



भारतीय लेखापरीक्षा तथा लेखा विभाग
कार्यालय महानिदेशक लेखापरीक्षा (केन्द्रीय), चण्डीगढ़
Indian Audit & Accounts Department
Office of The Director General of Audit (Central),
Chandigarh



स०/No: डी.जी.ए.(सी)/के. व्यय/SAR IITR/2022-23/23-24/ 751

दि०/Dated: 12-09-2023

सेवा में,

सचिव,
उच्चतर शिक्षा विभाग,
शिक्षा मंत्रालय,
भारत सरकार,
नई दिल्ली - 110001

विषय: Indian Institute of Technology, Ropar (Punjab) के वर्ष 2022-23 के लेखाओं पर
पृथक लेखापरीक्षा प्रतिवेदन
महोदय,

कृप्या Indian Institute of Technology, Ropar (Punjab) के वर्ष 2022-23 के
लेखाओं पर पृथक लेखापरीक्षा प्रतिवेदन (Separate Audit Report) संसद के दोनों सदनों के
समक्ष प्रस्तुत करने हेतु सलंग्न पायें। संसद में प्रस्तुत होने तक प्रतिवेदन को गोपनीय रखा जाए।

संसद में प्रस्तुत करने के उपरांत प्रतिवेदन की पांच प्रतियाँ इस कार्यालय को भी भेज
दी जाएँ।

कृप्या इस पत्र की पावती भेजें।

भवदीय,

सलंग्न: उपरोक्त अनुसार

शिक्षा मंत्रालय/Min. of Education
18 SEP 2023
स्कैन/SCANNED

महानिदेशक

Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of the Indian Institute of Technology, Ropar (Punjab) for the year ended 31 March 2023

We have audited the Balance Sheet of the Indian Institute of Technology, Ropar (Punjab) as at 31 March 2023, Income & Expenditure Account and Receipts & Payments Account for the year ended on that date under Section 19 (2) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 23 (2) of the Indian Institute of Technology Act, 1961 as amended by Indian Institute of Technology (Amendment) Act, 2012. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This Separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Law, Rules & Regulations (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any, are reported through Inspection Reports/ CAG's Audit Reports separately.

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

4. Based on our audit, we report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) The Balance Sheet and Income and Expenditure Account/Receipts and Payments Account dealt with by this Report have been drawn up in the format prescribed by the Ministry of Human Resource Development, Government of India vide order No. 29-4/2012-FD dated 17 April 2015.

iii) In our opinion, proper books of accounts and other relevant records have been maintained by the Indian Institute of Technology, Ropar in so far as it appears from our examination of such books.

iv) We further report that:

A. Balance Sheet

Application of funds

Loans, Advances & Deposits (Schedule 8): ₹ 3.33 crore

Grants recoverable/ receivable: ₹ 6.08 crore

It represents positive balance of grant ₹ 94.24 lakh (in respect of OH 35 and OH 36) and negative balance of grant ₹ 702.72 lakh (in respect of OH 31). Thus, the Institute has shown a net balance of grant, instead of showing the positive balances separately as "Unspent grants" (Under Current liabilities). This has resulted in understatement of "Current Liabilities" as well as "Loans, Advances and Deposits" by ₹ 94.24 lakh.

Similar observation was included in the SAR for the year 2020-21 and Management Letter for the year 2021-22, however, compliance has not been made.

B. Income & Expenditure Account

Finance Cost: ₹ 26.03 crore

Interest charges-HEFA term loan: ₹ 25.92 crore

Above represents interest expenditure on the Term loans availed by the Institute from Higher Education Financing Agency (HEFA) for the purpose of Construction of Buildings and Infrastructure Development in the campus of IIT Ropar.

As per the provisions of Accounting Standard 16 (AS 16) as issued by Institute of Chartered Accountants of India, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset should be capitalised as part of the cost of that asset. The AS 16 further provides that capitalisation of borrowing costs should be stopped when substantially all activities necessary to prepare the qualifying asset for its intended use are complete. The financial statements should disclose: (a) the accounting policy

adopted for borrowing costs; and (b) the amount of borrowing costs capitalised during the period.

In terms of the aforesaid AS-16, pre-construction period interest on HEFA term loans should have been capitalized as part of the project cost.

Non-capitalization of aforesaid interest on term loan has resulted in understatement of Capital Work-in-progress booked during the year and overstatement of expenditure by ₹ 2591.54 lakh.

Though the Institute has deviated from the prescribed provisions contained in AS-16, it has not disclosed the Accounting Policy as regards treatment of borrowing cost.

HEFA interest booked as expenditure in the previous years was not intimated by the Institute. The same should also be rectified.

C. General

C.1 Net impact of Audit comments on the Annual Accounts

Net impact of Audit comments on the annual accounts of the Institute for the year ending 31 March 2023 is as under:

- i. Assets understated by ₹ 26.86 crore.
- ii. Liabilities understated by ₹ 0.94 crore.
- iii. Corpus/ Capital Fund understated by ₹ 25.92 crore.
- iv. Deficit for the year overstated by ₹ 25.92 crore.

C.2 Saving Bank balances

- i. Bank balances excluded ₹ 20.13 lakh, being the amounts credited in the bank accounts upto 31.03.2022 (i.e. more than one financial year old) but not accounted for in the cash book. The Bank Balances also included ₹ 2.00 lakh on account of "Wrong Debits (Amount debited by bank but not yet recorded in cash book)" upto 31.03.2022 (i.e. more than one financial year old). These need to be pursued vigorously with the banks to ascertain the nature of transactions and adjusted accordingly in the annual accounts. The Institute has not framed any policy to deal with such cases in the accounts.

