

11.12 Finance & Account Detail

**INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT (CENTRAL)
CHANDIGARH – 160017**

NO:GA/SAR/NA318/2012-13/347-48 Dated 27.12.2012

To

The Secretary
Government of India
Ministry of Human Resource Development
Department of Education
New Delhi

Sub:- Separate Audit Report on the accounts of Dr B R Ambedkar National Institute of Technology, Jalandhar for the year ended 31 March 2012.

Sir,

I am enclosed a copy of the Separate Audit Report on the accounts of Dr B R Ambedkar National Institute of Technology, Jalandhar for the year ended 31 March 2012 for necessary action at your end. The report may be kept confidential till its presentation in the Parliament.

Yours faithfully

Sd/-

Dy Director

Encl: As above.

Copy of the above along with copy of Separate Audit Report is forwarded to Director, Dr B R Ambedkar National Institute of Technology, Jalandhar.

Separate Audit Report of the Comptroller and Auditor General of India on the accounts of Dr. B. R. Ambedkar National Institute of Technology, Jalandhar for the year ended 31 March 2012.

We have audited the attached Balance Sheet of Dr. B. R. Ambedkar National Institute of Technology, Jalandhar as on 31 March 2012, Income and Expenditure Account and Receipt and Payment 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 22(2) of NIT Act 2007. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on the 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 on disclosure norms etc. Audit observations on financial transactions with regard to compliance with the Laws, 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 the 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 test basis, evidences supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the 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. On the basis of audit draft Audit Report was issued to the management, however no reply was received for eight weeks. Hence the Separate Audit Report is finalised without the response of the Institute.

ii. The Balance Sheet, Income and Expenditure Account and Receipts and Payments Account dealt with by this report have been drawn up in the format approved by the Government of India, Ministry of Finance.

iii. In our opinion, proper books of accounts and other relevant records have been maintained by Dr. B. R. Ambedkar National Institute of Technology, Jalandhar as required under section 22 (1) of NIT Act, 2007, in so far as it appears from our examination of such books.

iv. We further report that:-

A. Balance Sheet

1. Liabilities

1.1 Corpus/ Capital fund - Rs. 22775.94 lakh

1.1.1 In accordance with prescribed Common Format of Accounts for Central Autonomous Bodies for the Balance Sheet, the balance of Net Income (Expenditure) has to be transferred from the Income and Expenditure A/c to Corpus/ Capital Fund, whereas, the Institute transferred the same to Reserve and Surplus. This has resulted in understatement of Corpus/ Capital Fund and overstatement of Reserve and Surplus by Rs.33.13lakh (after adjustment of deficit of previous year).

1.1.2 Above includes balance of unspent grant-in-aid of Rs.1893.81 lakh (Main Rs.1845.06 lakh + OSC Rs.48.75 lakh), which was adjustable towards grant-in-aid payable during the year 2012-13. The same was required to be depicted under Current Liabilities and Provisions in view of Accounting Policy i.e. grant in aid is accounted on accrual basis (Sr. No. I of Schedule 24).This has resulted in overstatement of Corpus/ Capital Fund and understatement of Current Liabilities and Provisions by Rs.1893.81 lakh.

1.2 Current Liabilities and Provisions: Rs.4557.53 lakh

This does not include Rs.123.79 lakh payable to CPWD on account of expenditure made in excess of amount deposited with it. This has resulted in understatement of Current Liabilities and Provisions as well as Fixed Assets by Rs.123.79 lakh.

2. Assets**2.1 Fixed Assets: Rs.21336.09 lakh (Schedule-8)****2.1.1 Non Provision of depreciation**

The Institute has not provided depreciation on the Fixed Assets which have been taken/ booked on actual cost of acquisition.

2.2 Current Assets, Loans and Advances (Schedule-11): Rs.5216.88 lakh

2.2.1 Above does not include an amount of Rs. 37.70 lakh on account of Electricity Charges / Electricity Duty paid by the Institute to Electricity department during the period April 2004 to October 2009. The said Duty was exempted in accordance with Section 5(c) and 5(b) of Punjab Electricity (Duty) Act 2005. On pointed out by the audit the same was exempted by electricity Department w.e.f. October 2009 onwards. This has resulted in understatement of Current assets, Loans and Advances and understatement of Income to that extent.

2.2.2 Above includes an amount of Rs.25.98 lakh on account of advances outstanding against employees for more than six months which further include an amount of Rs.14.76 lakh which are outstanding for more than 5 years. Either these have been written off or to be disclosed separately by way of note. This has resulted into overstatement of Current Assets Loans and Advances and understatement of loss to the extent of 14.76 lakh.

B. Notes to Accounts (Schedule-25)

3.1 The expenditure incurred for import of equipments valuing Rs. 46.29 lakh by the Institute in foreign currency has not been disclosed separately.

3.2 The expenditure of Rs.25.86 lakh incurred on foreign travel by the officers/officials of the Institute was not shown.

