



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



सं/No: डी.जी.ए.(सी)/के. व्यय/SAR IITR/2020-21/1765.

दि०/Dated: 11/11/2021

सेवा मे,

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

विषय: Indian Institute of Technology (IIT), Ropar के वर्ष 2020-21 के लेखाओं पर पृथक लेखापरीक्षा प्रतिवेदन

महोदय,

कृपया Indian Institute of Technology (IIT), Ropar के वर्ष 2020-21 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।

कृपया इस पत्र की पावती भेजें।

भवदीय,

संलग्न: उपरोक्त अनुसार

(हस्ताक्षर)
महानिदेशक

उपरोक्त की प्रतिलिपी वर्ष 2020-21 की पृथक लेखापरीक्षा प्रतिवेदन की प्रति सहित आवश्यक कार्यवाही हेतु The Director, Indian Institute of Technology (IIT), Ropar, M. Vishvesvaraya Block, Main Block, Birla Farm, Rupnagar Punjab- 140001 को प्रेषित की जाती है।

भवदीय,
11/11/2021
उप-निदेशक (केन्द्रीय व्यय)

Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of Indian Institute of Technology, Ropar (Punjab) for the year ended 31 March 2021

We have audited the Balance Sheet of Indian Institute of Technology, Ropar (Punjab) as at 31 March 2021, Income & Expenditure Account and Receipts and 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

A.1 Sources of Funds

Designated Earmarked / Endowment Funds (Schedule 2): NIL

As per the prescribed format, earmarked funds are required to be set aside by educational Institute for specific purpose. The expenditure on the objects, both Revenue and Capital are deducted to the funds and balance is carried forward from time to time. Further, it states that any other fund created with specific objects e.g. staff welfare fund, Pension fund also be included in this schedule. The above does not include balances of funds of ₹ 91.43 lakh (Benevolent Fund: ₹1.64 lakh, Student Welfare Fund: ₹9.92 lakh, Gymkhana Fee: ₹ 79.87 lakh) which were not depicted in Annual Accounts, but accounts were maintained separately. This has resulted in understatement of Earmarked Funds, as well as Current Assets by ₹ 91.43 lakh.

A.2 Application of Funds

A.2.1 Fixed Assets (Schedule 4)

A.2.1.1 Buildings: ₹ 270.49 crore.

Above did not include five buildings of ₹ 61.49 crore which have been handed over to the Institute during 2020-21, but have not been booked as additions under Fixed Assets. This has resulted in understatement of Fixed Assets by ₹ 60.26 crore, understatement of depreciation as well as deficit by ₹ 1.23 crore, and overstatement of Capital Work in Progress by ₹ 61.49 crore.

A.2.1.2 Scientific & Laboratory Equipment

Above included four laboratory equipments of ₹ 8.26 crore which have been received during Financial Year 2020-21 but could not be installed upto 31.03.2021. As the installation of the equipments was pending, these should have been classified under Capital Work in Progress as per the MHRD Format of Accounts. This has resulted in understatement of Capital Work in Progress by ₹ 8.26 crore, overstatement of Scientific and Laboratory Equipments by ₹ 8.00 crore (after depreciation of ₹ 0.26 crore) and overstatement of depreciation by ₹ 0.26 crore.

A.2.1.3 Capital work in progress (Schedule 4)

Equipments: ₹ 24.15 crore

Laboratory equipment (DGX System) costing ₹ 3.25 crore, for which payment has been made during 2021-22, was received during Financial Year 2020-21. This equipment should have been

booked under Capital Work in Progress (Equipments). This has resulted in understatement of Current Liabilities and Provisions, as well as Capital Work in Progress by ₹ 3.25 crore.

A.2.2 Loans , Advances & Deposits (Schedule 8)

Advances to Suppliers-Institute: ₹ 1.64 crore & HEFA Loan Funds: ₹ 68.57 crore (Items 3a and 3b of Schedule 8)

(i) Above included amount of ₹ 3.04 crore on account of advance for two equipments (“Additive Manufacturing System” and “UV visible Spectrometer”). These two equipments valuing Rs. 3.37 crore were received but could not be installed in the financial year 2020-21. This amount of ₹ 3.37 crore on account of pending installation of the equipment should have been booked under Capital Work in Progress. This has resulted in overstatement of Loan, Advances & Deposits by Rs. 3.04 crore, understatement of liabilities by Rs. 0.33 crore and understatement of Capital Work in Progress by ₹ 3.37 crore.

