भारतीय लेखापरीक्षा तथा लेखा विभाग
कार्यालय महानिदेशक लेखापरीक्षा (केन्द्रीय), चण्डीगढ़

Indian Audit & Accounts Department
Office of The Director General of Audit (Central), Chandigarh

सत्यमेव जयते

स०/No: डी.जी.ए.(सी)/के. व्यय/SAR NITS/2021-22/22-23/ दि०/Dated:

सेवा मे,

सचिव,
उच्चतर शिक्षा विभाग,
शिक्षा विभाग, भारत सरकार,
नई दिल्ली – 110001

**विषय:** National Institute of Technology, Srinagar के वर्ष 2021-22 के लेखाओं पर पृथक लेखापरीक्षा प्रतिवेदन

महोदय,

कृप्या National Institute of Technology, Srinagar के वर्ष 2021-22 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,

संलग्न: उपरोक्त अनुसार

— ह०-ता० —

महानिदेशक

उपरोक्त की प्रतिलिपी वर्ष 2021-22 की पृथक लेखापरीक्षा प्रतिवेदन की प्रति सहित आवश्यक कार्यवाही हेतु निदेशक, National Institute of Technology, Srinagar को प्रेषित की जाती है।

भवदीया,

प्रतिभा

निदेशक (केन्द्रीय व्यय)

प्लाट न. 20-21, सेक्टर - 17ई, चण्डीगढ़ - 160017 Plot No. 20-21, Sector-17E, Chandigarh - 160017
दूरभाष/ Tel.No. 0172 - 2782020 & 2706117 फैक्स/ FAX No:0172 - 2782021 / 2783974 ई-मेल/ Email: pdacchandigarh@cag.gov.in

**Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of the National Institute of Technology, Srinagar for the year ended 31 March 2022**

We have audited the Balance Sheet of the National Institute of Technology, Srinagar as at 31 March 2022, 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 22 (2) of the National Institute of Technology Act, 2007. 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 uniform format approved by the Ministry of Finance, Government of India.

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

**iv)** We further report that:

**Based on our audit, we report that:**

**A : General**

**A.1 Balance confirmation from Debtors/ Advances recoverable and Creditors not obtained**

The Institute has not obtained confirmation from the Debtors/Advance receivable Rs.301.41 lakh (Debtors Rs.0.63 lakh& Advances to others Rs.285.83 lakh and creditors Rs.14.95 lakh being expenses payable) at the close of financial year. In the absence of the same, the authenticity of the balances depicted in the financial statements by the Institute could not be verified in audit.

Similar observation was issued in previous SAR since 2019-20, however, compliance has not been made.

**A.2 Income and Expenditure Account.**

**Income from Investments:Rs.8.39 crore (Schedule-11)**

Interest is received by the NIT towards interest income by investing the funds, inter-alia, including the unspent balances of Grants received from the Government of India/MHRD/UGC from time to time. As per rule 230 (8) of General Financial Rules 2017, all interests or other earnings earned out of Grants should be remitted to the Consolidated Fund of India immediately after finalization of accounts.

Clause 12 of the sanction order of grants pertaining to recurring/non-recurring grants clearly specifies that "*all interests or other earnings against grants in aid or advances released to any grantee/institution should be mandatorily remitted to the consolidated fund of India immediately after finalization of accounts, such advances should not be allowed to be adjusted against future releases*".

The grant is being credited to designated RBI account and operated through TSA since 2021-22 only. However, the Institute has not ascertained and remitted the interest earned on the grant funds, prior to 2021-22 which contravened the provisions contained in the GFR and term & conditions of the sanction letters of the grants.

Similar observations were also issued in the previous year Separate Audit Report since 2019-20, however, no compliance has been made.

**A.3 : Current Assets, review of bank accounts**

The Institute has not prepared reconciliation statement of J&K Bank CD 106 and therefore the difference between the balances shown in the accounts (Rs.645.54 lakh) and actual bank balances (Rs1675.95 lakh) amounting to Rs. 1030.41 lakh were not reconciled. Similar observation was issued in previous year SAR since 2019-20 in r/o J&K Bank CD 106, J&K Bank TEQIP III and SBI Scholarship. However, compliance has not been made.

