As per the information provided by the management interest on FD amount is received for the purpose of Cooperative award and the interest accrued is utilized for awarding to the position holders of HDCM, the best employees and the best cooperative. Head Office should look into this matter. No provision made for accrued interest.	Noted
During the Audit it is observed that Institute is deducting @5% on every mess bill and the deducted amount is kept in separate bank account and that bank account is not reflected in the books of account. Head Office should look into this matter. This is nothing but diversion of fund without approval.	Practice of deduction of 5% from every mess bill was stopped from Oct 2018 after appointment of Mess Contractor with due procedure. Now the mess was run by Mess Contractor. As per suggestion of Auditor Institute has transferred the net balance of Mess fund to General Account under TDF.
Institute has been making purchase of consumable items and stationery items from the ICM Employees Thrift and Credit Society Ltd. upto last year but during the year it has stopped and Institute discontinued to purchase from the above mention Society.	Noted
During the Audit it is observed that there is a Mess Committee Fund since 1988 amounting appx. Rs.80,000/- in Urban Cooperative Bank/Fund .This has not reflecting in books of account of the ICM. At present Institute has not any Mess Committee to deal with this matter. Head Office should frame a uniform policy for appointment and operation of mess transactions. There is scope for leakage.	Now, the balance fund lying in the Mess Fund has transferred to the Institute's books of account under TDF as per suggestion of Statutory and Internal Audit of the Institute. And process has been initiated to close the account permanently.
On sample verification it is observed that TDS were deducted from the most of the TDS applicable payment however TDS for the month of Jan. 2019 were deposited on 20th Feb.2019 and TDS for the month of Feb.2019 was deposited on 13th March 2019. This strongly suggested that it should be	The Institute submitted the total amount of TDS deducted for the month to UBI RIMS branch (where institute accounts is operational) on or before 7th of the next month. It is leant that the bank usually sent the

deposited before due date to avoid future liability. We suggest that TDS should be deducted and deposited to bank on or before 7th of the next month.	challan with cheque to its regional head office located at M.G. Avenue, Imphal as the branch is not having the facility to transact the challan. During the process it takes time and cause delay while submitting the challan and cheque to Govt. Account. Institute will pursue the matter to UBI RIMS branch to process the payment before due date
We have checked the amount of fees and academic incomes with the relevant supporting documents and we observed that there is no proper reconciliation of income receivable and income collected from training from various training programmes is not done. We suggest that proper reconciliation of training fees collected with fee receivable should be maintained. Institute should maintained separate bill register to keep an audit trails of bills raise as and when prog. are schedule or help. Advance received against them and final payment received. All receipts are accounted on receipt basis. No record maintained for receivable.	Noted for future guidance.
Following are the outstanding liabilities and receivable which should be expenses of - 1. AHVY Project, DC Handicraft amounting to Rs.1610/- 2. LDP Prog amounting to Rs.26218/- 3. NCUI Fund amounting to Rs.1068/- 4. Nepal Donation amounting to Rs.2005/- We suggest that proper review may be done of the outstanding expenses and if no more payable the same may be write off.	Please refer 2nd para of the compliance report under para 3 above.
Medical advance given to NN Singh amounting to Rs.9,80,000/- showing in the books of account under debtor. We suggest that aging of advance should be reviewed from time to time and take appropriate action. This is old amount and appropriate entries should be passed.	The entire medical bill submitted by Shri N. N. Singh, Ex O.S., has already been forwarded to NCCT Head Quarter for order and final settlement vide Institute letter No.1-1(31)/91-Pers /175 dated 27.08.2016 and further reminder letter No. 1- 1(31)/91-Pers /386 dated 26.12.2016. The matter is still pending at NCCT Level.
Physical verification of fixed assets, it is strongly suggested that the Institute should develop a system of unique reference numbering or coding on its fixed	Noted for future guidance.

assets and the location of the assets where it is lying, control over identifying, recording, storing and disposal of assets retired from its active used should be done more effectively. Ensure that all assets are safeguarded against damage or theft.	
Physical verification of Library books and Stationery: Physical Verification of Library Books and Stationery are made available but we are not able to comment on safeguard against loss or theft of books and procedure for recovery in the case of loss or theft.	The verification is done regularly every year. In case of loss of books, needful recovery is made from the concerned person.
During the Audit it is observed that the Institute has given contract for mess contractor. Proper procedure is followed but on sample basis we observed that no rate is fixed for meal charges. Food bills should be prepared with the help of actual participants attendance sheet. In some cases bill is charged not according to actual participants. Mess Committee should look after this matter. Proper internal control is required.	Now mess contractor has been appointed on contract basis with due procedures. Noted for future guidance.
The current assets and current liabilities are subject to confirm from parties. It has been observed that party wise ledgers have not been maintained for all creditors/debtors with exemption of few. There has been no external confirmation statement available from parties.	Noted for future guidance.
On verification of trial balance we have found that Institute had given some amount of TTA advance amounting Rs. 32,000/- to Dr.A.I.Khan which is classified under the head current liabilities but the relevant and necessary details are not available from how long period it is outstanding in the accounts of the Institute. Further there is outstanding payable of Rs. 36,78,531/- as on date but details made not available, hence we cannot comments on its correctness and from which a sum of Rs. 21,900/- is still outstanding from the previous financial year. The management should look after the matter and should resolved the matter as earlier as possible.	There is an outstanding payable of Rs. 36,78,531/-, it includes the unadjusted programme xpenses and expenses to be write off. Rs. 21,900/- is still outstanding booked from 2014-15 but it is write off. The detail liabilities shown in the audited balance sheet 2018-19 are: (Rs.) 1. Sundry creditors (GST collected from fees) 86,749 2. Advance fee received on Paid Prog.for FY 2019-20 2,84,500 3. Security deposits received from students (Hostel) 76,000 and Mess Contractor Rs. 20,000/- 96,000 4. TTA advance transferred from RICM Kalyani Rs. 32,000 to be refunded to ICM Guwahati 32,000 5. Recovery from the salary of staff (Smt.Y. Memchoubi Devi -Rs.34,600/- and Smt. K. Subhalakshmi Devi -

