



ASIAN DEVELOPMENT BANK



ASDM

Assam Skill Development Mission

ASSAM SKILL UNIVERSITY



AUDIT REPORT
FOR THE PERIOD ENDED 31/03/2023

NIRANJAN & NARAYAN

Chartered Accountants

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Niranjan & Narayan

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To,
The Chief Executive Officer
Assam Skill University Project
3rd Floor, DECT Office Complex, Rehabari
Guwahati-781008, Assam

We have audited the accompanying financial statements of the Assam Skill University, in respect of a Project financed under Asian Development Bank Loan No. 4166-IND, which comprise the Receipts and Payments account, Income and Expenditure Account and Balance Sheet and related notes for the period ended 31st March 2023 and a summary of the significant accounting policies and other explanatory information.

Basis of opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for

The Agency's Management is responsible for the preparation of these project financial statements, in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the

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Niranjana & Narayan

Chartered Accountants

appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. As far as going concern concept is concerned, it all depends on the scheme and policy of the Government.

Unmodified Audit Opinion

In our opinion, the financial statements present fairly, in all material respects, the sources and applications of funds of Project for the period ended 31st March 2022 and the financial position as on 31st March 2023 in accordance with accounting standards.

Subject to our observations attached as per Annexure -A, we further report that:

- 1) Proceeds of the loan from ADB have been utilized for the purposes as per ADB Loan / Project Agreement,
- 2) Financial covenants in the loan agreement Assam Skill University Project Loan No. 4166-IND dated 17th December 2021 have been complied with.
- 3) (i) a. With respect to SOEs, adequate supporting documentation has been maintained to support claims to the Asian Development Bank for reimbursements of expenditures incurred; and
b. Except for matters detailed in the Management Letter, appended to this audit report, expenditures are eligible for financing under the Loan Agreement.
(ii) The Project is on Reimbursement and Direct payment procedure and Imprest Account procedure is not applicable.

Date: 22/09/2023
Place: Guwahati



For Niranjana & Narayan
Chartered Accountants
FRN No. 0058995

CA Sanjay Kumar Jalewala
Partner
Membership No. 307995
UDIN:23307995BGRUEV1368



Niranjana & Narayan

Chartered Accountants

Management Letter

To,
The Chief Executive Officer
Assam Skill University Project
3rd Floor, DECT Office Complex, Rehabari
Guwahati-781008, Assam

Sub: Audit of Project Financial Statements of Assam Skill University for the period ended 31st March 2023

The purpose of this report is to set out certain matters that came to our attention during the course of the audit of project financial statements of Loan No. 4166-IND and is part of audit deliverables related to project audit for the fiscal year 31st March' 2023.

Our objective is to use our knowledge of the operations gained during our routine audit work to make useful comments and suggestions for you to consider. However, you will appreciate that our routine audit work is designed to enable us to form an opinion on the financial statements of the project operations and it should not be relied upon to disclose all irregularities that may exist or to disclose errors that are not material in relation to the financial statements.

Our report is designed to include useful recommendations that may help improve performance and avoid weaknesses that could lead to material loss or misstatement. It is your obligation to take the actions needed to remedy those weaknesses and should you fail to do so we shall not be held responsible if loss or misstatement occurs as a result.

The report is provided on the basis that it is for the information of project management and ADB who are one of the prime end-users of these project financials statements; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we will accept no responsibility to any third party in relation to it.

This report addresses our observations from this year's audit and our recommendations in each area. These matters have been discussed with management and their response is included as appropriate.

