



प्रधान निदेशक लेखापरीक्षा (केंद्रीय) चेन्नै का कार्यालय
लेखापरीक्षा भवन, 361, अण्णा सालै, तेनामपेट, चेन्नै - 600 018.

OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT (CENTRAL)

Chennai

"LEKHA PARIKSHA BHAVAN", 361, Anna Salai, Teynampet, Chennai - 600 018.

No. PDA (C)/CE/ I/ 28-53/ 2016-17/ 76

Dt.31.10.2016

To

The Secretary to Government of India
Ministry of Human Resource Development
Department of Education
Shastri Bhavan
New Delhi - 110 001

Sir,

Sub: Separate Audit Report (SAR) on the accounts of Indian Institute of Technology, Madras for the year 2015-16 - Reg.

I forward herewith the Separate Audit Report on the accounts of Indian Institute of Technology, Madras for the year 2015-16 along with the statement of accounts. The dates of presentation of the accounts with Separate Audit Report to Parliament may kindly be intimated to this office.

The receipt of this letter with enclosures may kindly be acknowledged.

Yours faithfully

Sd/-

Director/ CE

Encl: As above

Endt. No. PDA (C)/CE/ I/ 28-53/ 2016-17/ 77

Dt.31.10.2016

Copy together with a copy of the Separate Audit Report forwarded to the Director, Indian Institute of Technology, Madras. He is requested to furnish three copies of the English version of the **Separate Audit Report** and three copies of the **Annual Report** along with dates of presentation of the Report for the year 2015-16 to Parliament.



Director/ CE

**Separate Audit Report of the Comptroller and Auditor General of India on the
accounts of Indian Institute of Technology, Madras for the year ended
31 March 2016**

We have audited the attached Balance Sheet of Indian Institute of Technology, Madras including the transactions of IIT Palakad and IIT Tirupati as IITM being the mentor Institute as at 31 March 2016, the Income & Expenditure Account and Receipts & Payment 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 the Institutes of Technology Act, 1961. 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 & 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 & Regulations (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 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 Receipt & Payment Account dealt with by this Report have been drawn up in the format approved by Ministry of Human Resource Development.

iii In our opinion, proper books of accounts have been maintained by Indian Institute of Technology, Madras as required under Section 23(1) of the Institutes of Technology Act, 1961 in so far as it appears from our examination of such books.

iv We further report that:

A Balance Sheet

Application of Funds

Schedule 4 – Fixed Assets – B. Intangible Assets

Significant accounting Policies – Schedule 23

As per the Significant Accounting Policies – Schedule 23, out of 639 applications filed for grant of Patents, 140 Patents have been granted so far.

However the expenditure incurred for obtaining Patents were treated as revenue expenditure instead of capitalizing and accounting under 'Intangible Assets'. This practice is in contravention to the MHRD format of accounting which stipulates as follows:

“The expenditure incurred from time-to-time (application fees, legal expenses etc) for obtaining patent is temporarily capitalized and shown as part of Intangible assets in the Balance Sheet. If applications for patents are rejected, the cumulative expenditure incurred on the particular patent is written off to the Income and Expenditure Account in the year the application is rejected. The expenditure on Patents granted is written off over a life of 9 years on a conservative basis”.

B General

1 Schedule 24 – Contingent Liabilities and Notes to Accounts – B. Notes on Accounts – Value of Project assets as on 31.3.2016 Rs 592,04,34,615

Depreciation on value of assets acquired out of project funds has been calculated at the rate of 8% on Straight Line Method uniformly, without segregating the assets into different categories viz., Equipments, Computer peripherals, Furniture & Fixtures etc. Further, “Gross block”, “depreciation Block” and “Net block” have not been worked out, which is in contravention to the MHRD format of accounting.

2 Scholarship D Account – Statement showing source-wise breakup details of Sponsored Fellowships and Scholarships not appended with the Financial Statements

As per MHRD Format of Financial Statement for Institutes of Higher Education/Central Autonomous Bodies, Scholarships and Sponsored Fellowships from University Grants Commission, Ministry and others (to be specified individually) have to be exhibited in the format as shown in Schedule 3 (b) Sponsored Fellowships and Scholarships showing Opening balance as at the beginning of the year, Transaction (Receipt and Payment) during the year and Closing balance as at the end of the year. Out of the closing balance, the resultant creditor column would appear on liabilities side of the Balance sheet under Schedule-3 and the debtor column would appear on the Assets side of the Balance sheet under Schedule 8-Loans, Advances and Deposits).

However, as seen from the annual accounts of the Institute, the above mentioned method of accounting in respect of Sponsored Fellowships and Scholarships has not been followed.

