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Independent Auditors' Report

We have audited the attached Balance Sheet of Kumar Bhaskar Varma Sanskrit and Ancient Studies University : Namati, Nalbari, Assam - 781 337 as at 31st March, 2016 and also the Income & Expenditure Account and Receipts & Payments Accounts for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Management of the University. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatements. An audit includes examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We further report that:

1. We have obtained all information and explanation which to the best of our knowledge and belief where necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by the law have been kept by the Commission as far as appears from our examining, of these books subject to the notes and observations furnished herein below
3. The Balance Sheet, Income & Expenditure Account and Receipts & Payments Account dealt with by these report are in agreement with the books of accounts subject to the notes and observations furnished herein below.
4. In our opinion and to the best of our information and according to the explanation given to us, the said accounts, subject to the notes and observations furnished herein below, give the information 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 Balance Sheet, of the state of affairs as at 31st March, 2016,
 - b) In the case Income & Expenditure Account, of the Surplus for the year ended on 31st March, 2016, and
 - c) In the case of Receipt and Payment Account, of the receipts and payments for the year ended on 31st March, 2016.

Notes and observations :

1. Disclaimer :
 - i. Financial audit only is conducted for the period. Physical verification of any kind for civil works, installations, fittings, consumables, etc are not covered during this audit.
 - ii. Procurement audit is not conducted, being kept out of the scope of audit. As such, matters as to selection of supplier/service provider, process of tendering, quality and rate for items procured, etc are kept outside the purview of this audit.
2. Books of Accounts :
 - i. The University maintains only a Cash Book as its Book of prime entries. The Cash Book so maintained is also not in compliance to the principle of double entry.
 - ii. Cash Book is not maintained separately for each Bank Accounts. As such, Bank balance appearing in the Cash Book as on the closing dates are not verifiable with corresponding records.
 - iii. *Bank Accounts maintained are not reconciled. In the absence of Bank-wise accounting of records, verification of Bank statement with Cash Book is also not possible. Bank statements produced are also found to be incomplete.*
 - iv. Ledger Book is not maintained. As such, classification of receipts, payments, incomes, expenses, etc are accepted as taken by the university.
 - v. Journal Book is not maintained, as the University is maintaining its accounts on 'Cash Basis'
 - vi. Petty Cash Book is not maintained and no is maintained Advance Ledger/Advance Register

Contd.





vii. *There is noticed adjustment of ₹50400/- @ ₹ 4200/- per month from Hostel security deposit with Hostel Rent account, though corresponding entries are not found in the Cash Book. However, the details of payment, agreement, terms of reference, etc thereof is not produced.*

3. Statutory Compliances :

i. Income Tax Matters :

The University, being the one engaged wholly for educational purpose and not for profit; and being substantially financed by the Government, is entitled to income tax exemption u/s 10(23C)(iiiab) of the Income Tax Act, 1961. However, the University has not filed its Income Tax Return for the year nor has claimed any exemption as such.

ii. VAT Matters :

- a) Tax deduction Account Number is not found.
- b) Yearly VAT Return in Form 35 is not submitted in respect of the VAT Deducted at source.
- c) Copies of VAT Challans not found.

iii. TDS Matters :

- a) TDS accounting is not correctly done. Neither the deduction of TDS nor the deposit thereof is separately recorded in the Cash Book.
- b) TDS is not made on payment of 'sitting fees'.
- c) There is noticed 'delay' in deposit of TDS.
- d) Copies of e-TDS>Returns and the acknowledgement for submission thereof is not found.

iv. Professional Tax Matters :

- a) The university has not enrolled itself as an employer within the meaning of Assam Professions, Trade, Callings and Employments Taxation Act, 1947.
- b) Professional Tax Accounting is not correctly done. Neither the deduction of Professional Tax nor the deposit thereof is separately recorded in the Cash Book.
- c) There is reported occasional delay in deposit of Professional Tax deducted at source.
- d) Copies of Professional Tax challans not found.
- e) Professional Tax Return as is required as per Law is not submitted.

v. Labour Cess :

- a) Labour Cess accounting is not correctly done. Deduction of Labour Cess is not separately recorded in the Cash Book.
- b) Copies of challans depositing Labour Cess is not found.

vi. Forest Royalty :

- a) Forest Royalty accounting is not correctly done. Deduction of Forest Royalty is not separately recorded in the Cash Book.
- b) Copies of challans depositing Forest Royalty is not found.

vii. GPF/CPF Matters :

- a) Accounting as to GPF/CPF is not correctly done. Neither the deduction of GPF nor the deposit thereof is separately recorded in the Cash Book.
- b) Copies of GPF/CPF challans are not found.
- c)

4. Records and Registers :

There is maintained one Register for both Stock and Fixed Asset items; and the same is also found to be inadequate and incomplete

5. Government Grants :

Government Grants are primarily recognised as liabilities in the Books of Account; and amount of Government Grants to the extent utilized only are recognised as Capital Fund. Government grants given for Salary & Bonus taken as 'Revenue' in the Books of Accounts.