Section A:

Matters or observations where there is a risk of a significant financial impact on the project financial statements (PFS) due to control failure. These are not material enough that require qualification or an exception in our project audit report drawing attention of the users, but these must be addressed immediately as continuing failure of these controls may significantly impact project operations. Management responses are included — **Please Refer to Annexure A** attached herewith



For Niranjana & Narayan
Chartered Accountants
FRN No. 0058995

CA Sanjay Kumar Jalewala
Partner
Mem No. 307995

Date: 22/09/2023
Place: Guwahati

Audit Observations forming part of the Audit Report for the Period ended 31st March 2023

Annexure - A

Audit Observation	Management Replies
<p>1. Control on fixed assets: It has been observed that the control over fixed assets is not satisfactory which is evident from the following:</p> <ol style="list-style-type: none"> Fixed assets register not updated. No physical marking/numbering of fixed assets made. No fixed assets verification committee formed. No fixed assets verification conducted during the Financial Year. 	<p>The observation of the audit has been noted. Necessary compliance shall be done during FY 2023-24</p> <p>Regarding Point (a) fixed asset register being updated in an excel sheet. The same is being updated in the Fixed Asset Register book.</p> <p>Regarding Point b Physical marking of the Chairs, 4 Selves Almirahs, Drawer Filling Cabinet, Standing Pedestal with Castor, were done. For remaining items it is under process.</p> <p>Regarding Point c: Fixed Asset verification committee formation process is initiated.</p> <p>Regarding Point d: Necessary compliance will be done from initiation after formation of the FA verification committee</p>
<p>2. Maintenance of vouchers:</p> <ol style="list-style-type: none"> Paid and cancelled not marked on vouchers. No debit voucher prepared. 	<p>The observation of the audit has been noted. Necessary compliance shall be done during FY 2023-24</p>

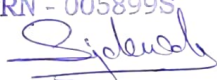


ASSAM SKILL UNIVERSITY

BALANCE SHEET AS ON 31.03.2023

LIABILITIES	SCHEDULES	As at 31.03.2023	As at 31.03.2022
Capital			
Unspent Balance	1	-49,95,997.90	25,79,625.10
Other Reserves			
Fixed Assets Reserve	2	1,87,829.00	1,10,189.00
Other Accumulated Receipts	3	32,499.00	14,096.00
Current Liabilities	4	54,02,564.00	32,01,815.00
Total	Total	6,26,894.10	59,05,725.10
ASSETS			
Fixed Assets	5	1,87,829.00	1,10,189.00
Current Assets, Loans and Advances			
Loans & Advances	6		
Security Deposits		5,000.00	5,000.00
DPR fund from GoA lying with ASUP			47,65,000.00
Advance for Office Expenses		18,000.00	
Current Assets	7		
Cash-in-hand		6,066.00	27.00
Bank Balance		4,09,999.10	10,25,509.10
Total	Total	6,26,894.10	59,05,725.10

For, Niranjan & Narayan
Chartered Accountants
FRN - 005899S



CA Sanjay Kumar Jalewala
Partner, M. No. 307995

Auditor

Registrar, ASU

Registrar

Assam Skill University

Finance Officer

Finance Officer

Assam Skill University

ASSAM SKILL UNIVERSITY

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS ON 31.03.2022

SCHEDULE - 1 OF UNSPENT BALANCE

PARTICULARS	As at 31.03.2023	As at 31.03.2022
Unspent Balance		
Opening Balance b/f	25,79,625.10	-
Add: Funds Received from Govt.	-	47,65,000.00
Less: Expenditure as per I/E A/c.	75,75,623.00	21,85,374.90
Closing Balance	-49,95,997.90	25,79,625.10

SCHEDULE - 2 OF OTHER RESERVES

PARTICULARS	As at 31.03.2023	As at 31.03.2022
Fixed Assets Reserve		
Opening Balance b/f	1,10,189.00	-
Add: Addition during the year	77,640.00	1,10,189.00
Less: Deletion during the year	-	-
Closing Balance	1,87,829.00	1,10,189.00

SCHEDULE - 3 OF OTHER ACCUMULATED RECEIPTS

PARTICULARS	As at 31.03.2023	As at 31.03.2022
Bank Interest		
Opening Balance b/f	14,096.00	-
Add: Addition during the year	18,403.00	14,096.00
Less: Deletion / transfer during the year	-	-
Closing Balance (A)	32,499.00	14,096.00