(ii) An amount of grant of ₹ 13.53 crore was receivable from the Ministry/ Government on account of funds released to various agencies by taking loans under HEFA scheme. However, the Institute has netted the same from unutilised grants shown in Schedule 3/ 3C. This has resulted in understatement of Loans, Advances & Deposits as well as un-utilised grants by ₹ 13.53 crore.

B. Income & Expenditure Account

Income

Income from Investment (Schedule 11): ₹ 400.06 lakh &

Interest earned (Schedule 12): ₹ 82.54 Lakh

Above included amounts of ₹ 69.56 lakh (interest on term deposit) and ₹ 26.16 lakh (interest on saving/ current) in respect of interest earned on funds of Grant in Aid. As per General Financial Rule 230(8), the interest earned on grants should have been mandatorily remitted to the Consolidated Fund of India immediately after finalization of the accounts. Therefore, the same should have been booked under Current Liabilities instead of booking it as Income. This has resulted in overstatement of Income and understatement of Current liabilities and Provision (Schedule 3) by ₹ 95.72 lakh.

C. Significant Accounting Policies (Schedule 23)

Accounting Policies (Schedule 23) Sl.No. 5 states that the inventory of chemical, glassware, publication, stationery, and other stores are revenue expenditure. This accounting policy is contradictory to the prescribed format (Significant Accounting Policy at Sl. No.5), expenditure on purchase of chemicals, glassware, publications and other stores is accounted as revenue expenditure, except that the value of closing stocks held on 31 March is set up as inventories by reducing the

corresponding Revenue Expenditure on the basis of information obtained from Departments. They are valued at cost.

As a result of contradictory accounting policy adopted, valuation of stock at the end of the year has not been done and value of stock has not been shown in the annual accounts.

D. Net impact of Audit comments

- i Assets understated by ₹ 17.05 crore;
- ii Liabilities understated by ₹ 18.98 crore; and
- iii Capital/ Corpus Fund (in addition to deficit for the year) overstated by ₹1.93 crore.

E. Grant-in-Aid

E.1 The position of Grant -in -aids during the year 2020-21 is detailed as follows:

Particulars	Amount in ₹ crore			
	OH-31	OH-35	OH-36	Total
Opening Balance	1.82	69.46	5.81	77.09 ¹
Add: Grant received during the year	56.25	11.25	45.78	166.70
Add: Other Receipts on account of prior period adjustment	0	0.04	0	0.04
Total Funds Available	58.07	80.75	51.59	190.41
Less : Utilisation during the year	51.82	80.75 ²	48.96	181.53
Unutilised balance at the end of the year	6.25	Nil	2.63	8.88

Besides above, under Higher Education Financial Assistance (HEFA- Principal & Interest) grant scheme, the Institute has a receivable amount of ₹ 13.53 crore from the Ministry as it has incurred expenditure over and above the grants received by raising loans under the scheme, details of which are given as under:-

Particulars	OH 31- HEFA (Principal & Interest)
Opening Balance	-7.64
Add: Grant received during the year	53.42
Add: Other Receipts on account of prior period adjustment	0
Total Funds Available	45.78
Less : Utilisation during the year	59.31
Unutilised balance at the end of the year	-13.53

E.2 Reconciliation between the figures of grant balances worked out in audit and figures of Schedule 3/Schedule 3C/ Schedule 10 is as follows: -

¹As per previous SAR unutilised balance was ₹ 75.29 crore which is increased by ₹ 1.82 crore on account of OH-31-General grant and balance difference of ₹ 0.02 crore due to rounding off of figures. In the previous year in OH-31 grant two components included General ₹ 1.82 crore and HEFA grant – ₹ 7.64 crore. HEFA grant balances have been mentioned separately in comment no. E.2 .

²Expenditure was ₹83.43 crore which were restricted to the extent of funds available of ₹80.75 crore.

