BRANCH: DIRECTOR GENERAL OF AUDIT (CENTRAL RECEIPT), NEW DELHI AT GWALIOR
Fourth Floor, Audit Bhawan, Jhansi Road, Gwalior

Ltr No: Director Central/2024-2025/DIS-2028053
Date: 26 Sep 2024

To,

निदेशक,
मौलाना आजाद राष्ट्रीय प्रोद्योगिकी संस्थान(MANIT),
भोपाल-462051

Subject: मौलाना आजाद राष्ट्रीय प्रोद्योगिकी संस्थान (MANIT), भोपाल के वर्ष 2023-24 के वार्षिक लेखाओं पर पृथक लेखापरीक्षा प्रतिवेदन | (PR/126323)

Sir/Madam,

Please find enclosed herewith the Separate Audit Report on the accounts of Maulana Azad National Institute of Technology (MANIT), Bhopal (M.P.) for the year 2023-24. You are requested to kindly ensure that the SAR and the audited accounts are adopted by the Board of Governors before placing the same before the Parliament.

2. The dates of placement of the above Report on the table of both houses of the Parliament may please be intimated and two copies of the printed material may be provided to this Office for information. It may please be ensured that the previous SARs are presented either before or along with the current SAR. An undertaking to this effect may please be furnished.

3. It may please be noted that the Management Letter is not to be placed before the Parliament.

4. Kindly acknowledge receipt on email ID- amg2brgwl.mp1.au@cag.gov.in

संलग्न: 1.**पृथक लेखापरीक्षा प्रतिवेदन** (SAR)
2. Management Letter

Yours faithfully,

Encls: As above

Jitendra Tagade
Dy Director (Central)

Copy to:-

Ltr No : Director Central/2024-2025/DIS-2028053/C1/For Information
1 मौलाना आजाद राष्ट्रीय प्रोद्योगिकी संस्थान(MANIT),
भोपाल-462051
Ltr No : Director Central/2024-2025/DIS-2028053/C2/For Information
2 Sr.AO/AMG-2, O/o the DGA (CR) New Delhi, Br. Gwalior

कार्यालय महानिदेशक लेखापरीक्षा (केन्द्रीय प्राप्ति) नई दिल्ली
शाखा- ग्वालियर, चतुर्थ तल, ऑडिट भवन, झाँसी रोड,ग्वालियर,
मध्यप्रदेश -474002
Office of the Director General of Audit (Central Receipt), New Delhi,
Branch -Gwalior, 4th Floor, Audit Bhawan, Jhansi Road, Gwalior,
Madhya Pradesh -474002
(Phone: 0751-2321459, email-id- brdgacrgwalior@cag.gov.in)

सत्यमेव जयते

SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

No. AMG-II/SAR/MANIT,B/2023-24/ 18 **Date :** 25/09/24

प्रति,

निदेशक,
मौलाना आजाद राष्ट्रीय प्रोद्योगिकी संस्थान(MANIT),
भोपाल-462051
(E-mail Id – director@manit.ac.in and registrar@manit.ac.in)

विषय:- मौलाना आजाद राष्ट्रीय प्रोद्योगिकी संस्थान (MANIT), भोपाल के वर्ष 2023-24 के वार्षिक लेखाओं पर पृथक लेखापरीक्षा प्रतिवेदन । (PR/126323)

महोदय,

Please find enclosed herewith the Separate Audit Report on the accounts of **Maulana Azad National Institute of Technology (MANIT), Bhopal (M.P.) for the year 2023-24.** You are requested to kindly ensure that the SAR and the audited accounts are adopted by the Board of Governors before placing the same before the Parliament.

2. The dates of placement of the above Report on the table of both houses of the Parliament may please be intimated and two copies of the printed material may be provided to this Office for information. It may please be ensured that the previous SARs are presented either before or along with the current SAR. An undertaking to this effect may please be furnished.