	Rs.352,000) as on 31.03.2019 to be transferred to PG A/c 3,86,600 6. Outstanding Loan from NCCT for construction of Hostel building 24,00,000 7. Provisions of Adm. Expenses on Concurrent Audit fee 43,276 Efforts are being made to resolve the matters at the earliest as suggested in the audit.
There should be reconciliation statement with respect to transaction done with head office. There should be quarterly reconciliation system so that remittance from NCCT accounts is accurate all the time.	Noted
During the audit it is noticed that the unit has paid Rs. 31,82,364/- on account of deposit of due service tax for the period from April 2013 to June 2017 alongwith Rs.4,77,355/- as deposit of penalty and Rs. 18,41,359/- as interest. The Institute has paid Rs.55,01,078/- as GST on paid Prog. fees and hostel rent @ 18%. Despite of repeated audit observations about applicability of service tax and imposition of GST liability, the policy maker of the Institute had ignored resulting in payment of huge fine and loss as it cannot be recovered. It is the responsibility of Head Office, with the oversight of these charges with Governance, to ensure that all the units operations are conducted in accordance with the provisions of laws and regulations including compliance with the provision of laws and regulations that determine the reported amounts and disclosures in all the units financial statements. Accountability should be fixed.	Service tax arrears imposed by the GST office has paid for the period from 1-4-2013 to 30-6-2017 as per calculation of service tax norms and show cause notice given by the GST Office as under during the financial year 2019-20. Arrear Service Tax Rs. 31,82,364/- Penalty @15% Rs. 4,77,355/- Net interest for 5 year Rs. 18,41,359/- Total :- Rs. 55,01,078/-
Receipts and Payments accounts is not prepared on cash basis.	Noted for future
The unit has earned interest on FDR. Bank certificate and TDS certificate in the form of FORM-16 or 26 AS not produced to us regarding the confirmation.	The bank directly transferred the accrued interest on FDR to ICM account on maturity.
ICM, JAIPUR	
The Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system	Informatory

simultaneously in some cases.	
As per the Circular No - 4-18/RES/F&A/2015-2016 dated 28/01/2016 available, the Institute can retain 50 % of the Surplus from the Entire paid Programme and 50 % is to be transferred to NCCT Head Quarters Accordingly 50% of total Surplus amounting Rs. 40,72,086 generated through paid programme is credited to Training Development Fund and 50% to NCCT-HO. The Institute has not established any measure to evaluate the operating result regularly in order to fix the amount to be transferred to the NCCT Head Office on Quarterly basis. Fee is accounted on receipt basis and fee due but not received is not accounted and to that extent income is understated. This is very serious accounting error and must be rectified.	Distribution of Resource Generation has been transferred to various accounts as per policy of NCCT. Fee has been accounted for on Accrual basis.
Capital Fund of Rs. 1,06,95,355.24 shown in the Balance Sheet does not represent a correct balance as an adjustment entry of Rs. 8,66,171.00 made from Capital Fund without any approval from NCCT. This adjustment entry belongs to Expenditure on Other Rental Programme and directly debited to Capital Fund. By this amount expenditure is understated.	Noted for future.
Building Fund of Rs. 97,28,067.08 shown in the Balance Sheet. Service Charges Recovered of Rs. 37,11,674.00 is directly credited to building fund without routed through Income & Expenditure account. Hence income is understated by Rs.37,11,674.00.	Service Charge credit to building fund has been done as per NCCT Policy.
Training Fund of Rs. 1,11,92,418.95 shown in the Balance Sheet. payment for GST Liability for many years and Payment for Assets Purchase total amounting of Rs: 20,26,202.00 are directly Debited to Training Development Fund. Further Surplus of Training Programme of Rs. 20,36,043.00 and Income from Investment of Rs. 5,15,587 are directly Credited to Training Development Fund. By this amount expenditure and income are understated.	Accounting procedure has been done as per NCCT policy and approvals accordingly.
The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-2019 and we have relied on their Concurrent Year Report while conducting Statutory Audit of the Unit as concurrent auditors	No Comments

have checked day to day affairs of the unit.	
During the Audit it was noticed that Expenses was not booked in proper accounting head for example Expenses of Photocopies were booked in Repairs and Renewals that in wrong practice.	Noted for future
TDS is being deducted on payment basis and then deposited accordingly in the month in which the expenses are paid. As per TDS Rule, TDS is accrued on payment of credit whichever is earlier but ICM is deducting and Booking the TDS as and when expenses are paid. This creates deferment of TDS Liability. Further TDS on Salary deduction rule as per Income Tax Act are Tax Calculate for the Financial Year and divide by 12 then deduct on monthly basis during the year but it was noticed that TDS for the month of February, 2019 was not deducted and balance tax deducted in the month of March, 2019.	Noted for future
It has been observed that there is a long list of old Dead Stock items being carried on. The Management should look into proper disposal / Write off of these items as they are devaluing day by day. It is strongly recommended to dispose the Dead Stock.	Suitable action may be taken in the current financial Year.
Physical Verification of Library Books and Stationary: Physical Verification Report of Library Books and Stationary are made available but we are not able to comment on safeguard against lost or theft of books and procedure for recovery in the case of lost or theft as there is some books was missing in the report.	Noted for future.
There is a huge amount receivable from very long period of Rs. 31,65,572/- Recoverable from CPWD and from CONFED of Rs. 12,600/- made pertaining for more than one year not seen settled so far in resulting liquidity blockage to the unit and having massive effect on finance management of the unit. The Institute should make an attempt to recover the same.	Noted for action.
The Current Assets and Current Liabilities are subject to confirmation from parties. It has been observed that party wise ledgers have not been maintained for all Creditors / Debtors with Exception of Few. There has been no external confirmation statement available from parties. Few	Noted

old creditors and debtors are shown in the books, we can not confirm where actually payable and recoverable.	
Institute should maintain Separate Bill Register to keep an Audit trail of bills raised as and when program are scheduled / held, Advances received against them and final payment received.	Noted
There should be reconciliation statement with respect to transaction done with Head Office. There should be quarterly reconciliation system so that remittance from NCCT A/c is accurate all the time.	Action required at NCCT H.Q. Level.
During the Audit It is noticed that the unit has paid of Rs. 15,47,083.00/- on account of deposit of due Service Tax for the period from 2013-2014 to 2017-2018 along with Rs. 8,17,879.00 as deposit of penalty and interest. Further the Institute has paid Rs. 4,89,800.00 as GST on Paid Programme Fees and Hostel Rent @ 18 %. Despite of repeated audit observation about applicability of Service Tax and Imposition of GST Liability, Institute had ignored resulting in payment of huge fine and loss as it cannot recovered. Accountability should be fixed.	Action has been taken as per instruction received from NCCT. H.Q.
Receipt and payment Account is not prepared.	Noted
The Unit has earned interest on FDR. Bank Certificate and TDS Certificate in the form of FORM 16 or 26 AS not produced to us regarding the confirmation, hence we can not comment on the correctness of the income.	Form 16 and 26 AS are received as per NCCT policy on PAN basis.
MESS OPERATIONS A uniform policy for appointment and operation of mess should be formed. There is scope for revenue leakage.	Noted
ICM, Kannur The Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases.	Noted.
Capital Fund of Rs. 2,03,85,205.58 shown in the Balance Sheet having entry of Assets Purchased of Rs. 18,850.00 and Depreciation amounting Rs.	Common practice followed.