- ii. The SBI bank interest certificate is containing six saving bank accounts in the name of the Institute, however, these are not shown in the Schedule 7 of annual accounts, nor was any disclosure made in this regard by way of Notes to Accounts. These saving bank accounts are also not included by SBI in its certificate showing closing balance. These accounts are mentioned as below:

30836912866; 36917235970; 37580585460; 37563686528;

38737508277; 366685867386

Details of these bank accounts, bank balance certificate and concerned bank statements was not furnished to the audit.

- C.3** The Institute has submitted to the audit party SBI Interest certificate in respect of TDR/ STDR /SB /FCNR /Recurring A/cs in the name of the Registrar, IIT Ropar (Customer No : 85578519572) for the financial year ended 31st March 2023. Aforesaid interest certificate included 5 number of FDRs (FDR nos. 38627363144; 40838544258; 41229552470; 41229633553; 41229630697) showing status of FDRs as "open" as on 31.3.2023 and interest shown as accrued.

These FDRs were not shown in the accounts and no necessary disclosure in the notes to accounts were given.

- C.4** Nine equipments valuing ₹ 24.57 crore procured between the period from 30 December 2019 to 12 October 2020 and three equipments valuing ₹ 8.14 crore transferred from "Scientific & Laboratory Equipment" to "Capital Work in progress" were not installed till the closure of the year. Reasons for non-installation of above equipments were not disclosed by way of Notes to Accounts.
- C.5** There were a large number of research projects going on in the Institute on which no expenditure was incurred during the year. Some of these projects are very old being continued since 2014-15. Status of these projects, whether closed or operational, was not ascertained. Financial closure in respect of old projects was not made.

D. Grants-in-aid

The position of Grant-in-Aid during the year 2022-23 is detailed as follows:

(Amount: ₹ in lakh)

Particulars	OH 31 (General)	OH 31 (Interest HEFA)	OH 31 (Principal HEFA)	OH 35 (Capital)	OH 36 (Salary)	Total
Opening balance	0.15	0	-764.87	268.20	43.29	OH 31, 35 and 36 : 311.64 OH 31 (Principal HEFA) : (-) 764.87
Add : Grant received	6114.00	2090.13	3885.97	2086.00	6279.00	20455.10
Other receipts pertaining to year 2022-23	2.64	0	0	75.20	0.99	78.83
Total funds available	6116.79	2090.13	3121.10	2429.40	6323.28	20080.70
Less: Utilisation	6115.47	2591.54 ^μ	3323.47	2160.49	6073.58	20264.55
Less: Negative balance for the year 2020-21 adjusted				268.20 [£]		
Less : Refunds (Reversed from TSA Account)	0.26	0	0	0	156.17	156.43
Balance grant	1.06	-501.41	-202.37	0.71	93.53	-608.48 OH 31, 35 and 36 : 95.30 OH 31 (Principal HEFA) : (-) 703.78

^μ It includes ₹ 501.44 lakh on account of Interest liability on HEFA term loan outstanding as on 31.03.2023.

[£] The Institute had reported a negative balance of ₹3.52 crore under OH-35 towards Grant-in-Aid request for FY 2021-22 whereagainst the MoE had released a total of ₹ 14 crore under OH-35 for FY 2021-22. Accordingly, the Institute had incurred a total expenditure of ₹14 crore including the negative balance of ₹ 2.68 crore under OH-35 disallowed in the previous SARs. As the MoE had considered the negative balance while releasing the funds for the year 2021-22, amount of ₹ 2.68 crore has been considered as utilised.

E. Management letter

Deficiencies which have not been included in the Audit Report have been brought to the notice of the Management, through a management letter issued separately for remedial/corrective action.

v) Subject to our observations in the preceding paragraphs, we report that the Balance Sheet, Income and Expenditure Account and Receipts and Payments Account dealt with by this report are in agreement with the books of accounts.

vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure to this Audit Report give a true and fair view in conformity with accounting principles generally accepted in India:

- a. In so far as it relates to the Balance Sheet, of the state of affairs of the Indian Institute of Technology, Ropar as at 31st March 2023; and
- b. In so far as it relates to Income & Expenditure Account, of the deficit for the year ended on that date.

For and on behalf of the C & AG of India



**Director General of Audit
(Central), Chandigarh**

Place: Chandigarh

Date: 11/09/2023

Annexure to Audit Report

1. System of Internal Audit

The Institute has established an Internal Audit Wing. The Institute also gets its Internal Audit conducted from a firm of Chartered Accountants.

2. Adequacy of Internal control system

The Internal Control System in the Institute was found inadequate in view of the following:

- (i) The Institute has not prepared Accounting Manual.
- (ii) Totals of the gross value of the fixed assets recorded in the "Fixed Assets Registers" were not made, therefore, gross block of fixed assets as included in the Accounts could not be matched with fixed assets registers.

3. System of Physical Verification of Fixed assets

Physical verification (PV) of fixed assets (except library books) was not conducted. PV in respect of library books was conducted during 2022-23 for the period 2019-2022. Number of library books held by the Institute are more than 20000 and complete stock verification of library books is to be got conducted once in three years.

4. System of Physical verification of Inventories

There was no system of conducting PV in respect of inventory held by various departments.

5. Regularity in Payment of statutory dues

As per books of accounts, the Institute was regular in depositing statutory dues.



Deputy Director