



CJS Nanda & Associates

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of **Management Development Institute, Murshidabad**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Management Development Institute, Murshidabad (The Institute), which comprise the Balance Sheet as at March 31, 2019, the Income & Expenditure Account for the year ended March 31, 2019 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Institute as at March 31, 2019, and its deficit for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs). 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 of the institute in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Institute in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records, preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments



and estimates that are reasonable and prudent, 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For **C J S NANDA & ASSOCIATES**
Chartered Accountants

(Firm's Registration No. 010912N)



CA. UMESH KUMAR VERMA

Partner

(M. No. 089703)

UDIN: 19089703AAAAAJ6018

Place: New Delhi

Date: 22 August, 2019

MANAGEMENT DEVELOPMENT INSTITUTE, MURSHIDABAD

Income and Expenditure Account for the year ended March 31, 2019

		(Amount in Rs.)		
Year ended March 31, 2018	Expenditure	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019
1,855,716	<u>Programme expenses</u>		34,034,960	77,041,807
3,195,079	Traveling and conveyance	2,866,829		
1,187,500	Boarding and lodging	6,447,978	1,132,975	3,593,103
476,051	Honorarium to guest faculty	1,842,500	77,440	14,650
5,446,651	Printing and stationery	856,131		
12,160,997	Other expenses	9,233,376	1,504,253	1,326,206
	<u>Pay and allowances</u>	21,246,814		
35,298,960	Staff remuneration and allowances			
855,380	Staff welfare expenses	47,172,132		
1,269,626	Gratuity	1,257,515		
2,348,540	Contribution to Leave Fund	1,709,505		
39,772,506		53,069,651		
895,388	<u>Traveling and conveyance</u>		111,740,792	96,264,805
2,843,776	Board and committee meeting expenses	388,661		
1,463,740	Staff members (including outstation travel)	2,696,190		
5,202,904	Local conveyance	405,992		
	<u>Office expenses</u>	3,490,843		
2,828,766	Rent			
5,411,896	Electricity and water expenses	1,918,969		
57,437	Postage and telegram	4,992,211		
440,630	Printing and stationery	101,238		
220,998	Newspaper Expenses	466,749		
2,447,297	Staff recruitment expenses	129,147		
284,506	Telephones expenses	560,341		
271,705	Insurance Expenses	28,107		
9,148,061	Corporate publicity	158,432		
21,111,296		11,665,488		
78,247,703	Carried forward	20,020,682	148,490,420	178,240,571
		97,827,990		
				Carried forward



MANAGEMENT DEVELOPMENT INSTITUTE, MURSHIDABAD

Income and Expenditure Account for the year ended March 31, 2019

		(Amount in Rs.)	
Year ended March 31, 2018	Expenditure	Year ended March 31, 2019	Year ended March 31, 2019
78,247,703	Brought forward	97,827,990	148,490,420
			Income
			Brought forward
			178,240,571
7,221,077	Repair and maintenance	10,767,871	
-	Repair and Maintenance of building	-	
5,534,257	Repairs to office equipments	5,840,565	
660,783	Watch and ward expenses	294,684	
2,059,897	Garden maintenance	1,268,084	
15,476,014	Internet expenses, maintenance of Computer & Softwares	18,171,204	
	Auditors' remuneration		
-	Audit fees	229,350	
-		229,350	
	Other expenses		
3,057,236	Subscription to journals	3,919,228	
-	Inauguration Expenses	-	
354,204	Miscellaneous expenses	768,650	
6,000	Rates & taxes	6,674,435	
129,800	Legal & professional	106,634	
70,391	Prior Period Expense	98,609	
332,531	Preliminary exp write off	332,532	
3,950,162		11,900,088	
50,816,541	Depreciation	50,111,939	
148,490,420	Total	178,240,571	Total
			178,240,571

For and on behalf of the Board of Governors

[Signature]
(Registrar)

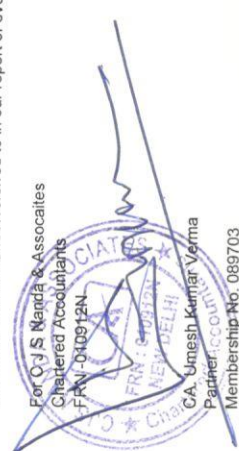
[Signature]
(Director)

[Signature]
(Member, Board of Governors)

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(Member, Board of Governors)

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(Member, Board of Governors)

This is the Balance Sheet referred to in our report of even date



CA. Umesh Kumar Verma
Partner, Accountant
Membership No. 089703
Place : New Delhi
Date: 28 August, 2019

UDIN: 19089703AAAAAJ6018



MANAGEMENT DEVELOPMENT INSTITUTE, MURSHIDABAD

Schedules forming part of the Accounts

Schedule 'A' - Fixed assets (other than from grants)