16,32,909.95. Hence Capital Fund is debited to the extent of Rs. 16,32,909.95 as Depreciation and Credited to the extent of Rs. 18,850.00 as Assets Purchased	
Building Fund of Rs. 21,63,514.05(Net Balance) shown in the Schedule - 3 does not represent a correct Picture as Service Charge Recovered from Hostel of Rs.8,82,660.00 and other receipts of Rs. 75,665.00 are directly add back in Opening Balance of Building Fund without routing it to Income & Expenditure Account. Further Fixed Assets Purchased of Rs. 12,22,355.00, Building Tax of Rs. 46,339 is debited to Building Fund. We cannot comment on accuracy of the fund.	Common practice followed.
Training & Development Fund of Rs. 87,67,626.71 (Net Balance) shown in the Schedule - 3 does not represent a correct Picture as paid program surplus of Rs. 8,81,008.14 from General and Rs. 7,99,192.00 are add back in Opening Balance of Training & Development Fund. Further Income from Investment of Rs. 68,942.00 from General and Rs. 89,222.00 from MBA, Other Receipts of Rs. 24,052.00 are Credited to Training & Development Fund. Further Revenue Expenditure of Rs. 24,000 and 7th CPC Arrear of Rs. 12,54,439.00 are debited to the TDF. We cannot comment on accuracy of the fund.	Common practice followed
The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-2019 and we have relied-on their Concurrent Year Report while conducting Statutory Audit of the Unit.	Noted.
Physical Verification of Fixed Assets: It is strongly suggested that the Institute should develop a system of unique reference numbering or coding on each fixed assets and the location of the assets where it's lying, Control over identifying, recording, storing and disposal of assets retired from its active use should be done more effectively. Ensure that All assets are safeguarded against damage or theft.	Noted. Institute is in the process of developing unique reference numbering or coding on fixed assets and the location of assets where it is lying.
Physical Verification of Library Books and Stationary: Physical Verification Report of Library Books and Stationary are made available but we are not able to comment on safeguard against lost or theft of books and procedure for recovery in the case of lost or theft	Noted for future.
The Current Assets and Current Liabilities are subject to confirmation from parties. It has been observed that party wise ledgers have not been maintained for all Creditors / Debtors with Exception of Few. There has been no external confirmation statement available from parties	Noted for future.

During the Audit it is observed that the Institute has given contract for Mess to Contractor. NCCT should form a uniform policy in this regard as there may be possibility of Revenue Leakage.	Noted.
NCCT should conduct a training Course like Basic Tally & GST Training, Training about Income Tax Provisions, TDS Applicability, TDS Rates, GST Return, Payroll Management, Basic Business Essentials in Tally ERP 9 in their units to train their Accountant and administrative staffs so that Accounting and Statutory compliance mistake can be reduce and Future Liability can be Avoid.	Action initiated.
An amount of Rs. 6,434/- TA Advance made pertaining to the year 2012-2013 not seen settled so far. The Institute should make an attempt to recover the same from his salary or otherwise.	Recovery already made vide Rt. No.6203/ Dated. 29.03.2019
During the Audit It is noticed that the unit has paid of Rs. 34,16,571.00/- on account of deposit of due Service Tax along with interest and penalty. Further the Institute has paid Rs. 14,74,474.00 as GST on Paid Programme Fees. Despite of repeated audit observation about applicability of Service Tax and Imposition of GST Liability, the Policy maker of the Institute had ignored resulting in payment of huge fine and loss as it cannot recover. It is the responsibility of the Head Office, with the oversight of those charged with governance, to ensure that all the Unit's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations, that determine the reported amounts and disclosures in all the unit's financial statements	Noted.
As per the circular No — 2-17/2016-17/F&A sated 04/07/2016 available to us the Institute while making investment decisions, certain factors such as risk, liquidity, maturity and yield: The Institute has a practice of investing the surplus fund as Fixed Deposits with the Cooperative Banks only. Since the Co-operative Bank are not under the strict control of Reserve Bank of India, The risk in depositing funds Nth this bank is presumed to be high	Noted.
On verification of TDS Analysis and Compliance System — TRACES, It is observed that there is amount of Rs. 430/- as pending for payment on account of default in compliance with the TDS Provisions for the FY 2010-2011 to 2012-2013. Hence it is advised to check the justification report and to comply the provisions	Action is initiated. We are in touch with the IT Department to settle the pending dues.
The Unit has earned interest on FDR. Bank Certificate and TDS Certificate in the form of FORM 16 or 26 AS not produced to us regarding the confirmation.	Bank Certificate and TDS Certificates are available in the Institute for verification.

Since the Institute is not strictly followed mercantile system the outstanding balance at the end of the period is not accurate	Noted.
Receipt and Payment Account is not prepared on cash basis	Receipts and payment account is prepared on cash basis.
Fee from training programmes and students is accounted on receipt basis. No record produced for fee due from programmes and students.	Dues are accounted separately and are available for verification.
Current assets and current liabilities are subject to confirmation hence we cannot comment on their correctness. Current liabilities need proper verification. Old current assets are shown as recoverable, needs proper verification and confirmation	Noted.
Rs.14,74,474.00 paid on account of GST due to late registration. This is net loss to the organization. Accountability should be fixed.	Noted.
ICM, Thiruvananthapuram	
The Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases	Noted for Future Action
Capital Fund of Rs.44,13,737.60 shown in the Balance Sheet having entry of Depreciation amounting of Rs.2,20,183.21. Hence Capital Fund is debited to the extent of Rs.2,20,183.21 and Income and Expenditure is credited	As per NCCT instruction every year Depreciation is debited in Capital a/c and it is not credited in Income and Expenditure
Building Fund of Rs. 22,66,911.70(Net Balance) shown in Schedule-3 does not represent a correct picture as Service charge Recovered from Hostel of Rs.5,07,950.00 are directly add back in opening Balance of Building Fund without routing it to Income and Expenditure Account. We cannot comment on accuracy of the Fund.	The Hostel service charge is directly credited to Building Fund a/c at the year end.
Training & Development Fund of Rs.86,34,470.03 (Net Balance) shown in the Schedule - 3 does not represent a correct picture as paid program surplus of Rs.15,95,103.48 is add back in opening balance of Training & Development Fund. Further Income from Investment of Rs.5,77,664.00 and Surplus from MBA of Rs.3,33,841.75 are credited to Training & Development Fund. Further Revenue Expenditure of Rs.24,000 and 7th CPC Arrear of Rs.32,61,313.00 are debited to the TDF. We cannot comment on accuracy of the fund.	As per NCCT Direction we have done the said entry.
The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the	