Particulars		Amount in ₹ crore				Remarks
		As per Audit		As per Schedules 3C/10	Impact on grant in Schedule	
Unutilised balance at the end of the year	OH-31, 35 & 36	8.88	-4.65	-7.33	+2.68	On account of negative balance of ₹ 2.68 crore under OH-35 (Expenditure booked by Institute was ₹ 83.43 crore which has been restricted to the extent of funds available of ₹ 80.75 crore under OH-35). As per Ministry directions, negative balance of ₹ 2.68 crore is required to be debited to IRG instead of grants.
	HEFA	-13.53 (being receivable)				

Ministry of Education (earlier Human Resource Development) vide its letter dated 25.10.2018 observing that Institutes are meeting some part of the expenditure from their Internal Revenue Generation (IRG) on shortfall of Grants-in-Aid and thereafter requesting them to release the additional funds for recoupment of negative unspent balances, has directed all the heads of Central Financial Institutes and Central Universities to not show negative balances corresponding to the fund spent from in the books of accounts. Instead, IRG/ Corpus Fund should be debited, corresponding to the expenditure incurred out of it and no additional requirement should be projected to the Ministry, as it is not possible to release grants-in-aid for recouping the IRG/ Corpus of the Institutions.

Keeping in view the above directions of the Ministry dated 25.10.2018, negative balance under OH-35 of ₹ 2.68 crore should have been booked as expenditure from IRG/ Corpus, instead of showing negative balances under these heads. Thus, grant balances in the Schedule 3C needs necessary correction.

F. 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 2021; 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

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11.11.21

Director General of Audit (Central), Chandigarh

Annexure to Audit Report

1. Adequacy of Internal Audit System

The Institute has established an internal audit wing which checks the accounting, purchase and other procedures. Also, a firm of Chartered Accountants has also been engaged to conduct internal audit covering areas such as Transaction vouching, internal controls, TDS and other Accounting Procedures.

2. Adequacy of Internal Control System

The Internal Control System was found to be adequate.

3. System of Physical verification of Fixed Assets

- (i) Physical verification (PV) of fixed assets (other than library books) for the year 2020-21 was in progress.
- (ii) As per the GFR provisions, PV of Library books of the institute should be done at least once in three years, last physical verification of library books was done upto the year 2018-19.

4. Physical verification of Inventories

No inventory is shown in the Accounts and no records in this regard were made available.

5. Regularity in payment of Statutory Dues

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


Deputy Director

Sushil Thakur

DO No: DGA(C)/CE/SAR/IIT Ropar/2021-22/1767

सुशील कुमार ठाकुर, आई.ए.ए.एस.
Sushil Kumar Thakur, IAAS



महानिदेशक लेखापरीक्षा (केन्द्रीय), चण्डीगढ़
DIRECTOR GENERAL OF AUDIT (CENTRAL),
CHANDIGARH

Dated: 11.11.2021

Dear Prof. Ahuja,

As you are aware, the audit of annual accounts of your Institute for the year ended 31 March 2021 was conducted and audit comments in respect of the same have been reported through the Separate Audit Report. However, certain deficiencies noticed which have not been included in the Separate Audit Report, but nevertheless are significant in nature (as detailed in the annexure) are being brought to your attention for remedial /corrective action.

You are requested to take corrective measures in this regard.

Warm regards

Yours sincerely,

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Prof. Rajeev Ahuja,
Director,
Indian Institute of Technology,
Ropar (Punjab).

Annexure to the Management Letter

1. As per the annual accounts the Institute has booked an amount of ₹ 64.79 crore under Suppliers –HEFA Loan Funds and ₹ 0.61 crore Suppliers-Institute in the Schedule 8 (Loans, Advances & Deposits) which has been released to CPWD. Thus, an amount of ₹ 65.40 crore has been shown as receivable from CPWD. As per the expenditure statement of CPWD, an amount of ₹ 65.01 crore has been shown as balance of deposits with it. Thus, there is a difference of ₹ 0.39 crore, out of which Rs. 0.27 crore have been shown under Contingent Liabilities and expenditure of Rs. 0.12 crore is yet to be accounted by the Institute. No disclosure in this regard given by the Institute.
2. **Current Liabilities & Provisions (Schedule 3)- ₹ 119.56 crore**
Expenses Payable (Institute): ₹ 612.87 lakh
E- Journals of ₹ 20.89 lakh have been procured for the period of January 2021 to December 2021, with access available during the subscription period only but actual payment has been made in the financial year 2021-22. However, proportionate liability for expenses ₹ 5.22 lakh($20.89 \times 3/12$) upto March 2021 have not been made in the accounts. This has resulted in understatement of Current Liabilities & Provisions, as well Expenditure by ₹ 5.22 lakh.
3. As per the Rule 230(8) of the General Financial Rules 2017, the interest earned on grants should have been mandatorily remitted to the Consolidated Fund of India immediately after finalization of the accounts, however, the Institute have not worked out and remitted the interest on grant funds for the previous years.


Deputy Director