



*Speed Post*  
 भारतीय लेखापरीक्षा एवं लेखा विभाग  
 कार्यालय महानिदेशक लेखापरीक्षा (केन्द्रीय), चण्डीगढ़  
 Indian Audit & Accounts Department  
 Office of The Director General of Audit (Central),  
 Chandigarh



सं/No: डी.जी.ए.(सी)/के. व्यय/SAR-NITH-2023-24/ 992

*Annexure-5*  
 दि/Date: 22-01-2025.

सेवा मे,

सचिव,  
 उच्चतर शिक्षा विभाग,  
 शिक्षा मंत्रालय,  
 भारत सरकार,  
 नई दिल्ली - 110001

विषय: National Institute of Technology, Hamirpur के वर्ष 2023-24 के लेखाओं पर पृथक लेखापरीक्षा प्रतिवेदन

महोदय/महोदया,

National Institute of Technology, Hamirpur के वर्ष 2023-24 की लेखाओं पर पृथक लेखापरीक्षा प्रतिवेदन (Separate Audit Report) संसद के दोनों सदनों के समक्ष प्रस्तुत करने हेतु इस पत्र के साथ संलग्न की गई है। संसद में प्रस्तुत होने तक प्रतिवेदन को कृपया गोपनीय रखा जाए।

संसद में प्रस्तुत करने के उपरांत प्रतिवेदन की पांच प्रतियाँ इस कार्यालय को भी भेज दी जाएं।

कृपया इस पत्र की पावती भेजें।

संलग्न: उपरोक्त अनुसार

भवदीय,

- हस्ता -

महानिदेशक

✓ उपरोक्त की प्रतिलिपी वर्ष 2023-24 की पृथक लेखापरीक्षा प्रतिवेदन की प्रति सहित आवश्यक कार्यवाही हेतु Director, National Institute of Technology, Hamirpur, Himachal Pradesh-177005 को प्रेषित की जाती है।

भवदीय,  
 उप निदेशक (केन्द्रीय व्यय)

**Separate Audit Report of the Comptroller & Auditor General of India on the Accounts of National Institute of Technology, Hamirpur for the year ended 31 March 2024**

We have audited the Balance Sheet of the National Institute of Technology, Hamirpur (Himachal Pradesh) 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 Institutes of Technology, Science, Education and Research 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 disclosures 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/Receipt and Payment Account dealt with by this Report have been drawn up in the format prescribed by the Ministry of Human Resource Development, Government of India vide order No. 29-4/2012-FD dated 17 April 2015.

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

iv) We further report that:

**A. Balance Sheet**

**A.1 Fixed Assets (Schedule-4)**

**A.1.1 Scientific & Laboratory Equipment: ₹983.92 lakh**

**Additions: ₹457.11 lakh**

i. Above mentioned funds include an amount of ₹91.21 lakh on account of purchase of Interactive panels and projectors which should have been capitalized under head 'Audio Visual Equipment' instead of 'Scientific & Laboratory Equipment'. This has resulted in overstatement of Scientific & Laboratory Equipment by ₹83.91 lakh (₹91.21 lakh *less* depreciation amounting to ₹7.30 lakh at the rate of eight per cent), understatement of Audio-Visual Equipment by ₹84.37 lakh (₹91.21 lakh *less* depreciation amounting to ₹6.84 lakh at the rate of 7.5 per cent) and overstatement of depreciation by ₹0.46 lakh.

ii. Above funds also include an amount of ₹88.87 lakh towards purchase of Software which should have been booked as "Computer Software" instead of "Scientific & Laboratory Equipment". This has resulted in the overstatement of "Scientific & Laboratory Equipment" by ₹81.76 lakh (₹88.87 lakh *less* depreciation amounting to ₹7.11 lakh at the rate of eight per cent), understatement of Computer software by ₹53.32 lakh (₹88.87 lakh *less* depreciation amounting to ₹35.55 lakh at the rate of 40 per cent) and understatement of depreciation by ₹28.44 lakh.

iii. Above funds also include an amount of ₹74.74 lakh towards purchase of desktops amounting to ₹74.51 lakh (73.87+ 0.64) and a printer amounting to ₹0.23 lakh which should have been booked under head "Computer & Peripherals" instead of "Scientific & Laboratory Equipment". This has resulted in the overstatement of "Scientific & Laboratory Equipment" by ₹68.76 lakh (₹74.74 lakh *less* depreciation amounting to ₹5.98 lakh at the rate of eight per cent), understatement of "Computer & Peripherals" by ₹59.79 lakh (₹74.74 lakh *less* depreciation amounting to ₹14.95 lakh at the rate of 20 per cent) and understatement of depreciation by ₹8.97 lakh.

