



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

Ltr No: Central Expenditure/2024-2025/DIS-2279705  
Date: 13 Dec 2024

To,

Director,  
Indian Institute of Kanpur,  
Kanpur

Subject: Issue of Separate Audit Report: PR-138309 on the annual accounts of the Indian Institute of Technology Kanpur for the year 2023-24

Sir/Madam,

वर्ष 2023-24 के लेखों पर पृथक लेखापरीक्षा प्रतिवेदन (अंग्रेजी) की प्रति निदेशक, भारतीय प्रौद्योगिकी संस्थान कानपुर 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,

SARITA KUMARI GUPTA  
Director (CE)





कार्यालय प्रधान निदेशक लेखापरीक्षा (केन्द्रीय) लखनऊ  
भाखा कार्यालय - प्रयागराज  
Office of the Principal Director of Audit (Central) Lucknow  
Branch Office - Prayagraj  
15-ए, दयानन्द मार्ग, सत्यनिश्ठा भवन, प्रयागराज  
15-A, Dayanand Marg, Satyanishtha Bhawan, Prayagraj - 211 001

पत्र संख्या: प्र0नि0ले0प0 (केन्द्रीय)/पू.ले.प./2023-24/AS-2279 705

दिनांक: 12.12.2024

सेवा में,

निदेशक,  
भारतीय प्रौद्योगिकी संस्थान कानपुर,  
कानपुर -208016  
उत्तर प्रदेश

विशय : Management Letter for corrective measures - reg.

महोदय,

We have audited the Annual Accounts of the Indian Institute of Technology Kanpur for the year 2023-24 and have issued the Audit Report. Following deficiencies, observed during the course of audit which has not been included in the Separate Audit Report, are being brought to your kind notice for remedial/corrective action:

**Part A: Persistent Irregularities**

Nil

**Part B: Other minor irregularities**

(1) The Institute has shown Rs. 537.34 crore under 'Other Project Receipts' during the year in Receipts & Payments Account while the total receipts as depicted in Schedule-3B(2): Other Project Receipts of Balance Sheet is Rs. 360.39 crore only, which resulted in difference of Rs. 176.95 crore. Thus, this difference of Rs. 176.95 crore has remained un-reconciled by the Institute.

(2) The Institute has shown Rs. 397.33 crore under 'Payments Other Projects' during the year in Receipts & Payment Account while the total expenditure as depicted in Schedule-3B(2):

Other Project Receipts of Balance Sheet is Rs. 279.32 crore only, which resulted in difference of Rs. 118.02 crore. This difference of Rs. 118.02 crore has remained un-reconciled by the Institute.

भवदीय,

सुजय कुमार

प्रधान निदेशक लेखापरीक्षा (केन्द्रीय)

**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 2024**

We have audited the attached Balance Sheet of the Indian Institute of Technology Kanpur (Institute) 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 (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 and 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 Receipts & 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 books 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**

**Investment from Earmarked/Endowment Funds (Schedule-5) Rs. 958.33 crore**

The above includes Rs. 286.70 crore of Project Account investments which is not a part of Earmarked/ Endowment Funds, rather, it should have been included in Current Assets (Schedule-7) as per the format of accounts prescribed by Ministry of Education. This resulted in overstatement of Investment from Earmarked/ Endowment Funds by Rs. 286.70 crore and understatement of Current Assets to the same extent.

**(B) Income & Expenditure Account**

**Finance Cost (Schedule-20) Rs. 14.53 crore**

All interest payments made during stage of construction of a capital asset is to be treated as capital expenditure. However, Rs. 14.33 crore paid as Higher Education Financing Agency (HEFA) interest payment has been accounted as revenue expenditure resulting in overstatement of 'finance cost', thus understatement of Capital (Schedule-1) and understatement of fixed assets (Work-In-Progress) by Rs. 14.33 crore each.

**(C) Significant Accounting Policies (Schedule-23)**

**3. Fixed Assets and Depreciation**

The Institute indicated that assets purchased from the Earmarked Funds and Sponsored Project Funds are included in the Balance Sheet (Corpus/Capital Fund and Fixed Assets),

notwithstanding the fact that ownership of these assets' vests with the *Sponsoring Agencies*. This is contrary to Rule 233 of the General Financial Rules, 2017, as well as the *MHRD format*. The Institute needs to declare assets purchased from the *Earmarked Fund and Sponsored Project Funds* in Notes to Accounts, particularly those where ownership vests with the Project Sponsoring Agencies.

**(D) General**

**(D.1)** In the annexure to Loans, Advances and Deposits (Schedule-8), the Institute has shown advances on capital account of Rs. 103.35 crore as the 'Ministry of Education Fund'. However, the advances given are HEFA – Rs 63.55 crore, other agencies -38.46 crore and MoE – Rs.1.34 Rs. 1.34 crore. This needs to be corrected and depicted suitably.

**(D.2)** The Institute needs to disclose 'Accrued Interest' of Rs. 21.01 crore on investment from Earmarked/Endowment Fund under a separate head in Designated/Earmarked/Endowment Funds (Schedule-2) as provided in the MHRD format.

**(D.3)** The Institute has not disclosed any closing balances of inventory related to Laboratory chemicals, consumables and glassware in Current Assets (Schedule-7). This needs to be disclosed as per MHRD format.

**(E) Grants-in-Aid**

**(E.1)** The Institute received Grants-in-aid of Rs. 813.83 crore from Government of India and Rs. 159.05 crore from other sources. After taking opening balance of Rs. 12.49 crore and reassigned limit of Rs. 5.94 crore and depositing back the interest earned of Rs. 0.09 crore, the total fund available worked out to Rs. 991.22 crore. The Institute utilised a sum of Rs. 984.42 crore and returned a grant of Rs. 5.26 crore, leaving a balance of Rs. 1.54 crore as at 31 March 2024.

**(E.2) Project Grant:** The Institute received Project grants of Rs. 381.94 crore (Government of India, State Government and Others) during the year 2023-24. After taking opening balance of Rs. 313.81 crore, the total fund available worked out to Rs. 695.75 crore. The Institute has

utilised Rs. 328.09 crore and adjustment of receivables amounting to Rs. 20.29 crore, leaving a balance of Rs. 387.95 crore as at 31 March 2024.

**(F) 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 observation 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 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 Technology, Kanpur 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

Date: 12.12.2024

Place: Lucknow



Principal Director of Audit (Central)

## Annexure

### 1. Adequacy of Internal Audit System

The Internal Audit has not been conducted for the year 2023-24. Only pre-audit of Bills, Vouchers, Purchase files, IWD Payments etc. are conducted by the Internal Audit wing as per procedures laid down in the Audit Manual of the Institute.

### 2. Adequacy of Internal Control System

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

- Non-adjustment of outstanding advances of Rs. 6.79 lakh.
- Non-filling of the posts in different cadres as only 569 faculties and 773 non-teaching staff are posted against 896 posts and 985 posts respectively.

### 3. System of Physical Verification of Fixed Asset

Physical verification of fixed assets has been carried out for the year 2023-24.

### 4. System of Physical Verification of Inventory

Physical verification of inventory has been carried out for the year 2023-24.

### 5. Regularity in Payment of Statutory Dues

The Institute is regular in payment of statutory dues.

*Savita*  
Director (CE)  
2-12-24