



BRANCH: DIRECTOR GENERAL OF AUDIT (CENTRAL), LUCKNOW AT  
ALLAHABAD



Date: 19 Oct 2022

To,

Secretary, Department of Higher Education, Ministry of Education, Shastri Bhawan, New Delhi-110001

Subject: Issue of Separate Audit Report : PR-19759 on the Accounts of Indian Institute of Technology Kanpur for the year 2021-22.

Letter No. DIS-431713

Sir/Madam,

इस पत्र के माध्यम से IIT Kanpur के वर्ष 2021-22 के लेखों पर पृथक लेखा परीक्षा प्रतिवेदन (अंग्रेजी) अग्रसारित किया जा रहा है।

- कृपया सुनिश्चित करें की पृथक लेखापरीक्षा प्रतिवेदन एवं सम्बंधित लेखे संसद के दोनों सदनों के सम्मुख प्रस्तुत हुए।
- कृपया पृथक लेखापरीक्षा प्रतिवेदन एवं लेखो को संसद के दोनों सदनों के समक्ष अंतिम रूप से प्रस्तुत करने की तिथि भारत के नियंत्रक एवं महालेखापरीक्षक के साथ साथ इस कार्यालय को भी सूचित करने का कष्ट करें।

संलग्नक उपर्युक्तानुसार।

भवदीय,  
प्रधान निदेशक लेखापरीक्षा (केंद्रीय)

Letter No. DIS-431767 Dated 19.10.2022

वर्ष 2021-22 के लेखों पर पृथक लेखापरीक्षा प्रतिवेदन (अंग्रेजी) की प्रति निदेशक, भारतीय प्रौद्योगिकी संस्थान कानपुर, कल्याणपुर, कानपुर -208 016 को आवश्यक कार्यवाही हेतु प्रेषित है। संस्थान यदि आवश्यकता अनुभव करे, तो इस प्रतिवेदन का हिन्दी अनुवाद करवा सकता है परन्तु इस प्रतिवेदन के हिन्दी अनुवाद में निम्नलिखित अंकित होना चाहिए :  
“प्रस्तुत प्रतिवेदन मूलरूप से अंग्रेजी में लिखित पृथक लेखापरीक्षा प्रतिवेदन का हिन्दी अनुवाद है। यदि इसमें कोई विसंगति परिलक्षित होती है तो अंग्रेजी में लिखित प्रतिवेदन मान्य होगा।”  
हिन्दी अनुवाद की एक प्रति इस कार्यालय को भी प्रेषित करने का कष्ट करें।

संलग्नक: उपर्युक्तानुसार।

Yours faithfully,

Jayakar Babu  
Deputy Accountant General / Deputy Director



**Separate Audit Report of the Comptroller & Auditor General of India on the accounts of Indian Institute of Technology Kanpur for the year ended 31 March 2022**

We have audited the attached the attached Balance Sheet of the Indian Institute of Technology Kanpur (Institute) 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 and Auditor General' (Duties, Powers & Conditions of Service) Act, 1971 read with Section 23(2) of the Institutes of Technology Act, 1961. These financial statements are 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 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 observation on financial transactions with regard to compliance with the Law, Rules & regulation (Propriety and Regularity) and efficiency-cum- performance aspects, etc., if any are reported through inspection Report/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 the reasonable assurance about whether the statements are free from material misstatements. An audit includes examining, on a test basis, evidence 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 Receipt & payments Account dealt with by this report have been drawn up in the Format of Financial statement for Central Higher Educational Institutional Institutions (Format) prescribed by MHRD, Government of India.

(iii) In our opinion, proper book of accounts and other relevant records have been maintained by the Institute as required under section 23(1) of the above said Act in so far as it appears from our examination of such books.

(iv) We further report that:

**(A) Balance sheet:**

**Investments from Earmarked/endowment funds (Schedule-5A) Rs. 765.94 crore**

The above included Rs. 318.91 crore as 'Investments of Projects' Account' (Schedule-5A) whereas the same should have been included as 'Investments-Other' (Schedule-6). This resulted in overstatement of 'Investments from Earmarked/Endowment Funds (Fund wise)' by Rs. 318.91 crore and understatement of 'Investments- Other' by the same amount.

**(B) Income & Expenditure Account**

**Administrative and general expenses (Schedule-17) Rs. 45.06 crore**

The Institute charged vehicle expenditure amounting to Rs. 27.48 lakh under the 'Administrative and general expenses' (Schedule-17) instead of 'Transportation expenses' (Schedule-18). This resulted in overstatement of 'Administrative expenses' and understatement of 'Transportation expenses' by Rs. 27.48 lakh.

**(C) Notes on Accounts**

The Institute has included Rs. 237.59 lakh under the interest column of the Schedule-2A as there is no adjustment/transfer column defined/prescribed under the format of MHRD. The Institute also needs to disclose the same under Notes on accounts of the Institute for true and fair view of the accounts.

**(D) General**

**(D.1)** The Institute has adjusted the depreciation amount to the tune of Rs. 141.87 crore by adding under income of Income & Expenditure A/c as deferred revenue income which is not as per format required under MHRD and Accounting principles. Further the treatment made by the Institute has also not been disclosed in Significant Accounting Policies.

**(D.2)** The Institute has not bifurcated the total expenditure of Rs. 238.68 crore (Schedule-2) into Capital Expenditure and Revenue Expenditure as required under format of MHRD.

**(D.3)** The Institute depicted Rs. 62.49 crore instead of Rs. 61.77 crore (to the extent utilised for capital expenditure) under Corpus/Capital Fund (Schedule-1), however the difference amount of Rs. 71.48 lakh has been adjusted by deducting the sub head 'Adjustment during the year' under the same schedule. This resulted in overstatement of 'Grants from Government of India (to the extent utilised for capital expenditure)' by Rs. 71.48 lakh and understatement of

'Adjustment during the year' by the same amount under the same Corpus/Capital Fund (Schedule-1).

**(E) Grant in Aid**

**(E.1)** The Institute received Grant-in-aid of Rs. 618.20 crore from Govt. of India and Other Sources Rs. 67.26 crore after taking opening balance of Rs. 40.86 crore the total fund available worked out to Rs. 726.32 crore. The Institute utilised Rs. 696.32 crore and returned Rs.3.69 crore leaving a balance of Rs. 26.31 crore.

**(E.2) Project Grant:** The Institute received project grants of Rs. 248.82 crore (Government of India, State Government and other) during the year 2021-22. After taking opening balance of Rs. 307.41 crore, and adjustment of previous year to the tune of Rs. 5.10 crore total fund available worked out to Rs. 561.33 crore. The Institute could utilise Rs. 193.55 crore leaving a balance of Rs. 367.78 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 the 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 Indian Institute of Technology, Kanpur as at 31<sup>st</sup> March 2022; and

(b) In so far as it relates to Income & Expenditure of the 'surplus' for the year ended on that date.

## **Annexure**

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

Internal Audit has not been conducted for the year 2021-22. Only pre audit has been conducted in the Institute.

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

The Inadequacy of Internal Control System of the Institute is characterised by the followings deficiencies:

- The Institute has not written off untraceable library books of value amounting to Rs. 55.51 lakh even after lapse of ten months.
- Non- fulfilment of the posts in different cadres as only 518 faculties and 574 non- teaching staff are posted against 896 and 944 posts respectively.

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

Physical verification of fixed assets has been carried out for the year 2021-22.

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

Physical verification of inventory has been carried out for the year 2021-22.

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

The Institute is regular in payment of statutory dues.