Financial Year 2018-2019 and we have relied on their Concurrent Year Report while conducting Statutory Audit of the Unit.	No action required
Physical verification of Fixed Assets. It is strongly suggested that the institute should develop a system of unique reference numbering or coding on each fixed assets and the location of the assets where it's lying. Control over identifying , recording, storing and disposal of assets retired from its active use should be done more effectively. Ensure that all assets are safeguarded against damage or theft.	Noted for Future action
Physical Verification of Library Books and Stationary :Physical Verification Report of Library Books and Stationary are made available but we are not able to comment on safeguard against lost or theft of books and procedure for recovery in the case of lost or theft	We have safeguarded the Library book and stationary by keeping accurate stock registers and CCTV Camera. In case of theft or loss recovery will be done as per NCCT policy.
The Current Assets and Current Liabilities are subject to confirmation from parties. It has been observed that party wise ledgers have not been maintained for all Creditors/Debtors with Exception of few. There has been no external confirmation statement available from parties.	Noted for Future action
MESS Operation: During the Audit it is observed that the Institute has given contract for Mess to contractor. NCCT should form a uniform policy in this regard as there may be possibility of Revenue Leakage.	No Revenue Leakage as per our books of accounts noted by Concurrent Auditor.
NCCT should conduct a training course like Basic Tally & GST Training, Training about Income tax provisions, TDS Applicability, TDS Rates, GST return, payroll management, Basic Business Essentials in Tally ERP 9 in their train their Accountant and administrative staffs so that Accounting and Statutory compliance mistake can be reduce and Further Liability can be avoid.	Noted for Future Action
Belated Filing of GST return: Ensure that the GST Returns are filed within the due dates in order to avoid late fees.	Noted for Future Action.
During the Audit it is observed that Vouchers have been found missing and in some vouchers authorized Signatory is missing. It is suggested that Proper supporting documents must be attached along with the vouchers. Proper authorization of the concerned authorities must be obtained in the vouchers as a part of effective internal control.	All the vouchers are being attached with proper supporting document duly signed by the Authorized signatory.
During the Audit it is found that In receipt book, Receipt no.3677 dated 16-1-2019 the amount accounted as receipt is only Rs.5030/- but actual amount received as per the day book is Rs.10,030/-.	Actually amount received Rs.10030/- was accounted in Tally and in the receipt book, the amount written in words shows the same but while

It is suggested matching of amounts with proper vouchers and bills are necessary.	writing in figures the mistake happened which is corrected now.
During the Audit it is noticed that the unit has paid of Rs.20,85,100/- on account of deposit of due Service Tax for the period from 2013-2014 to 2017-2018 along with Rs.8,76,397.00 as deposit of Interest and Rs.3,12,765.00 as penalty. Further the Institute has paid Rs.19,08,844.00 as GST on paid programme fees. Despite of repeated audit observation about applicability of Service Tax and imposition of GST liability the policy maker of the Institute had ignored resulting in payment of huge fine and loss as it cannot recovered. It is the responsibility of the Head Office with the oversight of those charged with governance, to ensure that all the Units operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in all the units financial statements.	We have taking necessary action and paid all the dues as per NCCT Directions.
The Unit has earned interest on FDR, Bank certificates and TDS certificates in the form of Form 16 or 26As not produced to us regarding the confirmations.	Noted for future action
Receipt and Payment Account is not prepared on cash basis	As per NCCT direction we have prepared the Receipt and Payment account.
Fee from training programmes and students in accounted on receipt basis. No record produced for fee due from Programmes and students	Fee due from training programmes is mentioned in sundry debtors (in Financial statement)
Current assets and Current liabilities are subject to confirmation, hence we can not comment on their correctness, Current liabilities needs proper verification. Old current assets are shown as recoverable needs proper verification and confirmation	Noted for Future Action
GST Payment Rs.19,08,844.00 paid on account of GST due to late registration. This is net loss to the organization. Accountability should be fixed.	We have taken GST registration from 18-9-2018 as per NCCT instruction received on Email dated 18-7-2018
ICM, Madurai	
The .Commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the Institute	Noted for future action.

is found following hybrid form of accounting which contains cash basis as well as accrual system simultaneously in some cases.	
CAPITAL FUND Capital Fund of Rs. 30,51,682.84 shown in the Balance Sheet having entry of Assets Purchased of Rs. 1,48,662.00 and Depreciation amounting Rs. 2,83,955.50. Hence Capital Fund is debited to the extent of Rs. 2,83,955.00 as Depreciation and Credited to the extent of Rs. 1,48,662.00 as Assets Purchased..	As per NCCT instruction every year Depreciation is debited in Capital A/c and it is not credited in Income and Expenditure.
BUILDING FUND Building Fund of Rs. 51,83,388.75(Net Balance) shown in the Schedule - 3 does not represent a correct Picture as Service Charge Recovered from Hostel of Rs.3,13,305.00 is directly add back in Opening Balance of Building Fund without routing it to Income & Expenditure Account. We cannot comment on accuracy of the fund.	The Hostel service charge is directly credited to Building Fund A/c at the Year end.
TRAINING & DEVELOPMENT FUND Training & Development Fund of Rs. 87,61,824.39 (Net Balance) shown in the Schedule - 3 does not represent a correct Picture as paid program surplus of Rs.13,77,214.54 from General is add back in Opening Balance of Training & Development Fund. Further Income from Investment of Rs. 6,92,066.65.00 from General, Other Receipts of Rs. 23,288.00 are Credited to Training & Development Fund. Further Revenue Expenditure of Rs. 1,14,505.00 and 7th CPC Arrear of Rs. 12,51,611.00 are debited to the TDF. We cannot comment on accuracy of the fund.	As per NCCT direction we have done the said entry.
The NCCT has appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-2019 and we have relied on their Concurrent Year Report while conducting Statutory Audit of the Unit.	No action required.
Physical Verification of Fixed Assets: It is strongly suggested that the Institute should develop a system of unique reference numbering or coding on each fixed assets and the location of the assets where it's lying, Control over identifying, recording, storing and disposal of assets retired from its active use should	Noted for future action

