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 2024

We have audited the Balance Sheet of the National Institute of Technology, Srinagar as at 31 March 2024, 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 format prescribed by the Ministry of Education (erstwhile Ministry of Human Resource Development), Government of India. , 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 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:

A. General

A.1 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.

Above observation is being included in Separate Audit Reports since the year 2019-20, however, compliance has not been made.

A.2 As per the prescribed format Sub-Schedules 3 (a), 3 (b) and 3 (c) of the Schedule 3 are required to prepared separately, for showing balances of receipts under Sponsored Projects under Sub-Schedule 3 (a), for showing balances of Sponsored Fellowships and scholarships sponsored projects for showing under Sub-Schedule 3 (b) and for showing balance of Unutilised Grants from UGC, Government of India and State Governments under Sub-Schedule 3 (c) .

Instead, the Institute has merged all these funds in Schedule 3, instead of preparing separate sub-schedules as per the prescribed format.

Further, in the Schedule 3 while working details of grants, the Institute has not included details of recurring grants therein and in the Schedule 10, it has not included details of Non-recurring grants contravening the prescribed format.

Moreover, Sub-Schedule 15 (a)- Employees Retirement and Terminal Benefits to Schedule 15was also not prepared contravening the prescribed format.

A.3 As per expenditure statement of CPWD as on 31.03.2024 the value of work in progress against PMDP works was ₹ 11.82 crore, while as per accounts of the Institute for the year 2023-24, the work in progress against PMDP works was ₹ 14.52 crore (9.07 +2.45+3.00). The difference of ₹ 2.70 crore is needed to be reconciled.

B. Grant-in-Aid

B.1 The position of Grant in Aid of the Institute for the financial year 2023-24 was as follows:-

(amount in ₹ crore)

Particulars	**OH-31**	**OH-36**	**OH-35**	**Total**
Previous Year's unspent Balance	Nil	Nil	14.01	14.01
Grant Received during the year	70.20	67.12	14.66	151.98
Total	70.20	67.12	28.67	165.99
Less: Expenditure	70.20	67.12	15.34	152.66
Funds Lapsed	Nil	Nil	1.55	1.55
Unutilised balance at the end of the year	Nil	Nil	11.78	11.78

B.2 As per Schedule 3, the balance under OH-35 was ₹ 10.84 crore, instead of ₹ 11.78 crore as worked out in the above table. Hence, there is a difference of ₹ 0.94 crore. Balance shown in the Schedule 3 was found incorrect to the extent of ₹ 0.94 crore as in the year 2019-20, the Institute has shown capital expenditure on Fixed Assets of ₹ 26.08 crore under OH-35, while capital expenditure as per Schedule of Fixed Assets was ₹ 25.15 crore, which has resulted in overstatement of Corpus/ Capital Fund and understatement of unutilised grants by ₹ 0.93 crore. The remaining difference of ₹ 0.01 crore may be due to rounding of the figures.

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 give a true and fair view in conformity with accounting principles generally accepted in India:

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

Principal Director of Audit (Central), Chandigarh

Place: Chandigarh

Date: 29.10.2024

Annexure to Audit Report

1. Adequacy of Internal Audit System

Internal Audit wing not established in the Institute and internal audit for the financial year 2023-24 was not conducted.

2. Adequacy of Internal Control System

Internal Control System in the Institute was found inadequate to following extent:-

(i) The Institute has not obtained the confirmation of balances of debtors advances

(ii) Physical verification of Fixed Assets, Library and Inventories was not conducted

(iii) Accounting Manual has not been prepared.

3. System of Physical Verification of Fixed Assets

As per Rule 213 (i) of the General Financial Rules 2017, the inventory for fixed assets shall ordinarily be maintained and should be verified at least once in a year and the outcome of the verification recorded in the corresponding register and discrepancies. if any shall be promptly investigated and bought to the notice of concerned authorities. However, the Physical verification of Fixed Assets and Library Books was not conducted during 2023-24.

4. System of Physical Verification of Inventory

As per Rule 213 (ii) of the General Financial Rules 2017, a physical verification of all the consumable goods and materials should be undertaken at least once in a year and discrepancies, if any, should be recorded in the stock register for appropriate action by the competent authority. However, the Physical verification of Inventory was not conducted during 2023-24.

5. Regularity in payment of statutory dues

The Institute was regular in payment of statutory dues.

Dy. Director (CE)