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6. **Advances :**
- Payments are mostly found to be made in the name of the University officials in the nature of advance, who actually incurs the expenses. This practice is not advisable and should be stopped immediately.
 - The University books advances as above in its accounts as expenses without actually obtaining the vouchers. The accounting process is wrong to that effect.
 - Advances are found to be made to the same person repeatedly without settlement of the earlier advances, which is against the normal accounting practice.
 - Since the advances are booked to expenses immediately on making the advance, the dates of vouchers with that of date entry in Cash Book differs and so also the head-wise booking of expenses against such advances gets vitiated.
 - There is noticed repeated advances being given even before settlement of the earlier advances.
 - There is found an advance amount of ₹ 100000/- being given as security deposit for Hostel, adjusted against monthly rental. This along-side opening balance of ₹ 66400/- stood at ₹ 116000/- as on 31-03-2016 after adjustment of ₹ 4200/- p.m. against Hostel Rent.
7. **Fixed Deposit Interest :**
During the year, the University receives Interest on its Fixed Deposit amounting to ₹ 2507868/-, on which TDS of ₹ 389508/- is found to be made. However, no documentary evidence thereof could be produced to the audit for verification.
8. **Fixed Assets :**
- Depreciation is not provided on the Fixed Assets.
 - Physical Verification of Fixed Assets is not done.
 - Valuation or revaluation of any of the fixed assets were done during the year.
9. **Vouchers :**
- There is noticed supporting vouchers in Loose/Unacceptable format.
 - There is noticed supporting vouchers being given without mandatory VAT/TIN nos. At times, it seen that the voucher is being issued by the same party one with TIN No and the other without TIN No.
 - Payments are found to be made in the personal names against the bills of vendor/service provider in the business name, without there being any authority or request letter to do so.
 - There is noticed difference in dates between Cash Book and Supporting Vouchers, particularly in respect of vouchers settled against advances.
10. **Other Matters :**
- Petty cash is booked in Cash Book immediately on payment, without actually waiting for the actual expenses. In the absence of Petty Cash Book, petty cash balance in hand is left unrecorded in the Cash Book.
 - It is reported that all students fee collections are done by Bank officials at the University campus. Hence, there is not found any supporting vouchers in respect of the same except for the entries in the Bank Statement. It is therefore as taken and recorded by the University in its Books of Accounts.
 - Utilization certificates in respect of the funds utilized by the University is not found as is required.

For, Anupam Nath and Associates,
Chartered Accountants
FRN 322605E

(CA Anupam Nath)
Proprietor
MRN 056773



Place : Guwahati
Date : 19-03-2018

Receipt and Payment Account for the year ending on 31st March, 2016

Receipts	Amount (in ₹)	Payments	Amount (in ₹)
Opening Balance :			
Cash-at-Bank	54,483,997.00	Administrative Expenses :	
		Bank Charges	1,775.00
		Vehicle Running and Maintenance	144,097.00
		Printing & Stationery	37,000.00
		Salary and Allowances	11,303,511.00
Grants Receipt :		Telephone Bill	21,870.00
Government Grant Received	27,973,000.00	Newspaper and Periodicals	3,948.00
Salary Grants	18,780,000.00	Miscellaneous Expenses	361,031.00
Non-Salary Grants	9,193,000.00	Imprest Cash	97,870.00
		Security Expenses	57,150.00
		Bus Hire Charges	85,350.00
Revenue Collections :		Activity Expenses :	
Admission Fees	1,896,400.00	Advertisement	6,526.00
Students' Caution Money	87,900.00	Examination Expenses	194,543.00
Application Fees	323,515.00	Festival Expenses	59,290.00
Bank Interest	515,214.00	Guest Faculty	158,700.00
FD Interest	2,507,868.00	Hostel Rent	291,184.00
Examination Fees	547,662.00	Academic Programme	10,610.00
Hostel Fees	362,100.00	Magazine Expenses	56,220.00
Bus Fees	86,175.00	Field Visit Expenses	2,492.00
Registration Fees	116,100.00	Annual Day Expenses	49,460.00
		Foundation Day Celebration	111,309.00
Other Receipts :		Inauguration Day Expenses	199,794.00
SDO Naibari for OBC Scholarship	22,770.00	Electricity Bill	206,733.00
Other Receipts	196.00	OBC Scholarships	22,770.00
SDO Naibari for OBC Scholarship	500.00	Printing Expenses	28,000.00
		Education Programme	13,685.00
		Acquisition of Fixed Assets :	
		Building under construction	18,277,756.00
		Library Books	507,115.00
		Fire Extinguisher	3,250.00
		Computer	27,065.00
		Furniture and Fittings	1,242,556.00
		Laboratory Equipment	101,298.00
		Hostel Security	100,000.00
			20,259,040.00
		TDS on Bank Deposit	369,508.00
		Closing Balance :	
		Cash-at-Bank	54,749,911.00
Total	98,923,397.00	Total	98,923,397.00