be done more effectively. Ensure that All assets are safeguarded against damage or theft.	
Physical Verification of Library Books and Stationary: Physical Verification Report of Library Books and Stationary are made available but we are not able to comment on safeguard against lost or theft of books and procedure for recovery in the case of lost or theft.	We have safeguarded the Library Books and stationery by keeping stock registers. in case of theft or loss, recovery will be done as per NCCT policy.
The Current Assets and Current Liabilities are subject to confirmation from parties. It has been observed that party wise ledgers have not been maintained for all Creditors / Debtors with Exception of Few. There has been no external confirmation statement available from parties.	Noted for future action.
MESS OPERATION During the Audit it is observed that the Institute has given contract for Mess to Contractor. NCCT should form a uniform policy in this regard as there may be possibility of Revenue Leakage.	No revenue Leakage as per our books of accounts noted by Concurrent Auditor.
NCCT should conduct a training Course like Basic Tally & GST Training, Training about Income Tax Provisions, TDS Applicability, TDS Rates, GST Return, Payroll Management, Basic Business Essentials in Tally ERP 9 in their units to train their Accountant and administrative staffs so that Accounting and Statutory compliance mistake can be reduce and Future Liability can be Avoid.	Noted for future action
During the Audit It is noticed that the unit has paid of Rs. 41,38,248.00/- on account of deposit of due Service Tax along with interest and penalty. Further the Institute has also paid GST Arrear on Paid Programme Fees. Despite of repeated audit observation about applicability of Service Tax and Imposition of GST Liability, the Policy maker of the Institute had ignored resulting in payment of huge fine and loss as it cannot recover. It is the responsibility of the Head Office, with the oversight of those charged with governance, to ensure that all the Unit's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in all the unit's financial statements.	As per the guidance of NCCT we have paid GST arrears, pending arrears of Service Tax with interest, penalty. from September, 2018 onwards, we have been paying GST due on monthly basis.

As per the circular No - 2-17/2016-17/F&A dated 04/07/2016 available to us the Institute while making investment decisions, certain factors such as risk, liquidity, maturity and yield. The Institute has a practice of investing the surplus fund as Fixed Deposits with the Co-operative Banks only. Since the Co-operative Bank are not under the strict control of Reserve Bank of India, The risk in depositing funds with this bank is presumed to be high.	Noted for future action.
The Unit has earned interest on FDR. Bank Certificate and TDS Certificate in the form of FORM 16 or 26 AS not produced to us regarding the confirmation. Since the Institute is not strictly followed mercantile system the outstanding balance at the end of the period is not accurate.	Noted for future action. Noted for future action.
Receipt and Payment Account is not prepared on cash basis.	As per NCCT direction we have prepared the Receipt and Payment account.
MBA—M. DEVELOPMENT & WELFARE FUND Interest earned from investments Rs.4,52,993.00 is directly transferred to this fund and by this amount income is understated. Further 26AS and bank certificate of interest on investment not provided. Hence we can not comment whether proper accounting done for TDS and total interest accrued on investments. Further as per policy 50% of profit of MBA is transferred to capital fund and 50% to NCCT-Home grant account.	As per NCCT direction we are doing it regularly.
Fee from training programmes and students is accounted on receipt basis. No record produced for fee due from programmes and students.	Fees due from training programmes is mentioned in sundry debtors (in financial statement)
Current assets and current liabilities are subject to confirmation , hence we can not comment on their correctness. Current liabilities needs proper verification. Old current assets are shown as recoverable, needs proper verification and confirmation.	Noted for future action.
GST Payment Rs.11,37,752.00 paid on account of GST due to late	We took GST registration in September, 2018 as per NCCT

registration. This is net loss to the organization. Accountability should be fixed.	instruction received through Email dated 18-7-2018.
DNS RICM, PATNA	
The commonly prevailing basis of accounting are either cash or accrual basis for recognizing, measuring and disclosing of various items of income and expenses, assets and liabilities but the institute is found following hybrid form of accounting which contains cash basis as well accrual system simultaneously in some cases.	The accounting system of the institute is only on accrual basis which is in accordance with the NCCT accounting norms.
As per the circular no.-4-18/RES/F&A /2015-16 dated 28.01.2016 the institute can retain 50% of the surplus from the entire paid programme and 50% is to be transferred to NCCT headquarters. Accordingly 50% of total surplus through paid programme is directly credited to Training and Development Fund and 50% to NCCT.	While 50% of the total savings from the paid programmes is directly credited to the Training and Development Fund of the institute and the rest 50% is transferred to the NCCT as per its instructions.
Building Fund of Rs. 6,36,06,043.34 shown in Balance sheet does not represent a correct balance as service charge recovered total amounting Rs. 77,35,780.00, Saving interest amounting Rs. 8,867.00, income from investment amounting Rs. 33,89,096.54, Other addition amounting Rs. 3,32,353.00 are directly added back to building fund. Further payment of salaries, wages and allowances etc. amounting to Rs. 28,140.00 is debited to Building Fund. By these amounts income and expenditure are understated.	Building Fund of the institute is either debited or credited on the basis of the accounting policy of the NCCT. However, necessary changes in the accounting policy will be adhered to by the institute only on hearing from the NCCT in this regard. Rs. 28,140/- has been paid to the Hostel Warden towards warden allowance as per instruction of the NCCT.
Training Development Fund of Rs. 5,85,49,533.55:- Surplus from paid programme amounting to Rs. 95,73,002.00 plus income from investment made on account of funds amounting to Rs. 41, 80,027.80 are directly credited to TDF. Further payment of assets purchase total amounting of Rs. 3,34,163.00 and payment for salary and wages amounting Rs. 76,24,582.06 are directly debited to Training Development Fund. By these amount income and expenditure are understated.	The TDF of the institute is debited! credited as per the accounting policy of the NCCT. Action as per the observation will only be taken on hearing from the Council in this regard.
During the Audit it is observed that The NCCT has not appointed a firm of Chartered Accountant as a Concurrent Auditor for the Financial Year 2018-2019. In this regards it has been explained by the officials of Institute that despite being number of letter and reminders issued by the DNS RICM, NCCT	There does not exist any sort of conflict in between the NCCT and the Institute with regard to appointment of the Concurrent auditor as observed. Of course as observed by the Audit the institute has made vigorous efforts to