### **A.1.2 Office Equipment: ₹942.37 lakh**

Above includes Computers and Laptops amounting to ₹96.18 lakh purchased during the financial year 2021-22, which should have been booked under the head Computers & Peripherals instead of Office Equipment. This has resulted in the overstatement of 'Office Equipment' by ₹74.54 lakh (₹96.18 lakh *less* depreciation charges at the rate of 7.5 per cent for three years amounting to ₹21.64 lakh), understatement of 'Computer and Peripherals' by ₹38.47 lakh (₹96.18 lakh *less* depreciation charges at the rate of 20 per cent for three years amounting to ₹57.71 lakh) and overstatement of Capital fund by ₹36.07 lakh. Further, the depreciation for the current year is understated by ₹12.02 lakh.

The observation is being pointed out in the management letters to the Separate Audit report since 2021-22, but no compliance has been made. However, the Institute has disclosed at sl. no. 6 of Schedule 24 Contingent Liabilities and Notes to Accounts of the revised annual accounts that wrong classification of Computer & Peripherals as Office Equipment shall be taken into consideration in the accounts for the year 2024-25.

### **A.2 Loans, Advances & Deposits (Schedule 8)**

#### **Income accrued on Investments-FDR: ₹27.96 crore**

The Institute had invested funds of ₹563.35 lakh in the FDRs with State Bank of India in respect of Pension Fund as on 31.03.2024. As per the interest certificate provided by the bank, interest amounting to ₹44.28 lakh accrued on these FDRs for the period 2023-24 which was not booked. Likewise, interest amounting to ₹7.05 lakh accrued for FY 2022-23 was also not booked in the accounts despite being pointed out at sl. No. B.2.2.1 of Separate Audit Report for the year 2022-23. This has resulted in understatement of Loans, Advances and Deposits by ₹51.33 (44.28+7.05) lakh and understatement of Designated/Earmarked Fund by ₹51.33 lakh.

## **B. General**

### **B.1 Net Impact of Audit Comments**

1. The Capital/Corpus fund is overstated by ₹73.02 lakh.
2. The Liabilities are understated by ₹51.33 lakh.
3. The Assets are overstated by ₹21.69 lakh.
4. Surplus for the year is overstated by ₹48.97 lakh.

**B.2** As per the format of accounts prescribed by the Ministry of Education, provision for retirement benefits is to be made on Actuarial Valuation Method.

However, the Institute has stated in Schedule 23 Significant Accounting Policies that the actual payments of Pension, Gratuity and Leave Encashment are debited in Accounts to the respective provisions and other retirement benefits are accounted on accrual basis. It further stated that in compliance to audit observation, the Institute has appointed Actuary on 08.01.2025 for computing the provisions to be made for retirement benefits as per AS 15, in the books of accounts for the FY 2024-25. The Institute has made provision in respect of Leave Encashment and Gratuity amounting to ₹36.56 lakh and ₹50.85 lakh respectively as on 31.03.2024. However, actuarial valuation of liability for retirement benefits was not done and provided for in contravention to prescribed guidelines.

The comment has been included in the Separate Audit Reports since 2015-16.

**B.3** Rule 230(8) of GFR 2017 provides that all interests or other earnings against Grants-in-Aid or advances (other than reimbursement) released to any grantee institution should be mandatorily 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 also clearly included the above condition. The Institute has been receiving Grants in RBI Treasury Single Account (TSA) since October 2022 and no interest is being earned by the Institute. However, the Institute had earned interest on saving accounts as well as FDRs during 2019-2022 which included interest earned on Grants-in-Aid funds. The interest earned on such grants is not quantifiable, as separate bank account in respect of grants was not maintained by the Institute. The Institute should make efforts to work out the total interest earned on grants and remit it to the Consolidated Fund of India in accordance with the GFR.

The comment was pointed out in Separate Audit Reports for the year 2019-20 to 2022-23. But the Institute has not made compliance. However, the Institute has stated at sl. no. 5 of Schedule 24- Contingent Liability and Notes to Accounts of the revised annual accounts that the Institute is in the process of assessing/computing the interest earned on Grants during respective years and the same will be returned to Ministry of Education and the entry to this effect shall be carried out in the accounts for the year 2024-25.