S. No.	Description of assets	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
		As at March 31, 2018	Additions during the year	Disposals/ adjustments during the year	As at March 31, 2018	Charge for the year	On Disposals/ adjustments during the year	As at March 31, 2019	As at March 31, 2018
1	Buildings	899,940,719	457,166	-	86,687,486	40,185,520	-	126,873,006	763,524,879
2	Furniture and fixtures	23,104,418	2,429,104	-	15,669,018	2,466,126	-	18,135,144	7,435,400
3	Air conditioners and coolers	12,000	351,218	-	7,085	71,227	-	78,312	284,906
4	Furnishings	-	-	-	-	-	-	-	-
5	Books	8,762,996	3,486,374	-	6,599,154	2,825,108	-	9,424,262	2,163,842
6	Office equipment	927,315	164,811	-	427,674	132,890	-	560,564	499,641
7	Telephone installations	354,592	28,031	-	125,054	51,514	-	176,568	206,055
8	Electrical equipment	6,374,792	1,704,132	-	2,683,111	1,079,163	-	3,762,274	229,538
9	Teaching aid equipment	1,059,392	358,553	-	668,052	299,957	-	968,009	3,691,681
10	Vehicles	-	-	-	-	-	-	-	449,936
11	Canteen equipment	15,000	181,527	-	5,400	38,225	-	43,625	152,902
12	Hostel equipment	217,210	195,263	-	73,528	67,789	-	141,317	271,156
13	Sign boards	354,217	-	-	163,776	47,610	-	211,386	142,831
14	Generators	-	-	-	-	-	-	-	-
15	Colony equipment	-	-	-	-	-	-	-	-
16	Films	-	-	-	-	-	-	-	-
17	Computers, Server, IT Infrastructure including Software	15,967,000	3,486,867	-	12,400,607	2,821,304	-	15,221,911	4,231,956
18	Gym equipments	628,968	-	-	577,856	25,506	-	603,362	25,506
19	Lift	-	-	-	-	-	-	-	-
20	Land - Murshidabad (Leasehold)	16,928,063	-	-	-	-	-	-	16,928,063
Total		964,646,582	12,843,046	-	126,087,801	50,111,939	-	176,199,740	801,289,887
	Capital Work in Progress	14,496,183	23,119,012	-	-	-	-	-	37,615,195
Total		979,142,765	35,962,058	-	126,087,801	50,111,939	-	176,199,740	838,905,082
Previous Year		954,475,018	10,171,564	-	75,271,261	50,876,541	-	126,087,802	838,558,780
	Previous Year Capital Work in Progress	86,468	14,409,715	-	-	-	-	-	14,496,183



MANAGEMENT DEVELOPMENT INSTITUTE, MURSHIDABAD

Schedules forming part of Accounts

Schedule 'B' - Current assets, loans and advances

As at March 31, 2018	PARTICULARS	(Amount in Rs.) As at March 31, 2019
	Stock of paper, stationery and other stores & spares - (At cost)	
165,917	Stock in store	190,713
7,320	Stock-Guest House Consumables	190,713
-	Stock- PGPM Course Books	-
-	Material in transit	-
	Sundry Debtors (Unsecured - considered good)	
412,037	Debts exceeding six months	
529,157	Other debts	619,558
15,520	Advance to creditors	92,484
		-
		712,042
304,194	Interest accrued but not due	
		1,678,612
	Cash and bank balances	
86,553	Cash in hand including Imprest	
		70,644
	Balances with scheduled banks:	
2,135,054	On savings account	
66,633,294	On current account	54,744
		5,212,701
		5,338,089
21,840	Amount recoverable in cash or in kind or for value to be received	
27,857	Security deposits	
		27,857
-	Advances to employees	
		-
2,972,859	Pre-paid expenses and deferred expenses	
		4,048,143
722,631	Tax deducted at source	
		1,488,755
2,661,084	GST Receivable	
		72,222
76,695,317	Total	13,556,433



MANAGEMENT DEVELOPMENT INSTITUTE, MURSHIDABAD

Schedules forming part of Accounts

Schedule 'C' - Other funds

As at March 31, 2018	PARTICULARS	(Amount in Rs.)	As at March 31, 2019
	Alumni association fund		
426,550	Opening balance		
175,000	Add: Contribution received during the year	601,550	
601,550		575,000	
-	Less: Payments made during the year	1,176,550	
601,550	Closing balance	475,921	
			700,629
	Convocation-Gold Medal Fund		
1,145,986	Opening balance		
118,371	Add: Contribution received/ receivable during the year	1,145,986	
77,557	Add: Interest earned during the year	-	
1,341,914		47,778	
195,928	Less: Payments made during the year	1,193,764	
1,145,986	Closing balance	37,140	
			1,156,624
	Student Program Fund		
-	Opening Balance		
533,000	Add: Contribution received during the year	533,000	
-	Add: Interest earned during the year	710,180	
-		-	
-	Less: Payment made during the year	1,243,180	
533,000	Closing Balance	62,121	
			1,181,059
	National, International Conference Fund		
-	Opening Balance		
-	Add: Contribution received during the year	-	
-	Add: Interest earned during the year	636,222	
-		-	
-	Less: Payment made during the year	636,222	
-	Closing Balance	599,148	
			37,074
	CSR Project Exp-Fund		
-	Opening Balance		
100,000	Add: Contribution received during the year	85,760	
-	Add: Interest earned during the year	-	
-		-	
14,240	Less: Payment made during the year	85,760	
85,760	Closing Balance	85,760	
			-
2,366,296	Total		3,075,386



