

Speed Post

संख्या / No. CRA-II(Exp.)/SAR/IITJ/2019-20/



## भारतीय लेखापरीक्षा और लेखा विभाग

कार्यालय प्रधान निदेशक लेखापरीक्षा (केन्द्रीय), अहमदाबाद  
शाखा कार्यालय राजस्थान, जनपथ, जयपुर-302 005

**INDIAN AUDIT AND ACCOUNTS DEPARTMENT**  
Office of the Principal Director of Audit (Central), Ahmedabad  
Branch office Rajasthan, Janpath, Jaipur-302 005

दिनांक / Date 25.01.2021

for n.a  
Mr. P.G. Bhandari  
DR(A/S)  
31/1/21

To,  
The Secretary,  
Government of India,  
Ministry of Education,  
Department of Secondary & Higher Education,  
Shastri Bhawan, New Delhi-110001.

**Sub.: Separate Audit Report on the accounts of Indian Institute of Technology,  
Jodhpur for the year 2019-20.**

Sir,

Please find enclosed the Separate Audit Report on the accounts of Indian Institute of Technology, Jodhpur for the year 2019-20 along with copy of Annual Accounts.

2. The Audited accounts and Separate Audit Report required to be placed before the AGM of the Apex Governing Body of the Institute for consideration and adoption and resolutions passed thereon before these are sent by the Ministry for being placed before Parliament.
3. The dates of presentation of Audited Accounts and Separate Audit Report before the Parliament may please be intimated. Five sets of printed documents (Audit Report, Annual Report & Audited Accounts) may also please be sent to this office.
4. Hindi version of the Separate Audit Report will be issued shortly.
5. Kindly acknowledge receipt of the documents.

Encl.: As above.

Yours sincerely,

-Sd/-

Director/CRA-II

Dated : 25.01.2021

No. CRA-II (Exp.)/SAR/IITJ/2019-20/566

✓ Copy of the Separate Audit Report and Audited Accounts forwarded to Prof. Santanu Chaudhury, Director, Indian Institute of Technology, Jodhpur, NH-65, Karwar, Jodhpur – 342011 (Rajasthan) with the remarks to ensure that Audited Accounts and Separate Audit Report is adopted/considered in the AGM of Institute's Apex Governing Body and resolution adopted/considered on the Audited Accounts and report thereon may be furnished to this office.

Encl : As above

  
Director/CRA-II

**Separate Audit Report of the Comptroller & Auditor General of India on the accounts of the Indian Institute of Technology, Jodhpur for the year ended 31 March 2020**

We have audited the attached Balance Sheet of Indian Institute of Technology, Jodhpur (IITJ) as on 31 March 2020, the Income and Expenditure Account and the Receipts and 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 23(2) of IIT Act, 1961 and IIT (Amendment) Act, 2012. These financial statements are the responsibility of IIT'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, 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, Income & Expenditure Account and Receipts & Payments Account dealt with by this report have been drawn up in the format approved by Ministry of Human Resource Development, Government of India (GoI) 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 IITJ as required in so far as it appears from our examination of such books.
- iv. We further report that:

## **2. Comments on accounts**

### **A.1 Assets**

#### **A.1.1 Investment-other (Schedule-6): ₹ 72 crore**

The 'Notes and instructions for financial statement for compilation of financial statements of Central Higher Educational Institutions' in format of accounts prescribed by MHRD, GoI *inter alia* provides (under footnote for Schedule-6) that the head will include the investments of surplus funds, but not Term Deposits in Banks, which will be included under Current Assets. Schedule-7 also specifies for providing of term deposit under this Schedule.

IITJ has included fixed deposit with Bank amounting to ₹72 crore in Schedule-6 (Investment-other). The said fixed deposit is to be included in Schedule-7 (Current Assets). This has resulted in overstatement of Investment-other and understatement of Current Assets by ₹72 crore.

#### **A.1.2 Loans, Advances & Deposits (Schedule-8): ₹ 103.14 crore**

It includes the bank account in the name of IITJ for specified purpose (Principal Repayment Account IIT JOD A/c- 3399214000003) with Canara Bank with escrow options/arrangement. IITJ made a deposit of ₹11 crore (₹2.75 crore for interest + ₹8.25 crore for principal repayment) in the account. The amount should be shown under current assets-cash and cash equivalents with descriptive note at appropriate place.