Signed in terms of our Report of even date,

For, Anupam Nath and Associates
 Chartered Accountants
 FRN 121605E

(CA Anupam Nath)
 Proprietor
 MRN 056773

Date : 19-03-2018
 Place : Guwahati



H.K. Sabme
 Registrar
 KBVS & AS Univers. y
 Naibari

H.K. Sabme
 Treasurer
 KBVS & A.S. Universim
 Naibari

Income and Expenditure Account for the year ending on 31st March, 2016

Expenditures	Amount (in ₹)	Incomes	Amount (in ₹)
Administrative Expenses :		Grants Receipt :	
Bank Charges	1,775.00	Salary Grants	9,193,000.00
Vehicle Running and Maintenance	144,097.00		
Printing & Stationery	37,000.00	Revenue Collections :	
Salary and Allowances	11,303,511.00	Admission Fees	1,896,400.00
Telephone Bill	21,870.00	Application Fees	323,515.00
Newspaper and Periodicals	3,948.00	Bank Interest	515,214.00
Miscellaneous Expenses	361,031.00	FD Interest	2,507,868.00
Imprest Cash	97,870.00	Examination Fees	547,662.00
Security Expenses	57,150.00	Hostel Fees	362,100.00
Bus Hire Charges	85,350.00	Bus Fees	86,175.00
		Registration Fees	116,100.00
Activity Expenses :			6,355,034.00
Advertisement	6,526.00	Other Receipts :	
Examination Expenses	194,543.00	SDO Nalbari for OBC Scholarship	22,770.00
Festival Expenses	59,290.00	Other Receipts	196.00
Guest Faculty	158,700.00	RTI Fees	500.00
Hostel Rent	341,584.00		23,466.00
Academic Programme	10,610.00		
Magazine Expenses	56,220.00		
Field Visit Expenses	2,492.00		
Annual Day Expenses	49,480.00		
Foundation Day Celebration	111,309.00		
Inauguration Day Expenses	199,794.00		
Electricity Bill	206,733.00		
OBC Scholarships	22,770.00		
Printing Expenses	28,000.00		
Education Programme	13,685.00		
Surplus for the Year			
Excess of Incomes over Expenditures	1,996,162.00		
Total	15,571,500.00	Total	15,571,500.00

Signed in terms of our Report of even date,
 For: Anupam Nath and Associates

Chartered Accountants
 FRN 22605E

(CA Anupam Nath)
 Proprietor
 MRN 058773

Date : 19-03-2018
 Place : Guwahati



H. K. Saha
 Registrar
 KBVS & A.S. University,
 Nalbari

H. K. Saha
 Treasurer
 KBVS & A.S. University,
 Nalbari

Balance Sheet as on 31st March, 2018

Capital Funds and Liabilities		Amount (in ₹)	Assets and Properties	Amount (in ₹)
Capital Fund Account			Fixed Assets :	
Opening Balance			Building under Construction	51,414,964.00
plus for the Year			Furniture and Fixings	3,254,464.00
per separate Income & Expenditure Account	1,995,162.00	1,995,162.00	Vehicle	798,626.00
			Computers	534,762.00
			Fire Extinguishers	19,200.00
			Photostat Machine	65,970.00
			Laboratory Equipment	290,223.00
			Library Books	507,115.00
Capital Reserve Account :			Current Assets :	
Opening Balance			Cash-at-Bank	64,749,911.00
Government Grants Utilized	36,856,884.00			
Acquiring Fixed Assets	20,756,155.00	57,623,039.00		
			Loans and Advances :	
Current Liabilities :			Hostel Security Deposit	116,000.00
Utilized Non-Salary Govt Grants			TDS on Bank Deposit	389,508.00
Opening Balance as per last A/c	64,402,397.00			
Received during the year	19,780,000.00	83,182,397.00		
Accounts utilized during the year				
Fixed Assets	20,766,155.00	62,416,242.00		
Students' Caution Money				
Opening Balance	48,000.00			
Received during the Year	87,900.00	135,900.00		
Total		122,171,343.00	Total	122,171,343.00

checked in terms of our Report of even date.

Anupam Nath and Associates
Chartered Accountants
FTIN: 182005E

(CA Anupam Nath)
Proprietor
MRN: 056773

Date: 19-03-2018
Place: Guwahati

J.H.
Registrar
KBVS & AS University
Nalbari

H.K. Saikia
Treasurer
KBVS & A.S. University
Nalbari