**B.4** The Institute had invested funds of ₹122.95 crore in the FDRs with State Bank of India/Punjab National Bank/UCO bank from 'General Fund Account'(₹107.25 crore), 'Consultancy Fund Account'(₹3.60 crore), 'Hospitality Fund Account'(₹0.16 crore), 'Four Fund Account'(₹11.76 crore) and 'Institute Share Account' (₹0.18 crore) as on 31.03.2024. As per the bank/interest certificates, the accrued amount on such FDRs for the year 2023-24 was ₹9.25 crore. However, as per the ledger, the Institute has booked only ₹5.80 crore as accrued interest in the annual accounts for the FY 2023-24. The interest accrued has not been reconciled and booked in the annual accounts in the respective appropriate heads.

### **C. Grant- In -Aid**

The position of Grant-in-Aid received during the year 2023-24 is as under:

(Amount in ₹ crore)

Particulars	OH-31	OH-35	OH-36	Total
Opening balance as on 01-04-2023	0.00	8.85 <sup>1</sup>	0.00	8.85
Add: Grant received during the year	43.63	12.03	57.30	112.96
Total available funds	43.63	20.88	57.30	121.81
Less: Utilization as on 31.03.2024	42.45	16.72 <sup>2</sup>	57.30	116.47
Un-utilised balance as on 31.03.2024	1.18	4.16	0.00	5.34
Less: Lapsed by RBI on 31.03.2024	1.18	0.00	0.00	1.18
Un-utilised balance at the end of the year	0.00	4.16 <sup>3</sup>	0.00	4.16

<sup>1</sup>The opening balance has been shown as ₹8.85 crore (rounded off) on account of capital advances which should have been shown as unutilized grant as on 31.03.2023 as pointed out in comment no. A.1.1 in SAR 2022-23.

<sup>2</sup>₹16.72 crore = 12.03 crore utilised for assets additions + 4.69 crore shifted from capital advances to Capital work in progress during the year 2023-24.

<sup>3</sup>₹4.16 crore represents Capital Advances as on 31.03.2024.

### **D. Revision of Accounts**

The Institute revised its accounts based on the observations of audit and submitted revised annual accounts (on 12.01.2025). The net impact of revision is as follows:

1. The "Sources and Application of Funds" increased by ₹21,23,64,211/- from ₹7,66,89,54,496.19/- to ₹7,88,13,18,707.19/-
2. The Income increased by ₹21,00,02,170/- from ₹1,32,79,23,966.70/- to ₹1,53,79,26,137.70/-

3. The Expenditure decreased by ₹23,62,040/- from ₹1,19,26,22,703.06/- to ₹1,19,02,60,663.06/-
4. The excess of Income over Expenditure increased by ₹21,23,64,211/- from ₹13,53,01,263.64/- to ₹34,76,65,474.64/-

**E. Management Letter**

Deficiencies which have not been included in the Audit Report have been brought to the notice of the Institute's management 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, Income & Expenditure Account and Receipts & 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, Notes on Accounts, 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, Hamirpur as at 31 March 2024; 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: 22.01.2025**

## **Annexure to Separate Audit Report**

### **1. Adequacy of Internal Audit System**

The Internal audit of the Institute for the year 2023-24 was conducted by a Chartered Accountant firm. The Institute has maintained its Internal Audit manual and has prepared its internal audit report.

### **2. Adequacy on Internal Control System**

Internal Control System was found inadequate to the extent that accounting manual was not prepared.

### **3. System of Physical verification of fixed assets**

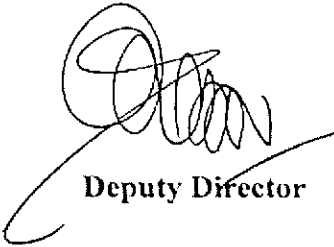
- a. Physical verification of the Fixed assets was conducted for the year 2023-24.
- b. A sample Physical verification of Central Library books of the Institute was conducted on 07.08.2024 where 404 books were found missing. Complete physical verification of the books was under process.

### **4. System of Physical verification of Inventory**

Physical verification of inventory was not conducted for the year 2023-24.

### **5. Regularity in Payment of Statutory dues**

The Institute is regular in depositing the statutory dues.



**Deputy Director**