

by speed post



भारतीय लेखा परीक्षा और लेखा विभाग
महानिदेशक लेखा परीक्षा (केंद्रीय) का कार्यालय
सी-25, लेखा परीक्षा भवन, आयकर भवन के पीछे,
बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400051.
टेली/ : (EPBX) (022)-26572907 फैक्स/ : 26572451

क्र. म.नि.ले.प.(के.)/ना.एवं.स्वा.नि./एस.आर.ए./16-17/आई.आई.आई.टी.नागपुर/ दिनांक:- 10/6/2018
सेवा में,
सचिव, भारत सरकार
मानव संसाधन विकास मंत्रालय,
उच्च शिक्षा विभाग, शास्त्री भवन,
नई दिल्ली - 110001.

विषय - वर्ष 2016-17 के लिए आई.आई.आई.टी नागपुर के लेखों पर प्रथक लेखापरीक्षा प्रतिवेदन ।

महोदय,

• 31 मार्च 2017 को समाप्त वर्ष के लिए आई.आई.आई.टी नागपुर के लेखों पर प्रथक लेखापरीक्षा प्रतिवेदन निम्नलिखित दस्तावेजों के साथ संसद के दोनों सदनों की पटल पर प्रस्तुत करने हेतु अग्रेषित किया जा रहा है।

i. वर्ष 2016-17 के लिए वार्षिक लेखे

ii. अनुबंधक सहित लेखापरीक्षा प्रतिवेदन-सह-लेखापरीक्षा प्रमाण पत्र

कृपया संसद में प्रस्तुत दस्तावेजों की प्रतियां एवं सदनों में उनकी प्रस्तुति की तिथि के सम्बन्ध में सूचना इस कार्यालय को अग्रेषित की जाए।

कृपया पत्र की प्राप्ति की सूचना दे ।

भवदीय

हस्ता/-

उपनिदेशक/ना.एवं.स्वा.नि.

संलग्नक: यथोपरिउप-

क्र.म.नि.ले.प.(के.)/ना.एवं.स्वा.नि./एस.ए.आर./16-17/ आई.आई.आई.टी नागपुर/ दिनांक:- 12/06/2018

सेवा में,

निदेशक,

आई.आई.आई.टी नागपुर,

बी.एस.एन.एल, आर.टी.टी.सी, नियर टी.वी. टावर,

बालाजी टेम्पल, सेमिनारी हिल्स,

नागपुर - 440006.

अनुबंधक के साथ प्रथक लेखापरीक्षा प्रतिवेदन की एक प्रति जानकारी एवं आवश्यक कार्यवाही हेतु अग्रेषित की जा रही है। संसद में दस्तावेजों की प्रस्तुति की तिथि एवं उनकी प्रतिलिपि इस कार्यालय को प्रस्तुत की जाए।

10: MLC Reg. (stn)/
MLC Reg. (stn)/
for follow-up
19/6/18

IIIT, NAGPUR

07 19 JUN 2018

उपनिदेशक/ना.एवं.स्वा.नि.

Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of the Indian Institute of Information Technology, Nagpur for the year ended 31 March 2017.

We have audited the attached Balance Sheet of the Indian Institute of Information Technology, Nagpur ('the Institute') as at 31 March 2017, the Income & Expenditure Account and Receipt & Payment Account for the year ended on that date under Section 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 read with Section 28 of the Indian Institutes of Information Technology (Public-Private Partnership) Act, 2017. The audit was entrusted for the period from 2016-17 to 2020-2021. 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 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 transactions with regard to compliance with the Law, Rules and 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, the Income & Expenditure Account and the Receipt & Payment Account dealt with by this report have been drawn up in the new format prescribed by the Ministry of Human Resource Development, Government of India vide Order No.29-4/2012-IFD dated 17 April 2015 except as mentioned in para C-3.
- iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Institute as required under

Section 28 of the Indian Institutes of Information Technology (Public-Private Partnership) Act, 2017 insofar as it appears from our examination of such books.

iv. We further report that:

A. Balance Sheet

A.1 Liabilities

A.1.1 Corpus/ Capital Fund (Schedule 1) Rs.568.63 lakh

The Institute has received recurring (revenue) grant of Rs.100.00 lakh during the year against which it incurred expenditure of Rs.273.82 lakh and the excess expenditure of Rs.173.82 lakh was met from non-recurring (capital grant). The Internal Revenue generated amounting to Rs.112.01 lakh was transferred to Corpus/Capital Fund instead of utilizing the same for meeting its operating expenses. The Corpus/Capital Fund is therefore overstated by Rs.112.01 lakh with corresponding understatement of Current Liabilities (unutilized grant).

