

Separate Audit Report of the Comptroller & Auditor General of India on the accounts of National Institute of Technology, Uttarakhand for the year ended 31 March 2021

We have audited the attached Balance Sheet of the National Institute of Technology, Uttarakhand (Institute) as at 31 March 2021, 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 Institutes of Technology Act, 2007 (Amended-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 the 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, Income & Expenditure Account and Receipts & Payments Account dealt with by this report have been drawn up in the format of financial statements for Central Higher Educational Institutions prescribed by the Ministry of Education.
- (iii) In our opinion, proper books of accounts and other relevant records have been maintained by the Institute as required under Section 22(1) of the National Institutes of Technology Act, 2007 (Amended-2012) in so far as it appears from our examination of such books.

(iv) We further report that:

(A) Balance Sheet

Current Assets (Schedule-7)

₹ 20.65 crore

(A.1.1) Above includes ₹ 9.98 lakh being receivable amount of 'TDS on FDR interest' whereas the same should have been depicted as 'claims receivable' under Loans, Advances & Deposits (Schedule-8). This resulted in overstatement of Current Assets (Schedule-7) by ₹ 9.98 lakh and understatement of Loans, Advances & Deposits (Schedule-8) by the same amount.

(A.1.2) Above includes ₹ 3.03 crore being amount of 'Accrued Interest' whereas the same should have been depicted as 'Income Accrued' under Loans, Advances & Deposits (Schedule-8). This resulted in overstatement of Current Assets (Schedule-7) and understatement of Loans, Advances & Deposits (Schedule-8) by ₹ 3.03 crore.

(B) Fixed Assets (Schedule 4)

Capital work in progress

₹ 3.80 crore

(B.1) The above included ₹ 34.84 lakh as the 'Capital work in progress' whereas the same should have been capitalized and depicted under the head 'Site development' as the works has been completed and handed over to the Institute. This resulted in understatement of the head 'Site development' (Tangible Assets) by ₹ 34.84 lakh and overstatement of 'Capital work in progress' by the same amount.

(B.2) The above does not include ₹ 35.39 lakh being amount of expenses towards the 'Site development and construction of boys and Girls hostels at extension campus of NIT Uttarakhand at Srinagar' as the adjustment has been submitted to the Institute. This resulted in understatement of 'Capital work in progress' (Schedule-4) by ₹ 35.39 lakh and overstatement of 'Loans, Advances & deposits' (Schedule-8) by the same amount.

(C) General

(C.1) The Institute has not depicted the amounts as required under Schedule-3(a), Schedule-3(b), Schedule-3(c) and Schedule-4(c).

(C.2) The Institute has not made Provision for retirement benefits on actuarial basis as required in AS-15.

(C.3) The Institute has not reflected details of Bank accounts in Annexure 'A' to Schedule-7.

(C.4) The Institute has not accounted for 'the balance of consumables stock of different departments' amounting to ₹ 11.23 lakh under 'Current Assets' as on 31.03.2021.

(D) Grants-in-aid

The Institute received ₹ 30.34 crore during 2020-21. After taking opening balance of ₹ 38.84 crore and interest earned of ₹ 1.65 crore, the total funds works out to ₹ 70.83 crore. The Institute utilized ₹ 28.74 crore leaving a balance of ₹ 42.09 crore.

(v) Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and Income & Expenditure 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 National Institute of Technology, Uttarakhand as at 31 March 2021; and*
- b. *In so far as it relates to Income & Expenditure Account of the 'surplus' for the year ended on that date.*

Place: Lucknow

Date: 25.3.2022

For and on behalf of the C&AG of India



Director General of Audit (Central)

Annexure

1. Adequacy of Internal Audit System

The internal audit of the Institute has not been conducted for the year 2020-21. Moreover, the Institute has no internal audit system of its own.

2. Adequacy of Internal Control System

The Internal Control System of the Institute is characterised by the following deficiencies;

- Non fulfilment of 44 vacant posts against 194 sanctioned posts.
- Non traceability of 851 books in the library of the Institute.
- Non-disposal of unserviceable items in the Institute.

3. System of Physical Verification of fixed Assets

Physical verification of fixed Assets has been conducted for the year 2020-21.

4. System of Physical verification of inventory

The Institute reported for non-existence of 'Inventory management system'.

5. Regularity in payment of statutory dues

The Institute is regular in payment of statutory dues.



Dy. Director (CE)