Separate Audit Report of the Comptroller and Auditor General of India on the Accounts of the Indian Institute of Information Technology, Nagpur for the year ended 31 March 2023.

We have audited the attached Balance Sheet of the Indian Institute of Information Technology, Nagpur (IIIT), Nagpur as at 31 March 2023, the Income & Expenditure Account and Receipts & Payments Accounts for the year ended on that date, under Section 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The audit has been entrusted for the period up to 2022-23. 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 and 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 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 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, 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, the Income & Expenditure Account and Receipts & Payments Account dealt with by this report have been drawn up in the format prescribed by the Ministry of Human Resource Development, Govt. of India vide order no.29-4/2012-IFD dt.17 April 2015.

iii. In our opinion, proper books of accounts and other relevant records have been maintained by the Institute as required under Rule 18 of its Memorandum of Association insofar as it appears from our examination of such books.

iv. We further report that:

A. Balance Sheet

A.1 Asset

A.1.1 Schedule-8 Loans, Advances & Deposits - ₹ 5.52 crore

As per Schedule-8 Loans, Advances & Deposits, for the year 2022-23, the Institute had shown unadjusted capital advances of ₹3.20 crore against the Executing Agencies as of 31st March 2023. However, this amount had not been shown by way of unutilized Grant-in-aid under Current Liabilities & Provisions as per Rule- 238 (4) of GFR-2017. This resulted in understatement of Current Liabilities & Provisions

(Schedule-3) and overstatement of Capital / Corpus Fund (Schedule-1) by ₹3.20 crore.

B. General Comment:

B.1 As per Schedule -3 Current Liabilities & Provisions, the Institute had shown the netted amount of ₹7.68 lakh under Sponsored Projects as of March 2023 instead of showing the credit balance of ₹8.22 lakh under Sch 3 - Current liabilities and debit balance of ₹0.54 lakh under Sch 8 - Loans, Advances and Deposits. This is in contravention of the instructions contained in prescribed format of accounts.

C. Grants in aid:

Out of the total available grants-in-aid of ₹6.91 crore (interest of ₹18.14 lakh received on unspent capital grant, ₹6.73 crore opening balance as per Balance Sheet), the Institute utilized an amount of ₹6.20 crore on capital expenditure and Nil on revenue expenditure thus, leaving a balance of ₹70.26 lakh as unspent capital grants-in-aid.

During the year, the Institute has incurred revenue expenditure of ₹14.31 crore (₹18.37 crore - ₹3.88 crore depreciation charged - ₹18.34 lakh provision for gratuity) met from the internal generated revenue of ₹38.13 crore.

D. Management letter

Deficiencies which have not been included in the Audit Report have been brought to the notice of the Institute 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, the Income & Expenditure Account and Receipt & 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, 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 Indian Institute of Information Technology, Nagpur as at 31 March 2023, and

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

For and on behalf of the

Comptroller and Auditor General of India,

Director General of Audit (Central)

Place: Mumbai,
Date: 30.10.2023

Annexure

1	**Adequacy of Internal Audit System** The Institute has prepared Internal Audit Manual and has set up Internal Audit Cell w.e.f. 01.04. 2023. However, internal audit was conducted by a chartered accountant firm.
2	**Adequacy of Internal Control System** Internal control system of the Institute indicated the following deficiencies: •Depiction of advance on capital account as utilization of grant. • As Institute has not furnished Form 65 as on 31.03.2023, the amount of ₹3.20 crore as advance on Capital Account (Schedule 8) could not be ascertained.
3	**Physical verification of Assets** The Institute has carried out physical verification of the assets for the FY year 2022-23.
4	**System of Physical verification of Inventory** Physical Verification of inventories has been conducted by the Institute for the FY 2022-23.
5	**Regularity in payment of statutory dues.** Institute is regular in payment of statutory dues.

Director General of Audit (Central)