-HO has not given approval for the Appointment of Concurrent Auditor. It seems like there is a conflict / dispute between them so we are of the opinion that the necessary action at HO level to appoint the concurrent Auditors.	have a Concurrent Auditor in the interest of the "proper upkeep of the books of accounts of the institute but the ball for appointment of the CA is still in the NCCT's court.
Physical verification of Library books and Stationary:- Physical verification report of library books and stationary are made available but we are not able to comment on safeguard against lost or theft of books and procedure for recovery in the case of lost or theft.	The institute has nothing to comment in this regard.
Physical verification of fixed assets:- It is strongly suggested that the institute should develop a system of unique reference numbering of coding on each fixed assets and the location of the assets where it is lying. Control over identifying, recording, storing and disposal of assets retired from its active use should be done more effectively. Ensure that all assets are safeguarded against damage or theft.	The institute has already initiated some action in this regard. However, as per observation made by audit, action for unique reference numbering of coding on each fixed assets etc. will be taken by the institute.
The Authority to issue cheques and made accounting entries is one person. Thus Authority should be delegated to different Employee so that work of one person will be checked by another and good Internal Control will be established.	For maintenance of books of accounts of this institute there exists an exclusive post of Accountant.. Of course charge of cash etc. is being maintained by another incumbent. More so one account knowing lecturer also looks after the books of accounts of the institute to have proper internal check.
The current assets and the current liabilities are subject to confirmation from parties. it has been observed that party wise ledgers have not been maintained for all creditors/debtors with exception of few. There has been no external confirmation statement available from parties.	Current Assets/liabilities of the institute are confirmed. Usually institute does not receive any sort of confirmation statement from outside sponsoring organizations
There is a huge amount received as advance against Training programme amounting to Rs. 1,69,63,198.00. It is subject to verification. Institute should maintain separate Bill register to keep an audit trail of bills raised as and when programmes are scheduled !held, Advances received against them and final payment received. Programme- wise individual details should be maintained.	Separate Bill Registers etc. as observed by the audit are maintained by the institute.

There should be reconciliation statement with respect to transaction done with Head Office on regular basis. here should be reconciliation system so that remittance from NCCT AIC is accurate all the time.	Observation of the audit has been noted and action, if needed, will be taken after hearing from the NCCT in this regard.
During the Audit It is noticed that the unit has not paid / settled due Service Tax for the period from April 2013-2014 to 30/06/2017 along with deposit of penalty and interest so we are of the opinion that the necessary action has to be taken by the management either to get it resolved at earliest after getting the necessary approval from NCCT as Interest and penalty are imposing day by day and as per information provided by the management that the total liability is approx 3,46,91,752.34. Further the Institute has paid Rs. 70,79,158.00 as GST on Paid Program Fees and Hostel Rent @ 18 %. Despite of repeated audit observation about applicability of Service Tax and Imposition of GST Liability, the Policy maker of the Institute had ignored resulting in payment of huge fine and loss as it cannot recover.	In place of 3,46,91,752.34 inclusive of interest etc. towards Service Tax for the period from April,2013-14 to 30.06.2017 Rs. 1,82,68,608.00(Rupees one crore eighty-two lakh sixty-eight thousand six hundred eight) only has since been deposited under 'Sabka Vikas Legacy Dispute Resolution Scheme' (SVLDRS Scheme) on 28.10.2019 by cheque no. 401184 drawn in favour of RBI. Xerox copy of Mandate Form Details along with deposit receipt are enclosed for perusal.
Receipt and Payment Account is not prepared on cash basis.	Receipt and Payment Account is prepared as per the policy of the NCCT, New Delhi.
The unit has earned FDR. Bank Certificate and TDS Certificate in the form of FORM 16 or 26 has not produced to us regarding the confirmation hence we cannot comment on correctness of the TDS Outstanding.	The Bank certificates were available with the institute and were shown to audit during course of audit. This has already been mentioned in the books of accounts. Form 16 from the Banks are now available the xerox copies of which are attached.
MESS ACCOUNT NCCT-HO should formulate a uniform policy for mess operations and appointment of mess contractor and fixation of rates etc. As there may be scope for leakages.	The institute has nothing to comment in this regard.
VAMNICOM, PUNE	
Depreciation charged as per accounting policy of NCCT and not as per income tax act, amount not quantified.	No Comments.
Current assets and current liabilities are not	Noted

confirmed by the parties and there are some old liabilities and recoverable, which may be doubtful and may impact the true and correctness of the current assets and current liabilities	
Books of Accounts not prepared as per accrual systems. Maximum transaction are on cash basis.	Noted. NCCT may like to examine the issue and guide.
Receipt & Payment Account not maintained as per cash basis.	It was made as per approved proforma of Ministry and as per direction of NCCT.
An amount of Rs. 1,32,72,074.00 shown in balance sheet as capital work in progress previous year it was Rs. 10,65,000.00, and still pending under capital work in progress. It is necessary to take immediate action to transfer this amount to respective Asset. Status of project not known. Action should be taken for completion of the project and its capitalization.	A Capital asset- "New Hostel for PGDM- ABM students" is under progress through CPWD. as per CPWD's norm funds in advance have to be placed with them for initiation of the project. the project, is in progress and expected to be completed by May, 2020.
Separate record for contractual employee attendance should be maintained from Regular employee	Contractual and outsourced employees are marking their respective attendance in separate biometric machines.
Tds deducted un-necessary of those Guest faculties whose honorarium does not exceed the taxable limit as per section 194 J of income tax Act, 1961.	Noted. Presently, a database is maintained and TDS is deducted as per rule.
In the case of course PGDM, the data documents related to fees received for Batch 2017-19, Batch 2018-20 & Batch 2019-21, fees accounted on receipt basis there is difference of Rs. -41,89,674.00.	Noted. PGDM programmes for batch 189-20, 19-21 are continuing and A/c s not closed as yet.
In the case of course PGDM, the data documents related to fees received for batch 2014-16, Batch 2015-17 & Batch 2016-18, is not provided to us. These could not be verified	Data documents are available in CME and could be verified at any time (may be in the next audit)
Interest income received by Vamnicom on investments not reconciled with bank. Form 26AS also not provided for our verification.	Audit team was provided bank statements, which reflected interest earned during a given year. form 26 AS was not provided as the same is only available at NCCT Hq s/
The national council for cooperative training has appointed a firm of chartered accountants as concurrent auditors for the financial year 2018-19 and we have relied on their concurrent audit report	No comments.

while conducting statutory audit of the Vamnicom..					
In case of Vamnicom interest on FDR Rs.2,48,85,805.00 is directly credited to Building Fund , TDF etc and interest from PGDM Rs. 8,74,390.00 also not routed through Income & Expenditure account, hence by this amount income is understated.					NCCT directions have been followed on this issue.
As per circular interest of FDR from TDF and Building Fund should be transferred to NCCT- HO, but it has not been transferred to head Office.					There is no capital head of maintenance works and creation of capital assets. it was decided with the approval of Mgt. committee/building committee to go for extensive capital maintenance works. hence, a stop gap decision was taken at administrative level with due information to NCCT on the issue upon receipt of central Capital grant of an order stating sharing of interest income with NCCT, the same would be complied with.
Income from Kerala coop bank Rs.7,988.00 not booked.					Noted.
Rent receivable from ATM, and other tenants not booked on accrual basis					Noted.
In case of Saraswat Bank, cheques older than three months amounting to Rs.14,38,309.00 not reversed. As informed by the Institute (VAMNICOM) following court cases are pending against the institute: All these cases are filed against the VAMNICOM. The VAMNICOM is Respondent in all these cases. No provision made for contingent liability					Noted.
Pending Accounts: Following Accounts are pending since long:					Noted. Action will be taken to settle the balances.
S. No	Particular	Amount (Dr) as on 31.03.2019	Amount (Cr) as on 31.03.2019	Amount Pending from	