**A.4: Non provision for retirement benefits**

A reference is invited to Sr.No-3(b) pertaining to provisions for retirement benefits which states that the benefits towards employees are accounted for during the year on actual basis. This has resulted in non compliance of MHRD format of accounts, which prescribe that the provisions of the retirement benefits should be made on actuarial basis.

Similar observation was issued in the previous Separate Audit Report for the year 2020-21. However, compliance has not been made.

**A.5 Income from Investment Rs. 8.39 crore (Schedule-11)**

Interest Confirmation certificates from J&K Bank show the total interest on FDRs at Rs.8.39 crores. However, this certificate does not indicate FDR wise interest for the year 2021-22. Further, details of interest on FDRs held with other banks (i.e other than J&K Bank) along with interest confirmation certificates thereof have not been furnished. Similar observation was issued in the previous year Separate Audit Report for the year 2020-21. However, compliance has not been made.

**A.6 Receipt and Payment Account**

The receipt side of Receipt & Payment Account depicts the total balance of Rs.262.09 crore . However, payment side indicates the total balances of Rs.262.19 crore Thus payment side was overstated by Rs.0.10 crore. This needs reconciliation

**The above needs reconciliation by the Institute.**

**A.7 Non-availability of annual accounts of GPF and NPS**

As per prescribed format, accounts relating to GPF and NPS were to be annexed with the annual accounts, however, this has not been complied with.

Similar observation was issued in the previous year Separate Audit Report since 2019-20, however, compliance has not been made.

**A.8** The adjustment entry amounting to Rs.31.70 lakh and other additions amounting to Rs. 58.45 were made in Corpus/Capital funds (Sch 1). However, disclosures in this regard have not been made in "Notes to accounts".

**(B) GRANT-IN-AID**

The position of Grant in Aid of the institute for the financial year 2021-22 was as follows:

Amount in Crore:

| **Particular** | **OH-31** | **OH-36** | **OH-35** | **Total** |
|---|---|---|---|---|
| Previous year's unspent balance | 3.92 | 25.20 | 30.35 | 59.47 |
| Add Grant-in-Aid received during FY 2021-22 | -- | -- | 16.36 | 16.36 |
| Total funds | 3.92 | 25.20 | 46.71 | 75.83 |
| Less Expenditure | 3.92[1] | 25.20[2] | 28.84 | 57.96 |
| Less lapsed grant | - | - | 0.01 | 0.01 |
| Unspent Balance at the end of year | Nil | Nil | 17.86 | 17.86[3] |

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 other significant matters above and other matters mentioned in Annexure to this Audit Report

[1] Actual utilization of Rs. 56.14 crore (OH 31) restricted to the extent of funds available of Rs. 3.92 crore as excess expenditure of Rs. 52.22 crore was to be met from IRG.

[2] The actual utilization of Rs. 56.20 crore (OH 36) restricted to the funds available of Rs. 25.20 crore. As excess expenditure of Rs. 31 crore was to be met from IRG.

[3] The unspent balance as per books of accounts is Rs. 16.92 crore. Thus difference of Rs. 0.94 crore had remained unreconciled in previous year.

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 National Institute of Technology, Hazratbal, Srinagar as at 31st March 2022; and

b. In so far as it relates to Income & Expenditure Account, of the surplus 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:**

## Annexure to Audit Report

1. **Internal Audit system**

   Internal audit for the financial year 2021-22 was not conducted.

2. **Adequacy of internal control system**

   Internal control system of NIT Srinagar was found in-adequate to following extent

   i) Institute has not obtained the confirmation of balances of debtors/advances from concerned parties.

   ii) Reconciliation statement of one bank accounts was not prepared.

   iii) Physical verification of Fixed Assets & Inventories was not conducted.

3. **Physical verification of Fixed Assets**

   Physical verification of Fixed Assets was not conducted during 2021-22.

4. **Physical verification of Stock**

   Physical verification of Inventory was not conducted during 2021-22.

5. **Regularity in payment of statutory dues**

   The institute was regular in payment of statutory dues

प्रतिभा

**Director**