3.3 Neither the Contingent liability in respect of 12 court cases (9 in Punjab & Haryana High Court plus 3 other cases) filled by the individuals / employees against the Institute and are pending as on 31.3.2012 has been provided nor has the fact been disclosed.

C. Grants/Subsidies

Out of the grant in aid of Rs.4800.00 lakh (Plan Rs2300.00 lakh plus Non-Plan Rs.2500.00 lakh) under main account received during the year and adjustment of previous year unspent grant of Rs. 3633.91 lakh (Plan Rs.2359.70 lakh and Non-Plan Rs.1274.21 lakh) and also internal receipt of Rs.1190.29 lakh, the Institute could utilize the sum of Rs.5652.15 lakh (Plan Rs.2814.64 lakh and Non- Plan Rs2837.51 lakh), leaving a balance of Rs.3972.05 lakh (Plan Rs.1845.06 lakh and Non- Plan Rs.2126.99 lakh).

The Institute did not receive grant in aid during the year for Oversight Scheme (OSC) and out of previous year's unspent grant of Rs.723.47 lakh (Plan Recurring Rs.108.95 lakh and Plan Non Recurring overspent Rs.614.52 lakh) and internal receipt of Rs.39.95 lakh, the Institute could utilize only Rs.708.68 lakh (Plan Non Recurring Rs.565.77 lakh and Plan Recurring Rs.142.91 lakh), leaving a balance of Rs.54.74 lakh (Plan Non Recurring Rs.48.75 lakh and Plan Recurring Rs.5.99 lakh).

The Institute was also having unspent Plan grant of Rs.211.52 lakh as on 31 March 2011 under projects and received Rs.94.97lakh during the year 2011-2012 and earned interest of Rs.10.15lakh on this amount. Out of this, Rs.189.01 lakh was utilised during the year 2011-2012 leaving unspent balance of Rs.127.63 lakh.

(v) Subject to our observations in the preceding paragraphs, we report that the Balance Sheet, Income and Expenditure Account and Receipt and 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 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 Dr. B. R. Ambedkar National Institute of Technology, Jalandhar as at 31 March 2012; 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

Principal Director of Audit (Central), Chandigarh

Place: Chandigarh

Date:

Annexure

1. Adequacy of Internal Audit System

The Internal Audit System was deficient as no Internal Audit Report had been prepared and submitted to the management by the Internal Audit. The Internal Audit System is not commensurate with the size and nature of the Institute.

2. Adequacy of Internal Control System

Internal control system is not adequate as per the size and nature of the Institute. It requires posting of proper staff in accounts etc. and initiation of Management Information System (MIS).

3. Maintenance of Fixed Assets Register

The institute has not prepared Fixed Assets register showing details like date of purchase, cost, date of asset put to use, location of the asset, depreciation thereon and specification of assets.

4. System of Physical verification of Fixed Assets

The physical verification of fixed assets was under process.

5. System of Physical Verification of Inventory

The physical verification of Stores was under process.

6. Regularity in Payment of Statutory Dues

The statutory dues applicable to the Institute were deposited regularly with the concerned authorities by the management.

Dy. Director

Dr B R AMBEDKAR NATIONAL INSTITUTE OF TECHNOLOGY JALANDHAR
FINANCIAL POSITION AS ON 31.3.2012

Plan (Non Recurring)**Rs.in lacs**

Name of Head	Opening balance as on 1.4.2011	Grant in aid released during 2011-2012	Total amount available	Expenditure from 1.4.2011 to 31.3.2012	Unspent balance as on 31.3.2012
Buildings	2079.26	2242.78	4322.04	2620.32	1701.72
Other Facilities	147.72	33.40	181.12	116.41	64.71
Equipment	132.72	23.82	156.54	77.91	78.63
Total	2359.70	2300.00	4659.70	2814.64	1845.06

Non Plan (Recurring)**Rs.in lacs**

Opening balance as on 1.4.2011	Grant in aid released during 2011-2012	Income during 2011-2012	Total amount available	Expenditure from 1.4.2011 to 31.3.2012	Unspent balance as on 31.3.2012
1274.21	2500.00	1190.29	4964.50	2837.51	2126.99

OSC SCHEME PLAN (NON RECURRING)**Rs.in lacs**

Name of Head	Opening balance as on 1.4.2011	Grant in aid released during 2011-2012	Total amount available	Expenditure from 1.4.2011 to 31.3.2012	Unspent balance as on 31.3.2012
Plan (Non Recurring)	614.52	-	614.52	565.77	48.75

OSC SCHEME PLAN (RECURRING)**Rs.in lacs**

Opening balance as on 1.4.2011	Grant in aid released during 2011-2012	Income during 2011-2012	Total amount available	Expenditure from 1.4.2011 to 31.3.2012	Unspent balance as on 31.3.2012
108.95	-	39.95	148.90	142.91	5.99

Projects**Rs.in lacs**

Opening balance as on 1.4.2011	Grant in aid released during 2011-2012	Income during 2011-2012	Total amount available	Expenditure from 1.4.2011 to 31.3.2012	Unspent balance as on 31.3.2012
211.52	94.97	10.15	105.12	189.01	127.63