

त्वरितडाक

कार्यालय प्रधाननिदेशकलेखापरीक्षा (केन्द्रीय) लखनऊ, शाखाकार्यालय इलाहाबाद  
"सत्यनिष्ठाभवन" 15-ए, दयानन्दमार्ग, इलाहाबाद-211001

पत्र सं०: स्वा.नि. (कें)/एस.ए.आर./43/2017-18/

दिनांक: 10.2017

सेवामें,

सचिव, भारत सरकार,  
मानव संसाधन विकास मंत्रालय,  
माध्यमिक उच्चशिक्षा विभाग,  
शास्त्री भवन, नई दिल्ली- 110001

विषय: भारतीय प्रौद्योगिकी संस्थान, कानपुर वर्ष 2016-17 के लेखों पर पृथक लेखा परीक्षा प्रतिवेदन।

महोदय,

इस पत्र के साथ भारतीय प्रौद्योगिकी संस्थान, कानपुर के वर्ष 2016-17 के लेखों पर पृथक लेखा परीक्षा प्रतिवेदन (अंग्रेजी) तथा वार्षिक लेखे की प्रति अग्रसारित की जा रही है।

2. कृपया सुनिश्चित करें कि पृथक लेखापरीक्षा प्रतिवेदन एवं सम्बन्धित लेखे संसद के दोनों सदनों के सम्मुख प्रस्तुत हुए।

3. कृपया पृथक लेखापरीक्षा प्रतिवेदन एवं लेखों को संसद के दोनों सदनों के समक्ष अन्तिम रूप से प्रस्तुत करने की तिथि भारत के नियंत्रक एवं महालेखापरीक्षक के साथ-साथ इस कार्यालय को भी सूचित करने का कष्ट करें।

संलग्नक: उपरोक्तानुसार।

भवदीय,

प्रधाननिदेशक लेखापरीक्षा(केन्द्रीय)

पत्र सं०: स्वा.नि. (कें)/एस.ए.आर./43/2017-18/195

दिनांक: 23-10-2017

वर्ष 2016-17 के लेखों पर पृथक लेखापरीक्षा प्रतिवेदन (अंग्रेजी) की प्रति निदेशक, भारतीय प्रौद्योगिकी संस्थान, कानपुर 208016 को आवश्यक कार्यवाही हेतु प्रेषित है। यदि आवश्यकता अनुभव करे, तो संस्थान इस प्रतिवेदन का हिन्दी अनुवाद करवा सकता है परन्तु इस प्रतिवेदन के हिन्दी अनुवाद में निम्नलिखित अस्वीकरण (disclaimer) अंकित होना चाहिए :

"प्रस्तुत प्रतिवेदन मूलरूप से अंग्रेजी में लिखित पृथक लेखापरीक्षा प्रतिवेदन का हिन्दी अनुवाद है। यदि इसमें कोई विसंगति परिलक्षित होती है तो अंग्रेजी में लिखित प्रतिवेदन मान्य होगा।"

हिन्दी अनुवाद की एक प्रति इस कार्यालय को भी प्रेषित करने का कष्ट करें।

संलग्न : उपरोक्तानुसार।

उपनिदेशक लेखापरीक्षा (केन्द्रीयव्यय)

**Separate Audit Report of the Comptroller and Auditor General of India on the accounts of Indian Institute of Technology, Kanpur for the year ended 31 March, 2017**

We have audited the attached Balance sheet of the Indian Institute of Technology, Kanpur (Institute) as at 31<sup>st</sup> March, 2017, Income and Expenditure Account and Receipts and Payments Account for the year ended on that date under section 19 (2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of service) Act 1971, read with section 23 (2) of the Institute of Technology Act 1961 (Act). These financial statements are 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 Comptroller and 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 transaction with regard to compliance with the Laws, 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 the reasonable assurance about whether the statements are free from material misstatements. An audit includes examining, on a test basis, evidence 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 explanation which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

(ii) The Balance Sheet, Income and Expenditure Account and Receipts and Payments Account dealt with by this report have been drawn up except stated in audit report in the format of financial statement for Central Higher Educational Institutions (format) prescribed by MHRD, Government of India.

(iii) In our opinion proper book of accounts and other relevant records have been maintained by the Institute as required under section 23 (1) of the Act. In so far as it appears from our examination of such books.