SCHEDULE - 4 OF CURRENT LIABILITIES

PARTICULARS	As at 31.03.2023	As at 31.03.2022
Advance from ASDM	52,87,188.00	32,01,815.00
Advance from ASUP	92,297.00	-
Professional Tax	624.00	-
Income Tax TDS	22,455.00	-
Total	54,02,564.00	32,01,815.00



ASSAM SKILL UNIVERSITY

SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS ON 31.03.2023

SCHEDULE - 5 OF FIXED ASSETS

PARTICULARS	Opening Balance	Addition during the year	Deletion during the year	Closing Balance
HP Laser Printer	34,999.00	-	-	34,999.00
Computer	75,190.00	-	-	75,190.00
Invertor	-	58,140.00	-	58,140.00
Kent Water Purifier 8 Ltr	-	19,500.00	-	19,500.00
Total	1,10,189.00	77,640.00	-	1,87,829.00

SCHEDULE - 6 OF LOANS & ADVANCES

PARTICULARS	Opening Balance	Addition during the year	Deletion during the year	Closing Balance
Security Deposits	5,000.00	-	-	5,000.00
DPR fund from GoA lying with ASUP	47,65,000.00	-	47,65,000.00	-
Advance for Office Expenses	-	18,000.00	-	18,000.00
Total	47,70,000.00	18,000.00	47,65,000.00	23,000.00

SCHEDULE - 7 OF CURRENTS ASSETS

PARTICULARS	FY 2022-23	FY 2021-22
Cash-in-hand	6,066.00	27.00
State Bank Of India (A/c No. 40466286253)	4,09,999.10	10,25,509.10
Total	4,16,065.10	10,25,536.10



ASSAM SKILL UNIVERSITY

INCOME & EXPENDITURE FOR THE YEAR ENDED 31.03.2023

INCOME	FY 2022-23	FY 2021-22
Government funds utilized to the extent of expenditure incurred	75,75,623.00	21,85,374.90
Total	75,75,623.00	21,85,374.90

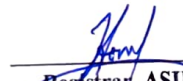
EXPENDITURE	FY 2022-23	FY 2021-22
ASU Operations		
- Legal Expenses	-	2,250.00
- Contingency & Misc Expenses	35,900.00	52,795.00
- POL, etc. Expenses	2,07,381.00	60,900.00
- Printing and Stationery	39,640.00	66,221.00
- Salary of VC	20,64,450.00	13,22,606.00
- Telephone, Mobile & Internet	82,264.00	30,520.00
- Conveyance Expenses	1,370.00	17,292.00
- Fixed Assets	77,640.00	1,10,189.00
- House Keeping Expenses	28,000.00	10,000.00
- Refreshment Expenses	7,155.00	-
- Tour Expenses	2,800.00	1,32,372.00
- Travelling Expenses	20,273.00	18,218.00
- Vehicle Hiring Expenses	1,25,144.00	3,47,541.00
- DPR Preparation	47,64,871.00	-
- Honorarium	20,500.00	-
- Meeting Expenses	18,400.00	-
- Papers and Periodicals	6,224.00	-
- Repairs and Maintenance	73,611.00	-
- Bank Charges	-	300.90
- Postage and Courier	-	900.00
- Refreshment Expenses	-	13,270.00
Total	75,75,623.00	21,85,374.90

For, Niranjana & Narayan
Chartered Accountants
FRN - 005899S



CA Sanjay Kumar Jalewala
Partner, M. No. 307995

Auditor


Registrar, ASU
Assam Skill University


Finance Officer
Assam Skill University

ASSAM SKILL UNIVERSITY

RECEIPTS & PAYMENTS FOR THE YEAR ENDED 31.03.2023

RECEIPTS	FY 2022-23	FY 2021-22
Opening Balance		
Cash-in-hand	27.00	-
Bank Balance	10,25,509.10	-
Funds Received from State Government	-	47,65,000.00
<i>Fund received from Govt. of Assam for Detailed Project Report (DPR) for Assam Skill University. Financial Sanction No. FS/ECT_2021-22(I)_509 Dated 09.02.2022</i>		
Current Liabilities		
Advance from ASDM	20,85,373.00	32,01,815.00
Advance from ASUP	92,297.00	-
Professional Tax	624.00	-
Income Tax TDS	22,455.00	-
Loans & Advances		
DPR funds transferred from ASUP	47,65,000.00	
Other Incomes		
Bank Interest	18,403.00	14,096.00
Total	80,09,688.10	79,80,911.00