1	Gratuitly withheld amount of Shri N.Kanagsabai		22,540.00	01.04.2008	
2	Late Shri S.R More amount payable		20,000.00	01.04.2008	
3	Prof.P. Chattopadhyay prog. fee payable		8000.00	31.03.2012	
4	Expenditure payable 2013.14		17,71,135.00	10.10.2014	
5	NCUI Funds Books and journals	16,620.99		01.04.2013	
6	Financial Assistance from cooperative education fund NCUI	41195.00		01.04.2013	
7	Expenditure payable 2014-15		32,886.00	01.04.2015	
8	NCUI Fund = Up	1,69,997.00		01.04.2015	

	Graduation of Cyber Net Lab at dcbmh										
9	Prog. expenditure payable 2014-15		30,730.00	01.04.2015							
10	Expenditure payable 2015-16		2,00,636.00								
11	Dr. D Ravi Prog. fee Receivable	5,000.00		08.05.2015							
12	NABAR D Chair Account		1,09,599.50								
Necessary action should be taken at the earliest to close these accounts.											
CAPITAL FUND											
Fixed assets of Rs.1,03,45,037.00 purchased during the year 2018-19 are credited to capital fund and depreciation of Rs.50,80,300.46 is debited to capital fund but closing balance does not tally with the fixed assets. Difference is coming since long.											
Interest of Rs.44,29,110.00 and Misc. item rs.1,77,162.25 is directly credited to the fund and by that amount income is understated. Further following is debited to the fund:-											
<table border="0"> <tr> <td>1. GST-TDS</td> <td>Rs. 44,820.00</td> </tr> <tr> <td>2. CPC-Arrear</td> <td>Rs.41,50,766.00</td> </tr> <tr> <td>3. CPC0-arrear</td> <td>Rs. 13,68,314.00</td> </tr> </table>						1. GST-TDS	Rs. 44,820.00	2. CPC-Arrear	Rs.41,50,766.00	3. CPC0-arrear	Rs. 13,68,314.00
1. GST-TDS	Rs. 44,820.00										
2. CPC-Arrear	Rs.41,50,766.00										
3. CPC0-arrear	Rs. 13,68,314.00										
These expenses not routed through Income & Expenditure account and by that amount expenditure is understated.											
BUILDING FUND											
Building rent, licence fee and interest from											
Building fund is also an endowment fund and the interest/ other incomes are used for creation of capital assets /											

investments is directly credited to building fund Rs.1,90,04,558.00 and by that amount income is understated.	renovations work of building. so, it is not regular income of the Institute.
OTHER LIABILITIES	PGDM account is an inter unit account of VAMNICOM with CME. the amount is payable to PGDM A/c sales amount is unadjusted (sundry debtor) amount of invoice created for GST Bill.
PGD account Rs.2,13,12,329.81 Sales Rs .5,04,362.00 These were not explained to us.	
Provisions of Rs.38,16,397.21 , its basis and documents not produced for our verification. Hence we can not comment	Details are completed and available with VAMNICOM. the same may be verified, if need be.
Following are the debit balance of Rs.4,55,026.00 which are taken in advance received schedule and due to this current liabilities are understated .	Noted.
GST paid Rs.25,17,710.50 is shown in Debtors. Details not produced for our verification.	Details are completed and available with VAMNICOM. the same may be verified if need be.
Head office	
Form 16 issued to employees contains signature of other authority even if name of authority is B.S.Rohilla (Previous Director/ Finance) and it may lead to any dispute/litigation against NCCT in future.	In this regard, it is to mention here that due to transfer of Sri.B.S.Rohilla the then Director Finance I/c in March 2019 and Dr.P.K.Upadhyaya has taken over the charge of the post of Director I/c. Therefore, Forms 16 were signed by Dr.P.K. Upadhyaya. However, the required authorisation has been changed in traces portal of Income Tax Department, Govt.of India now. (Annexure No.1)
Depreciation charged as per accounting policy of NCCT and not as per Income Tax act. Amount and its impact not ascertained.	As per past practices the depreciation has been charged as per the rate charges adopted by NCCT. As suggested by Auditor, depreciation would be calculated as per IT Act in future.
NCCT has converted into Society from 16/04/2018 but it has not closed its accounts upto 15/04/2018 as NCCT old entity. New entity came in existence on 16/04/2018 but assets taken over are as on 1st April, 2018.	The order of delinking came into force on 22.02.2018 and NCCT was registered as a society under the Societies Registration Act,1860 by the Ministry of Agriculture & Farmers Welfare. As such the Financial Statement of the NCCT and its training units has been prepared as per clause 5(1) (a) of the MoA. It is stated that newly registered society shall take over all the assets and liabilities of the NCCT and its training units. As such the accounts of the

	FY 2018-19 are in the domain of NCCT being a registered society. However, there is no financial implication on newly registered society.		
NCCT has taken new Pan No. AAATN3477B and surrendered old pan number.	Only informative.		
No advance tax paid by the NCCT. The advance tax liability not calculated, hence we can not comment on the liability.	The NCCT, although registered under Society Act as Society is fully funded by Govt. of India and is involved in teaching and training for the human resource development of the Cooperative Sector. Moreover, NCCT does not generate any surplus over expenditure. Therefore, advance tax is not due for NCCT.		
Fixed assets purchased during the year of amounting of 71,925 in 6 Bills dated 26/12/2018 bills are in the name of contractual employee Mr. Manoj Negi.	Purchase/procurement Policy of the Society is being done with approval of the competent authority through GeM. Moreover, the bills was raised in the name of Manoj Negi of NCCT alongwith GST number of NCCT (Annexure No.2)		
An amount of 7,52,730.00 in sundry creditor in respect of CPWD has been transferred to TDF during the year but this transfer is subject to confirmation so we cannot comment on it. Lod amount but no supporting documents produced to us.	The NCCT carried out the renovation work of the office in the year 2009 and the work were assigned through CPWD and based on their final bill the amount of Rs.7,52,7300 was payable to them. This amount was released for rectification of certain defects for liability period. NCCT persuaded CPWD for renovating those defects but ultimately CPWD did not turned up. Now despite lapse of 10 years there was no claim by CPWD, hence the amount standing from sundry creditor has been transferred to account.		
As per accounting policy of NCCT, income/expenses from investment out of earmarked fund is to be added or deducted directly from that respective funds but it has transferred all such incomes NCCT-HQ including ICMs to Pension funds without reflecting it through Income & Expenditure account.	In order to strengthen of the NCCT Pension Fund which is exclusively managed by NCCT through its internal resource generation, the then NCCT committee had approved the income from investment will be transferred to Pension Fund. However, the audit observation is noted for future compliance.		
Provision (excluding Vamnicom) in respect of liabilities to that extent liabilities are overstated.	It is to mention here that no such provision appears in the Audited financial statement 2018-19. However, total provision appears at Rs.42,27,548.00 only. The annexure		
	As per Balance sheet	As per Actuary Report	Differences