This resulted in overstatement of 'Loans, Advances & Deposits' (Schedule-8) by ₹11 crore and understatement of 'Current Assets' (Schedule-7) by the same amount.

#### **A.1.3 Work-in-Progress (Schedule-4): ₹ 421.62 crore**

IITJ had awarded "Construction work of Temporary Porta Cabin Structure at Temporary Academic Campus" amounting to ₹ 2.02 crore to Central Public Works Department (CPWD). The work was completed by CPWD and taken over by IITJ on 22 January 2013. However, IITJ has shown the created Fixed Asset in Annual Accounts as Work-in-Progress as on 31 March 2020 instead of adding the same to Fixed Assets (Furniture, Fixtures and Fittings). Consequently, depreciation amounting to ₹ 1.21 crore (7.5 per cent per annum) for the last eight years i.e. from 2012-13 to 2019-20 was not charged on this Asset.

It resulted in understatement of Fixed Assets by ₹81 lakh (₹ 2.02 crore - ₹ 1.21 crore), Deficit by ₹1.21 crore and overstatement of Work-in-Progress by ₹ 2.02 crore.

This was also pointed out in previous Separate Audit Reports (SARs) i.e. SARs for the years 2015-16, 2016-17, 2017-18 and 2018-19, but necessary rectification on this account has not been carried out so far.

**B. General**

(a) IITJ has not made the provision of retirement benefits on the basis of Actuarial valuation as prescribed in AS-15. It was also pointed out in previous years SARs i.e. 2017-18 & 2018-19 but no remedial/corrective action was taken by Institute.

(b) IITJ had incurred expenditure on construction of various works/buildings. The same had been completed by CPWD. However, IITJ had neither capitalised the same nor depreciation was charged thereon. Hence, IITJ should capitalise all the completed works and charge the depreciation due.

**C. Net effect of Audit Comments on Accounts**

The net effect of comments given in the preceding paras as on 31.03.2020 is that the assets were overstated by ₹1.21 crore and deficit was understated by ₹1.21 crore.

**D. Grant-in-aid**

During the year 2019-20, IITJ received grant-in-aid of ₹ 110.52 crore (grant received: ₹ 109.21 crore and interest thereon: ₹ 1.31 crore) under plan from the MHRD, GoI. Unspent grant of ₹20.76 crore (grant: ₹17.29 crore and interest earned on grant: ₹ 3.47 crore) was available at the beginning of the year. Out of total available grant-in-aid of ₹ 131.28 crore, IITJ could utilise a sum of ₹ 121.48 crore leaving unspent balance of ₹ 9.80 crore at the end of March 2020.

**E. Management Letter**

Deficiencies, which have not been included in the SAR, have been brought to the notice of the 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 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 SAR 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 IITJ as at 31 March 2020, and
- b. In so far as it relates to Income & Expenditure Account of the deficit for the year ended on that date.

Place: *Ahmedabad*

Date: *25.01.2021*

For and on behalf of the C&AG of India



Principal Director of Audit (Central)  
Ahmedabad

## Annexure

### 1. Adequacy of Internal Audit System

The scope of Internal Audit was *inter alia* checking of day to day all financial transactions so as to ensure compliances related to GFR, Accounting Standards, classification and arithmetic accuracy of the records along with compliances related to various laws. There was Internal Audit Wing in the IITJ which pre-audits all the financial transactions.

### 2. Adequacy of Internal Control System

Internal control/check system was not adequate as physical verification of Fixed Assets and Inventory was under process for the year 2019-20.

### 3. Physical Verification of Fixed Assets

Physical Verification of Fixed Assets for the year 2019-20 was under process.

### 4. Physical Verification of inventory

Physical Verification of inventory for the year 2019-20 was under process.

### 5. Regularity in payment of statutory dues

The statutory dues were being paid by the IITJ on regular basis.



Sr. Audit Officer/CRA-II (Exp.)

Statement of Net Effect of Audit

Indian Institute of Technology, Jodhpur for the year 2019-20

(₹ in crore)

S.No.	Comments	Liabilities		Assets		Deficit	
		Overstated	Understated	Overstated	Understated	Overstated	Understated
1.	A.1.1	-	-	72.00	72.00	-	-
2.	A 1.2	-	-	11.00	11.00	-	-
3.	A.1.3.	-	-	2.02	0.81	-	1.21
<b>Total</b>		-	-	<b>85.03</b>	<b>83.81</b>	<b>--</b>	<b>1.21</b>
<b>Net Effect</b>				<b>1.21</b>			<b>1.21</b>

Assets overstated : ₹1.21 crore

Deficit understated : ₹1.21 crore

Sr. Audit Officer/CRA-II (Exp.)