3. **It may please be noted that the Management Letter is not to be placed before the Parliament.**

4. Kindly acknowledge receipt on email ID- amg2brgwl.mp1.au@cag.gov.in

संलग्न: 1.पृथक लेखापरीक्षा प्रतिवेदन (SAR)

2. Management Letter

भवदीय,

जितेन्द्र ताम्हे

उप-निदेशक (केन्द्रीय)

Separate Audit Report of the Comptroller and Auditor General of India on the Accounts of the Maulana Azad National Institute of Technology(MANIT), Bhopal for the year ended 31 March 2024.

We have audited the attached Balance Sheet of the Maulana Azad National Institute of Technology (MANIT), Bhopal for the year ended 31 March 2024; 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 and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 read with section 22 (2) of the National Institute of Technology, Science Education and Research Act, 2007 and National Institute of Technology, Science Education and Research (Amendment) Act, 2016. These financial statements are the responsibility of MANIT'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 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, 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 and Expenditure Account and the Receipts and Payments Account dealt with by this report have been drawn up in the format approved by the Ministry of Education, Government of India vide order no. 29-4/2012-IFD dated 17 April 2015.

(iii) In our opinion, proper books of account and other relevant records have been maintained by the MANIT, Bhopal as required under section 22(1) of the National Institute of Technology Science Education and Research Act 2007. In so far as it appears from our examination of such books.

(iv) We further report that:-

A. Income and Expenditure Account

1. Income

1.1 Other Income (Schedule-13) ₹ 2.05 crore

This includes ₹ 0.13 crore prior period income such as ₹ 0.67 lakh received against shop rent & water expenses for the period 03/2022 to 01/2023 and ₹ 11.89 lakh against building &ground rent for the period 07/2017 to 03/2023.This resulted in overstatement of Other Income by ₹ 0.13 crore and understatement of Prior Period Income by the same amount.

B. General

1. Despite being mentioned in previous years SARs, Institute did not make provision for gratuity & retirement benefits for eligible employees on actuarial valuation basis which is in contravention of AS-15 and prescribed format of accounts.
2. Interest earned on security deposits held with MPMKVV Co. Ltd. has been accounted for at ₹ 47,127.00 (refer to Interest Earned –Schedule 12) instead of ₹ 2,97,131.00 (as per electricity bills). The difference of ₹ 2,50,004 /- needs reconciliation and rectification.

C. Management Letter

Deficiencies which have not been included in the Audit Report have been brought to the notice of the Director, Maulana Azad National Institute of Technology(MANIT), Bhopal through a Management Letter issued separately for remedial/ corrective action.

D. Grants-in-aid

During the year, the Institute received grants-in-aid (GIA) of ₹ 202.49 crore (₹ 99.62 crore for salary expenses, ₹ 22.45 crore for capital expenses and ₹ 80.42 crore for general expenses). In addition, it had an unspent balance of ₹ 30.05 crore of previous year. Thus out of the total available fund of ₹ 232.54 crore the Institute utilized

₹ 224.76 crore (including interest refunded of previous years amounting to ₹ 0.51 crore) leaving the unutilized amount of ₹ 7.78 crore at the end of the year.

Further, it is also noticed that during the year Institute received GIA for scheme/project of ₹ 4.12 crore. In addition to this there was unutilized balance of ₹ 3.00 crore. Thus out of total available fund ₹ 7.12 crore, MANIT Bhopal utilized an amount of ₹ 3.18 crore leaving balance of ₹ 3.94 crore as unutilized at the end of the year.

(v) Subject to our observations in the preceding paragraphs, we report that the Balance Sheet, Income and Expenditure Account and the Receipts and 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 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 Maulana Azad National Institute of Technology, Bhopal as at 31 March 2024 and;

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

For and on behalf of the Comptroller and Auditor General of India

Place:
Date:

Director General of Audit
(Central Receipts)

Annexure

1. Adequacy of Internal Audit System:

No Internal Audit has been conducted till date. Hence, internal audit system was found to be inadequate.