PAYMENTS	FY 2022-23	FY 2021-22
ASU Operations		
- Legal Expenses	-	2,250.00
- Contingency & Misc Expenses	35,900.00	52,795.00
- POL, etc. Expenses	2,07,381.00	60,900.00
- Printing and Stationery	39,640.00	66,221.00
- Salary of VC	20,64,450.00	13,22,606.00
- Telephone, Mobile & Internet	82,264.00	30,520.00
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- House Keeping Expenses	28,000.00	10,000.00
- Refreshment Expenses	7,155.00	-
- Tour Expenses	2,800.00	1,32,372.00
- Travelling Expenses	20,273.00	18,218.00
- Vehicle Hiring Expenses	1,25,144.00	3,47,541.00
- DPR Preparation	47,64,871.00	-



ASSAM SKILL UNIVERSITY

RECEIPTS & PAYMENTS FOR THE YEAR ENDED 31.03.2023


- Honorarium	20,500.00	-
- Meeting Expenses	18,400.00	-
- Papers and Periodicals	6,224.00	-
- Repairs and Maintenance	73,611.00	-
- Bank Charges	-	300.90
- Postage and Courier	-	900.00
- Refreshment Expenses	-	13,270.00
	75,75,623.00	21,85,374.90
Loans and Advances		
Security Deposits		5,000.00
DPR fund from GoA lying with ASUP		47,65,000.00
Advance for Office Expenses	18,000.00	-
Closing Balance		
Cash-in-hand	6,066.00	27.00
Bank Balance	4,09,999.10	10,25,509.10
Total	80,09,688.10	79,80,911.00

For, Niranjan & Narayan
Chartered Accountants
FRN - 005899S



CA Sanjay Kumar Jalewala
Partner, M. No. 307995

Auditor


Registrar, ASU
Registrar
Assam Skill University


Finance Officer
Finance Officer
Assam Skill University

ASSAM SKILL UNIVERSITY

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR YEAR ENDED 31ST MARCH 2023

1. Background

In September 2020, the Assam Legislative Assembly passed the Assam Skill University Act to establish Assam Skill University (ASU) in accordance with the regulations of the Government of India's University Grants Commission.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Financial Statements

This comprises of the statement of Balance Sheet, Income & Expenditure, Receipts and Payments for the Project and related notes and appendices to the financial statements.

2.2 Basis of Preparation

These financial statements have been prepared under the historical cost convention and on cash basis of accounting. They differ from the accounting standards generally accepted in India in respect of the following:

- i. Total Grants received is credited under "Unspent Balance". Grant utilized to the extent of revenue and capital expenditure incurred is transferred to Income and Expenditure A/c. The balance amount of grant is shown in the Balance Sheet.
- ii. Fixed assets are stated at cost of acquisition and subsequent improvements thereto including taxes, duties, freight and other incidental expenses relating to acquisition. The payment on fixed assets is accounted as expenditure and shown in Income and Expenditure A/c. under respective project cost. However, for the purpose of reflecting the fixed assets in the Balance Sheet, a "Fixed Assets Reserve" equivalent to the amount paid for fixed assets is created and shown under "Other Reserves" in the Balance Sheet. The corresponding fixed assets is shown on the assets side.
- iii. Depreciation of fixed assets is not provided as assets are generated out of grants in aid.
- iv. Other receipts like Bank Interest, Tender fees, etc. are not accounted as income. Rather they are shown under "Other Accumulated Receipts" in the Balance Sheet.
- v. Liability on account of retention money, security deposits, etc. due to contractors and statutory dues have been accounted for and disclosed in the Balance Sheet.

3. Funds received from Government

Particulars	Amount
NA	NIL

4. Contingent Liabilities : NIL