MANAGEMENT DEVELOPMENT INSTITUTE, MURSHIDABAD

Schedules forming part of Accounts
Schedule 'D' - Current liabilities and provisions

As at March 31, 2018	PARTICULARS	(Amount in Rs.) As at March 31, 2019
10,923,523	Sundry creditors	1,086,354
7,969,078	Other liabilities	6,279,617
	Accumulated receipts on incomplete Research projects	7,365,971
-	Opening Balance	-
-	Add: Amount received during the year	-
-	Less : Transferred to Income and Expenditure Account on account of Completed Projects	-
-	Closing balance	-
-	Accumulated receipts on incomplete consultancy projects	-
-	Opening Balance	-
-	Less: Transferred to Consultancy Projects	-
-	Add: Amount received during the year	-
-	Less : Transferred to Income and Expenditure Account on account of Completed Projects	-
-	Closing balance	-
1,584,508	Security deposits from participants/Students	-
31,298,241	Pre- Received Income	4,697,023
51,775,350	Total	47,890,629
		59,953,623



Schedule – E Significant Accounting Policies and Notes to Accounts

1. Significant accounting policies

i. Basis of preparation

The financial statements are prepared under the historical cost convention, on accrual basis, in accordance with Generally Accepted Accounting Principles and to comply with the applicable accounting standards. The accounting policies have been consistently applied by the Institute unless otherwise stated.

ii. Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in the current and future periods.

iii. Fixed assets and depreciation

- a) Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, taxes and other incidental expenses.
- b) Depreciation is provided on written down value method at the rates given below:

Fixed assets	Rate of depreciation
Buildings	5%
Furniture and fixtures	25%
Air conditioners and coolers	20%
Furnishings	20%
Typewriters and duplicators	20%
Library equipment	20%
Books	50%
Office equipment	20%
Telephone installations	20%
Electrical equipment	20%
Teaching aid equipment	40%
Vehicles	25%
Canteen equipment	20%
Hostel equipment	20%
Electrical installation and electrical installation (Internal)	20%
Sign boards	25%
Generators	20%
Colony equipment	20%
Films	50%
Computers, Servers & IT installations including software	40%
Gym & Sports equipment	50%
Lifts	20%

These rates are indicative of expected useful lives of the assets.



Schedule – E Significant Accounting Policies and Notes to Accounts

- c) In respect of additions to fixed assets made during the year, depreciation is provided for the full year and in respect of sale/disposal of fixed assets, no depreciation is provided for in the year of sale / disposal.

iv. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost; however, provision for diminution in value, other than temporary, is made.

Profit / loss on sale of investments are computed with reference to their average cost.

v. Inventories

Stock of paper, stationery, and other stores & spares is valued at cost. Cost is determined on a weighted average basis.

vi. Revenue recognition

Revenue is recognized as under:

- a) Fees from programs on an accrual basis.
- b) Research and technical advisory fees in the year of completion of the projects on the basis of the completed service contract method on acceptance of services by the client.
- c) Interest on investments in deposits, bonds and saving bank balances on a time proportion basis.

vii. Contingent liabilities

The Institute makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made. A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Institute;
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- Present obligation, where a reliable estimate cannot be made.



Schedule – E Significant Accounting Policies and Notes to Accounts

2. Notes to Accounts

i. Valuation for Gratuity and Compensated absence

During the year ended March 31, 2019, provision for gratuity is made considering 15 days salary and provision for compensated absence is made by multiplying proportionate Salary of 30 days with balance of earned leave as on 31st March 2019, wherein salary includes Basic Pay and Dearness allowance for both the calculations.

ii. Investments

The Institute has given a Bank Guarantee to West Bengal State Electricity Distribution Company limited (WBSEDCL) for obtaining bulk power connection at Murshidabad Campus. Fixed Deposit of Rs.75.35 lakhs shown under Investment is lien marked for the same.

Specific Grant for convocation Gold Medal has been invested in earmarked fixed deposit with state bank of India. Interest earned on the earmarked fixed deposit has been directly debited to the fixed deposit account and credited to the convocation Gold Medal Fund.

iii. Construction work at Murshidabad Campus

During the year 2018-19 MDI Murshidabad Campus expended Rs 231,19,012/- for the construction of Faculty Quarter in the Campus. The work is under progress.

iv. Revenue Deficit of Murshidabad Campus

During the year 2018-19, the operations at Murshidabad Campus have resulted in a revenue deficit of Rs.962,64,805 /- (Previous Year Rs. 111,740,792/- during the financial year 2017-18).

v. There are no amounts which are required to be reported / provided under the provisions of Micro, Small and Medium Enterprises Act 2006.

vi. Previous year figures have been regrouped / rearranged wherever considered necessary.