2. Adequacy of Internal Control System:

The internal control system was found to be inadequate due to:

(i) The response of the Management towards compliance audit objections was not effective as there were 11 paras still pending related to the period from 2013-15 to 12/2020 to 01/2022.

(ii) Instead of 04, only 03 meeting of FC were held during the year 2023-24.

3. System of Physical verification of fixed assets:

Physical verification of fixed assets has not been conducted for the year 2023-24.

4. System of Physical verification of inventories:

Physical verification of inventories has not been conducted for the year 2023-24.

5. Regularity in payment of statutory dues:

No irregularity was noticed in the payment of statutory dues.

25/09/24

Sr. Audit Officer/AMG-II

कार्यालय महानिदेशक लेखापरीक्षा (केन्द्रीय प्राप्ति) नई दिल्ली
शाखा- ग्वालियर, चतुर्थ तल, ऑडिट भवन, झाँसी रोड,ग्वालियर,
मध्यप्रदेश -474002
Office of the Director General of Audit (Central Receipt), New Delhi,
Branch -Gwalior, 4th Floor, Audit Bhawan, Jhansi Road, Gwalior,
Madhya Pradesh -474002
(Phone: 0751-2321459, email-id- brdgacrgwalior@cag.gov.in)

सत्यमेव जयते

SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

No.AMG-II/SAR/MANIT, Bhopal/2023-24/ **Date**

प्रति,

डॉ. करुणेश कुमार शुक्ला,
निदेशक,
मौलाना आजाद राष्ट्रीय प्रोद्योगिकीसंस्थान (MANIT),
भोपाल-462051

Subject:-Management letter on the annual accounts of the Maulana Azad National Institute of Technology (MANIT),Bhopal for the year 2023-24.

Sir,

The annual accounts of the Maulana Azad National Institute of Technology (MANIT), Bhopal for the year 2023-24 were audited and the audit report issued thereon. During the course of audit, various deficiencies were noticed (Annexure) which needs to be corrected.

You are, therefore, requested to kindly take necessary corrective action and intimate to us in due course.

Yours faithfully,

Dy. Director (Central)
O/oDGACR, New Delhi,
Branch-Gwalior

Annexure

1. **Loan, Advances and Deposits (Schedule-8)** ₹ 24.31 crore-This includes ₹ 0.16 crore being value of unused items of Printing & stationary items (₹ 12,05,888/-) and House Keeping items (₹ 4,21,515/-) as on 31.03.24. As per the prescribed format of financial statements for Central Higher Educational Institutions, balance for above items are required to be exhibited under Current Assets. This resulted in overstatement of Loan, Advances and Deposits by ₹ 0.16 crore and understatement of Current Assets by same amount.
2. **Academic Expenses (Schedule-16) ₹ 30.61 crore**-This includes ₹ 0.17 crore being payment made to ESR Entertainment (₹ 7.20 lakh, vide Vr. No. 22-23/5981 dated 29.03.23) and Caters Service (₹ 9.62 lakh, vide Vr. No. 22-23/735 dated 28.03.23) for the FY 2022-23. This resulted in overstatement of current year Expenditure by ₹ 0.17 crore and understatement of Prior Period Expenditure by same amount.
3. Wrong depiction of figures in the Industrial Consultancy Services Centre accounts as in the receipts side, the opening balance against the bank balance is shown by ₹1,88,57,428. 58 /- instead of ₹ 2,12,92,158.26 /- (as mentioned in the bank book) and the payment side, the closing balance against the bank balance is mentioned by ₹2,12,92,158.26 /- instead of ₹10426688.11 /- (as mentioned in the bank book and BRS)
4. Employees' provident fund amount of ₹ 53,51,86,793.04 has been kept as a fixed deposit and current account in the bank instead of investing as per the instructions of the Ministry of Finance.
5. Designated/Earmarked funds (Schedule-2) represent total amount of ₹ 7,40,01,197/- against Additions during the year and NIL amount against Income from investments made of the funds. But As per Schedule 2A-Endowment Funds, under Head "Additions During the year", the total amount of ₹ 4,17,07,938/- against Endowment and ₹ 3,22,93,259/- against interest have been shown. Further under head "Represented By", "Cash and Bank Balances", "Investments", and "Interest accrued but not due" NIL amount has been shown. Further, in Schedule 2A: (i) In Col. 7 Endowment(Col. 3+5) ₹ 69,95,94,945 and in Col. 8 Accumulated Interest (Col. 4+6) Nil amount have been shown as "Total" instead of 66,73,01,686 (in Col.7) and 3,22,93,259 (in Col.8). (ii) Further, in Col. 10 ₹ 69,80,85,505 and in Col. 11 Nil amount have been shown as Closing balance