A.2 Assets

A.2.1 Current Assets (Schedule 7) Rs.761.99 lakh

As per the Certificate of Balance furnished by SBI for the Multi Option Deposit Scheme (MOD) Account maintained in respect of A/c no.35630339616 is Rs.660.61 lakh as on 31.03.2017, and

the Current Account balance is (-) Rs.4.71 lakh as per Cash Book (Net balance Rs.655.90 lakh) against which an amount of Rs.663.81 lakh is reflected under Current Account (Schedule 7 - (3) Cash & Bank Balances). This needs to be reconciled with Bank.

B. Income and Expenditure Account

B.1. Expenditure

B.1.1. Non-charging of depreciation Rs.18.39 lakh

As per the Revised Format of Accounts for CHEI, depreciation on fixed assets is to be provided for the whole year on additions made during the year on Straight Line Method. The Institute has not charged depreciation on the assets costing Rs.136.68 lakh acquired during the year which works out to Rs.18.39 lakh. This has resulted in understatement of expenditure of Rs.18.39 lakh with corresponding overstatement of Fixed Assets as well as Corpus.

B.2 Income

B.2.1 Non-accounting of accrued interest

The Institute has not recognised interest accrued of Rs.2.12 lakh on Term Deposit in the Books of Accounts. The

income of the Institute is therefore understated by Rs.2.12 lakh with corresponding understatement of Corpus/Capital Fund.

C. General Comments

1. As per clause 1 (ii) of Section D of the Memorandum of Undertaking industry partners viz., TCS and ADCC Infocad Ltd. were required to deposit 50 percent of its contribution to the IIIT Nagpur before 31.03.2017. Though three members were proposed as third party industry members, only two members exist and in the absence of the third member the share of cost was to be borne by Government of Maharashtra (GoM).

Only Tata Consultancy Services (TCS) has made 50 percent contribution of Rs.3.20 Crore. The share of cost of capital from ADCC Infocad Ltd. as well as from the GoM in lieu of the third industry partner is pending. The Institute has not disclosed the facts in Notes to Accounts.

2. Non-monetary assets received free of cost are to be recorded at a nominal value in the Accounts. The Govt. of Maharashtra granted 39.96 ha. of land in Nagpur free of cost to IIIT, Nagpur, however the land has not been shown at a nominal value in the Balance Sheet and no disclosure regarding the same is made in Notes to Accounts.

3. The Institute has not strictly adhered to the Revised Format of Accounts:

The Institute has not appended its Significant Accounting Policies (Schedule 23) and Notes to Accounts (Schedule 24) to the Accounts as required. Further, the Institute has not prepared Schedule 4 (A) to 4 (D) - Fixed assets, Schedule 7 (A) - Details of Bank Accounts and Schedule 15 (A) - Employees Retirement and Terminal Benefits.

D. Grant-in-aid

Out of non - recurring grant of Rs.600.00 lakh received during the year 2016-17 the Institute spent Rs.136.69 lakh for capital expenditure. The Institute received recurring grant of Rs.100.00 lakh and spent Rs.273.82 lakh meeting the deficit of Rs.173.82 lakh from the non-recurring (capital grant) for which no prior approval was obtained from the Board/Ministry as required. The unutilized non-recurring grant was thus Rs.289.49 lakh as on 31.03.2017.

Besides, the Institute received non- recurring grant of Rs.102.01 lakh from the Govt. of Maharashtra which remained unutilized as on 31.03.2017.

The Institute has generated Internal Revenue of Rs.112.01 lakh during the year 2016-17 which remained unutilized and has transferred the same to Corpus/Capital Fund.

The Institute also received contribution towards Capital/Corpus Fund amounting to Rs.320.00 lakh from the Industry Partner Tata Consultancy Services, which remained unutilized as on 31.03.2017.


E. Management letter:

Deficiencies which have not been included in the Audit Report have been brought to the notice of the Institute 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, the Income & Expenditure Account and Receipt & Payment 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 the 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 Information Technology Nagpur as at 31 March 2017, and
- (b) In so far as it relates to the Income & Expenditure Account, of the surplus for the year ended on that date.

**For and on behalf of the
Comptroller & Auditor General of India**


Director General of Audit (Central)

Place: Mumbai,

Date: 12.06.2018.

Annexure

1	Adequacy of Internal Audit System No internal audit was conducted during the year.
2	Adequacy of Internal Control System The overall internal control system is not adequate as the Institute has not strictly followed the Revised Format of Financial Statements. Further, non-recurring (capital) grant was utilized for revenue expenses without prior consent of the Board/Government and the Internal Revenue generated which is required to be utilized for operating expenses was transferred to Corpus/Capital Fund.
3	Physical verification of Assets Physical verification of assets and library books has not been conducted for the year 2016-17. The Institute has not maintained Asset Register.
4	System of Physical verification of Inventory Institute is not maintaining any Inventory.
5	Regularity in payment of statutory dues. The Institute is regular in payment of statutory dues.


Director General of Audit (C)