(iv) We further report that:

**(A) Balance Sheet**

**(A.1) Fixed Assets**

**(A.1.1)** This is understated by ₹ 17.89 crore as the Institute charged excess depreciation by charging it at different rates than the rates prescribed in the format of MHRD. This also resulted in overstatement of expenditure by the same amount. (Annexure-A). This observation was also included in the Separate Audit Report of the previous year 2015-16.

**(A.1.2)** The Institute received Books & Journals of ₹ 1.39 lakh as gift during the year 2016-17 but did not include in the Balance Sheet. This resulted in understatement of Fixed Assets and Capital Fund by ₹ 1.26 lakh each and also the depreciation was understated by 0.13 lakh.

**(A.1.3)** ₹ 19.29 crore, shown as 'addition' to the e-journals in Schedule 4, included ₹ 4.65 crore given as advance to various suppliers/publishers for purchase of the same. This resulted in overstatement of Fixed Assets and understatement of advances in Current Assets of the Balance Sheet by ₹ 4.65 crore each.

**(A.2) Loans, Advances & Deposits (Schedule 8) ₹ 65.03 lakh**

As per Financial Statement of MHRD, the Other-Current Assets receivable from UGC/Sponsored Projects and Claims receivables should be shown in Schedule 8 Loans, Advances and Deposits.

However, the Institute shown ₹ 73.05 crore (Debit balances in Sponsored Projects ₹ 72.76 crore and Claims Receivables ₹ 0.29 crore) in the Schedule 7A Current Assets. This resulted in overstatement of Current Assets and understatement of Loan, Advances and Deposits by ₹ 73.05 crore each.

**(B) Income and Expenditure Account**

As per format of MHRD, the head Deferred Revenue Income was not to be taken in the Income and Expenditure Account. However, ₹ 155.66 crore was depicted under Deferred Revenue Income in the Income and Expenditure Account and no schedule thereof was mentioned. This resulted in overstatement of income and surplus by ₹ 155.66 crore each.

**(C) General**

**(C.1)** As per Schedule 24 of Notes to Accounts, the Accounts of the Provident fund and New Pension Scheme was to be prepared and annexed with the Annual Accounts for the year ended 31<sup>st</sup> March, 2017. However, the Institute did not prepare/annex the Income and Expenditure Account thereof as prescribed by MHRD format.

**(C.2)** The Institute did not prepare following as required in the Format :

- (i) Schedule-3(a) Sponsored Projects,
- (ii) Schedule-3(b) Sponsored Fellowship and Scholarships under Current Liabilities and Provisions, and
- (iii) Schedule-4(c) (i) Patents Copyrights under Fixed Assets.

**(C.3)** In the format prescribed by MHRD, the heads Receipts-Sponsored Projects/Scheme and Receipts against sponsored Fellowship and Scholarship have been shown separately in the Receipts and Payments Account.

However, the Institute merged the head Receipts against sponsored Fellowship and Scholarships into the head Receipts-Sponsored Projects/Schemes in contravention of the said format.

**(D) Accounting Policy**

Secured Loans amounting to ₹ 46.51 crore from nationalized banks against FDRs was shown in the Liabilities side of the Balance Sheet which was not as per prescribed format of MHRD format.

**(E) Grants-in-Aid**

**(E.1)** The institute received Grants-in-aid of ₹ 419.44 crore (Plan ₹ 161.44 crore and Non Plan ₹ 258.00 crore) lakh from MHRD, Government of India during the year 2016-17. Further, the Institute generated internal income of ₹ 107.17 crore (Plan ₹ 3.38 crore and Non-Plan ₹ 103.79 crore which includes student's fees ₹ 46.47 crore, Income from investment ₹ 14.29 crore, Interest earned on bank balance ₹ 1.40 crore and other income ₹ 41.62 crore) during the year. After taking into account of opening balance of ₹ (-)36.44 crore {Plan ₹ (8.51) crore and Non-plan ₹ (-)27.93 crore }, the total funds available worked out to ₹ 490.17 crore (Plan ₹ 156.32 crore and Non-plan ₹ 333.85 crore), out of which the Institute utilized a sum of ₹ 538.68 crore (Plan ₹ 214.05 crore and Non-Plan ₹ 324.64 crore) leaving the closing balance of ₹ (-)48.51 crore {Plan ₹ (-)57.73 crore and Non-plan ₹ 9.22 crore}.