Gratuity	25,71,35,782.00	20,54,55,405.00	5,16,80,377.00	is herewith enclosed. (Annexure No.3)
Leave Encashment	29,71,12,860.00	27,73,21,378.00	1,97,91,482.00	
			excess provision excess Provision	
Detail of sundry creditor should be maintained with proper subsidiary record and balance of Rs. 1,75,608.00 (except 9,000.00) is as on 31.03.2019 is subject to confirmation.				Suggestion of Auditor is noted for future compliance.
Provision for gratuity of Rs. 3,00,00,000.00 has been reversed during the year and no supporting documents produced to us to comment on it.				The provision for gratuity of Rs.3 crore has reversed vide journal voucher No. 306 dt.31.3.19 and have been subject to verification of audit given in annexure No 4.
Sundry Debtors and advances are subject to confirmation.				The suggestion of Auditor is noted for future compliance.
Expenses of Rs. 7,57,385.00 in respect of 7 th CPC of NER reason not charged last year 2017-18 but now has been charged this year. Expenses relating to previous charged during the year.				This being an expense relating to previous year and it has been appropriately accounted for during the year 2018-19 as per 7 th pay commission has implemented to NER in 2018-19.
Provision of Rs. 4,68,41,818.20 in respect of 7 th CPC arrears unpaid to employees but calculation and employee wise detail not shown to us.				The Committee was constituted at H.Q. to verify the figures/data furnished by Units in respect of 7 th CPC implementation. The employee wise details are all available on relevant files and the balance amount is earmarked to MACP scheme in which the payment of MACP arrears has to be paid to entitled officials of the NCCT & its units.
Interest on fixed deposits of Rs. 49,461.48 in respect of two Other Funds -FDRs given below has not been incorporated this year due to taking of wrong date, hence income is understated..				In this case, the date of FD was inadvertently wrongly indicated. Now it has been rectified.
	ISSUED DATE	TAKING DATE	FDRs No.	
SBI	28/05/2018	28/04/2018	37721667030	
CANA	06/02/2019	11/02/2019	746/12	
Internal Audit has not been conducted from 2014.				Internal Audit of all Training Units of NCCT has been conducted time to time. However suggestion of Auditor is noted.
Internal control is very weak and internal audit department should be strengthened.				NCCT has well established internal audit wing headed by Sr. Consultant Audit (Ex. Director from CAG).

	However, the suggestion of audit for strengthening of internal control is noted for future.
Dead assets sold during the year has not been deducted from fixed assets ledgers and proceed from these has been transferred to Govt of India (Grant) and fixed assets records not updated accordingly	The assets sold have already been deducted from the respective fixed assets as on 31.03.2019.
The current assets and current liabilities are subject to confirmation. NCCT should get confirmation of balance from all debtors and creditors. And proper subsidiary records should be maintained.	Noted for future compliance.
Interest on Fixed deposits of Rs.17,39,86,094.26 (including transferred from ICMS) has been directly transferred to Pension funds hence due to it income has been understated of all units.	In order to strengthen the NCCT Pension Fund which is exclusively managed by NCCT through its internal resource generation, the then NCCT committee had approved the income from investment will be transferred to Pension Fund. However, the audit observation is noted for future compliance.
NCCT-HQ has not made provision for taxation hence it will lead to interest and penalty u/s 234 B and 234 C in contravention of Provision of income tax even if It has not obtained 12AA certificate and not paid advance tax.	As NCCT society is new cooperative entity and the process of 12A certificate is being closely pursued.
Physical verification of assets not done at the end of the year. We can not comment on shortfall in assets. Further fixed assets register not maintained and updated as per requirements.	Physical verification has been carried out for the FY 2018-19. There is no shortfall in assets.
Investment in following entities are not as per the prescribed rules issued by ministry of agriculture.	These investments are prior to the norms or instruction given in financial bye law issued by Ministry. However, investments have already matured and reinvested as per financial bye-laws of the NCCT. (Annexure No.5)
LIC Housing Ltd. (NHB)	13,00,00,000.00
PNB Housing Fin. LTD. (NHB)	3,64,12,749.00
KTDFC LTD.(NBFC)	4,00,00,000.00
GPF	
Proper record for payment and provision of GPF should be maintained.	Noted for future compliance.
Stock register of stationery should be maintained properly and issue and receipt entries should be made to proper control on it.	Stationery & stock is being maintained properly and all the receipt & income are duly recorded in the register.
An amount of Rs. 1,00,00,000.00 received by GPF from general accounts but entry of it has been done through Suspense Gis. accounts and this amounts has been reinvested by GPF in fixed deposit thereof has been transferred by general account to GPF on date 31.03.2019 .	This is related to inter mutual accounts (General & GPF) and the necessary rectification entry has already been carried out in the year 2018-19.(Annexure No.6)

Investment in following entities are not as per the prescribed rules issued by Ministry of agriculture.		These investments are prior to the norms or instruction given in financial bye law issued by Ministry. However, investments of Rs.2.9 Crore have already matured and reinvested as per financial bye-laws of the NCCT and Rs.72,43,230 will be matured in April 2020. (Annexure No.7)
LIC Housing Ltd. (NHB)	2,90,00,000.00	
PNB Housing Fin. LTD. (NHB)	72,43,230.00	
Pension		These investments are prior to the norms or instruction given in financial bye law issued by Ministry. However, investments have already matured and reinvested as per financial bye-laws of the NCCT. (Annexure No.8)
Investment in following entities are not as per the prescribed rules issued by ministry of agriculture.		
KTDFC LTD.(NBFC)	4,50,00,000.00	

LOCATIONS OF NCCT INSTITUTES



राष्ट्रीय सहकारी प्रशिक्षण परिषद

NATIONAL COUNCIL FOR COOPERATIVE TRAINING

(An Autonomous Society Promoted by Ministry of Agriculture & Farmers Welfare
Govt. of India)

3, Siri Institutional Area, August Kranti Marg, Third Floor, NCUI Building New Delhi-110016

Phones (EPBX): 26861753, 26861007, 26861150, 26861737, 26512062

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