सत्यमेव जयते

प्रीति अब्राहम आई.ए.ए.एस.  
Preethi Abraham, IAAS

प्रधान निदेशक लेखापरीक्षा ( केन्द्रीय )

लेखापरीक्षा भवन, नवरंगपुरा, अहमदाबाद - 380 009.

Principal Director of Audit (Central)

Audit Bhavan, Navrangpura, Ahmedabad - 380 009.

D.O.No. CRA-II (Exp.)/SAR/IITJ/2019-20/ 567

15 January 2021

Dear Sir,

The Annual Accounts of the Indian Institute of Technology, Jodhpur for the year 2019-20 were audited by this office for which a Separate Audit Report has been issued vide letter No. CRA II (Exp.)/SAR/IITJ/2019-20/ 566 dated 25.01.21. During the course of audit, certain minor deficiencies were also noticed which have not been included in the Separate Audit Report. These are annexed herewith for corrective and remedial action.

With regards

Yours sincerely,

Prof. Santanu Chaudhury,  
Director,  
Indian Institute of Technology,  
N.H. 65, Surpura Bypass Road,  
Karwar, Jodhpur-342037.

Encl:- As above.



## Annexure

### (1) Prior Period Expenses (Schedule-22): ₹ 0.14 crore

#### Administrative and General Expenses (Schedule-17): ₹ 22.61 crore

During scrutiny of records relating to Administrative and General Expenses for the period 2019-20, it was noticed that advertisement expenses amounting to ₹ 9.19 lakh pertaining to the year 2018-19 were made during the year 2019-20 and the same were booked during 2019-20 under Administrative and General Expenses (Schedule-17) instead of Prior Period Expenses (Schedule-22).

### (2) Work-in-Progress (Schedule-4): ₹ 421.62 crore

It includes expenditure of ₹ 3.25 lakh incurred on construction of Volleyball Court at temporary campus of IITJ. As per the Memorandum of Understanding (MoU) executed between Jai Narain Vyas University, Jodhpur and IITJ the expenditure incurred on construction of Volleyball Court was to be treated as revenue expenditure.

This resulted in understatement of Deficit by ₹ 3.25 lakh and overstatement of Work-in-Progress by the same amount.

(3) A term loan of ₹ 220 crore was sanctioned from Higher Education Financing Agency (HEFA), Bengaluru for three years i.e., 2017-18 to 2019-20 to IITJ. As per the terms and conditions of the sanction, hypothecation of equipment/furniture proposed to be purchased out of the loan shall charge as primary security and following accounts:

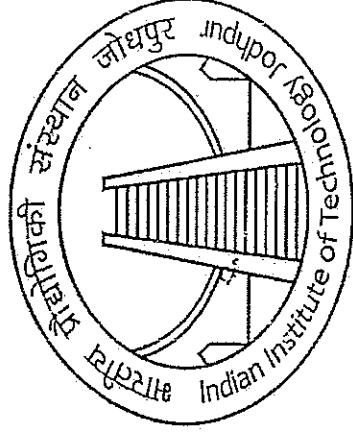
1. Fee receivable account
2. Grant receivable account and Escrow bank
3. Receivable account fall as collateral security to the extent of loan amount/outstanding dues shall charge as collateral security for the loan.

IITJ had shown 1. 'Fee receivable account', 2. 'Grant receivable account' and 'Escrow bank 3. Receivable account' as assets but did not disclose the material fact in the Annual Accounts regarding primary hypothecation and collateral security charge on assets by HEFA, Bengaluru.

  
Director/CRA-II

1905 837 1 0

# INDIAN INSTITUTE OF TECHNOLOGY JODHPUR



॥ त्वं ज्ञानमयो विद्वानमयोऽसि ॥

## FINANCIAL STATEMENT FOR THE FINANCIAL YEAR 2019-20

FORM PRESCRIBED FOR THE CENTRAL AUTONOMOUS BODIES  
(NON-PROFIT ORGANISATIONS AND SIMILAR INSTITUTIONS)

I have checked and verified each & every figure in Balance Sheet.

*(Signature)*  
CR-12 Gubpat

159