instead of 66,73,01,686 (in Col. 10) and 30,783,819 (in Col.11 3,22,93,259-15,09,440)

6. Non production of records.

(A) Related to land acquisition records

i. Land acquisition certificate.

ii. Demarcation Certificate.

iii. Registry Documents issued by the Registration Department.

(B) Loans, Advances and Deposits (Schedule-8) in which an amount of ₹ 2,80,42,015 /- has been shown as Accrued Income under TDS. In this regard, the following information has not been provided to audit:

i. How much amount of previous years is included in the above shown Accrued Income? Financial /Assessment year wise information in this regard.

ii. Copy of Income Tax Returns (ITRs) filed by the Institute in respect of the relevant financial year/Assessment year.

iii. Copies of Financial year/Assessment year wise refund order in respect of the amounts refunded by the Income Tax Department.

(C) The Interest certificate (including accrued interest and actual interest gained on FDR or TDR done) issued by bank management of State Bank of India for all existing bank accounts has not been provided to audit for the following FYs :

i. Interest gained on FDR/TDR done on March 31, 2023, for FY 2022–23.

ii. Interest gained on FDR/TDR done on March 31, 2024, for FY 2023–24.

7. In the Schedule 3(b)-Scheme/project of Balance sheet, it is revealed that this schedule has shown total amount of ₹ 4,12,26,645/- as GIA credited and ₹ 3,18,16,837 as GIA Debited in FY 2023-24. However, as per Grants/subsidies (Schedule-10) the total amount of ₹ 4,63,12,650 as GIA receipt and ₹ 3,69,02,842/- as expenditure (₹ 69,81,780/- as refund + ₹ 72,90,224/- as Utilized for capital Expenditure + Rs. 2,26,30,838/- as utilized for revenue expenditure) have been shown. This needs reconciliation and rectification.

8. (i) The accrued interest has been shown as ₹ 10,70,59,625 /- in the Loans, Advances & Deposits (Schedule-8), but the details in this regard were not provided by the institute.

(ii) the computation sheet also not provide of Income Tax Department for the Assessment Year 2022-23 i.e. Financial Year 2021-22 (Order dated 27-02-2024), the interest U/S 244A as calculated ₹ 11,07,207-. In view of non-production of complete information, audit is unable to ascertain whether this amount has been included in that figure or not.

(iii) the calculation sheet provided in relation to the Income Tax Return filed by the institute for the Assessment Year 2023-24 i.e. Financial Year 2022-23, the refundable tax amount has been shown as ₹ 2,63,58,240-, but as per the ledgers (Income Tax Paid) of Financial Year 2023-24, the opening balance (as on 01-04-2023) has shown as ₹ 2,79,90,486- (₹ 16754488 + ₹ 11235998), which is different from the refundable amount shown in the Income Tax Return for the Assessment Year 2023-24 i.e. Financial Year 2022-23.

9. The response of the Management towards comments of previous SAR (including the management letter) was not effective as appropriate corrective action in respect of some points are yet to be taken up by the Management.

Raj Kr Agr 25/9/24

Sr. Audit Officer/AMG-II