**(E.2)** The Institute received projects Grant of ₹ 237.03 crore (Govt. of India ₹ 114.32 crore, State Govt. ₹ 3.34 crore and others ₹ 119.37 crore) during the financial year 2016-17. After taking an opening balance of ₹ 134.36 crore the total funds

available worked out to ₹ 371.38 crore, out of which the Institute utilised ₹ 204.83 crore leaving a closing balance of ₹ 166.5 crore as on 31 March, 2017.

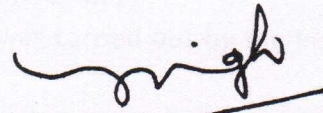
(v) Subject to our observations in the preceding paragraphs, we report that the Balance Sheet, Income and Expenditure and Receipts and Payments Account dealt with by this report are in agreement with the books of accounts.

(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 to Accounts, and subject to the significant matters, stated above and other matters mentioned in Annexure to this Audit Report gives 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, Kanpur as at 31<sup>st</sup> March, 2017; and

b. In so far as it relates to Income and Expenditure of the 'surplus' for the year ended on that date.

For and on behalf of the C&AG of India



Principal Director of Audit (Central)

Place: Lucknow

Date: 27.10.17

## Annexure

### 1. Adequacy of Internal Audit System

The Internal Audit System reflected following deficiencies:

- Conducting of a regular Internal Audit is not in practice in the Institute. Only vouchers/Bills, purchase order, service matter are pre-audited by Internal Audit Section.
- No Internal Audit Manual was prepared by the Institute to conduct the Internal Audit.

### 2. Adequacy of Internal Control System

The Internal Control System reflected the following deficiencies:

- Non-adjustment of advances amounting to ₹ 2.50 crore.
- Non-maintenance of Centralized Assets Register.
- The Cash books were neither closed nor verified at the end of the month by the competent authority. More than one cash books were maintained for a single Bank Account.
- Non preparation of Bank Reconciliation statement at the end of month.

### 3. System of Physical Verification of Fixed Assets

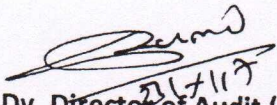
Physical verification of fixed assets was carried out by the Institute except books and periodicals and journals for the year 2016-17.

### 4. System of Physical Verification of Inventory

Physical verification of inventory was carried out by the Institute for the year 2016-17.

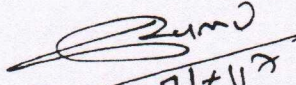
### 5. Regularity in Payment of Statutory dues

Statutory dues of ₹ 75.19 lakh were due for payment which included ₹ 38.02 lakh of Service Tax, ₹ 8.59 lakh of LIC premium, ₹ 24.83 lakh of Income Tax, ₹ of 2.86 lakh of Group Insurance, ₹ 0.36 lakh of VAT ₹ 0.03 lakh of court attachment and ₹ 0.50 lakh of other statutory liability etc.

  
Dy. Director of Audit (CE)

**Annexure-A**

Sl. No.	Assets	Gross Block as on 31.03.2017	Rate of dep. as per MHRD (%)	Dep. was to be charged	Rate of dep. as per Institute (%)	Dep. Charged	Difference of Dep.
1	Plant & Machinery	2173.28	5	103.23	9.5	196.14	-92.91
2	Computer/Peripheral equipment	12271.71	20	2307.48	19.5	2244.44	63.04
3	Lab & Science Equipment	82627.91	8	6159.40	9.5	7314.16	-1154.76
4	General Equipment	12159.16	7.5	860.85	9.5	1084.10	-223.25
5	Furniture & Fixtures	2537.24	7.5	178.97	9.5	224.20	-45.23
6	Vehicles	113.47	10	9.88	9.5	9.39	0.49
7	Donated equipment	83.46	7.5	3.96	9.5	7.53	-3.57
8	Periodical & Journal	13375.18	10	5082.57	19.5	2477.75	2604.82
9	Library books	2709.58	10	254.56	9.5	241.83	12.73
10	e-journals	3271.35	40	1225.14	19.5	598.16	629.98
11	Patents	48.03	9 Year	5.07	19.5	3.94	1.13
	<b>Total</b>					<b>1789.47</b>	

  
 Dy. Director of Audit (CE)