C Revision in accounts

The Accounts of the Institute were revised on the basis of audit observations. As a result of revision, the Assets and Liabilities were increased by Rs.7.97 crore and the deficit was decreased by Rs. 2.22 crore

D Grants in aid

Out of the total grant of Rs.820.26 crore (including Plan Grant received for IIT Palakad Rs 25 crore and IIT Tirupati Rs. 18 crore) released during the year, internal Revenue of Rs 56.08 crore and Rs 165.23 crore being the unspent grant of the previous year (totaling Rs 1041.57 crore) the Institute could utilize Rs 855.07 crore leaving a balance of Rs.186.50 crore as on 31 March 2016.

v Subject to our observations in the preceding paragraphs, we report that the Balance Sheet, 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 Indian Institute of Technology, Madras as at 31 March 2016, and
- b. In so far as it relates to Income & Expenditure Account of the deficit for the year ended on that date.

For and on behalf of the C&AG of India


Principal Director of Audit (Central), Chennai

Place Chennai
Date:31.10.2016

Annexure to Audit Report

1. Adequacy of Internal Audit System:

Internal audit system is inadequate as it has not followed MHRD format in respect of capitalization of Patents and Bank Reconciliation was not done properly.

2. Adequacy of Internal Control System:

Internal Controls were found to be inadequate. A sum of Rs. 67,45,822 directly credited into Bank Account in respect of "Project account" during the period from 30.9.2013 to 28.12.2015 had not been recognized as revenue and recorded in the Bank Book of Project account. The above amount is still shown as adjustment entries in the Bank Reconciliation statement for the month of March 2016.

3. System of Physical verification of Fixed Assets:

Physical verification of Fixed Assets has been carried out for the year 2015-16

4. System of Physical verification of Inventory:

Physical verification of Inventory has been carried out for the year 2015-16

5. Regularity in payment of statutory dues

The Institute is regular in depositing the statutory dues.



Director/ CE

Indian Institute of Technology, Madras
Grant in Aid Statement for the year 2015-16 (Based on Revised Accounts)

Rs In Crores

Name of the project for which grant received or general Grants	Amount of Grant brought forward from previous year	Amount of Grant received during the year 2015-16	Internal Revenue Generation	Total	Amount utilized during the year 2015-16	Amount unutilized as on 31.03.2016 carried forward to next year
Plan Grant	(10.91)	177.50		166.59	194.33	(27.74)
Non Plan Grant	1.82	240.00	50.24	292.06	318.48	(26.42)
Projects	174.32	359.76	5.33	539.41	322.56	216.85
Total	165.23	777.26	55.57	998.06	835.37	162.69
IIT Palakad- Plan Grant	-	25.00	0.23	25.23	10.74	14.49
IIT Tirupati - Plan Grant	-	18.00	0.28	18.28	8.96	9.32
Grand Total	165.23	820.26	56.08	1,041.57	855.07	186.50

29-09-16



Deputy Registrar F & A

INDIAN INSTITUTE OF TECHNOLOGY - MADRAS

Receipts Payments
Year Ending 31-03-2016

IIT Tirupati Account
State Bank of India
Amount in Rupees

Previous Year		Current Year
	Opening Balance	
0.00	Bank Balance	0.00
0.00	Investments	0.00
0.00	Total	0.00
	Receipts	
0.00	Grant Received (2015-16)	18,00,00,000.00
0.00	Tuition Fee Receipt	28,66,959.00
0.00	Loan from IIT-M A' A/c	32,20,769.00
0.00	Loan from IIT-M F' A/c	2,85,58,598.00
0.00	Receipts Total	21,46,46,326.00
0.00	Grand Total	21,46,46,326.00
	Payments	
0.00	Administrative Exp	634.00
0.00	Salary	63,54,366.00
0.00	Scholarship	3,84,739.00
0.00	Equipments	5,16,23,261.00
0.00	Consumables	7,47,137.00
0.00	Contigency	1,35,83,810.00
0.00	Travel	25,64,835.00
0.00	Components	8,190.00
0.00	Others	1,43,79,988.00
0.00	Total Payments	8,96,46,960.00
	Closing Balance	
0.00	Cash Balance	15,000.00
0.00	Bank Balance	12,49,84,366.00
0.00	Total	12,49,99,366.00
0.00	Grand Total	21,46,46,326.00

MAIN ACCOUNTS

CHENNAI - 36

IIT Tirupathi

Ledger Account

1-Apr-2016 to 29-Sep-2016

Page 1

Date	Particulars	ID Number	BR Number	Vch Type	Vch No.	Debit	Credit	Balance
11-4-2016	Cr STATE BANK OF INDIA	1781	367	Bank Advice	CBP00247	27,000.00		27,000.00 Dr
27-4-2016	Cr CHAIRMAN COUNCIL OF WARDENS	0326	991	Bank Advice	CBP00783	64,000.00		91,000.00 Dr
						91,000.00		
							91,000.00	
						91,000.00	91,000.00	

Dr Closing Balance

Scholarship.

On 31/5/2016 SBI A/c → received from TPTY.

3,00,00,000

Closing Balance.

2,99,09,000 Cr.

[Signature]

उप कुलसचिव
DEPUTY REGISTRAR
(वित्त एवं लेखा)
(FINANCE & ACCOUNTS)
आई.आई.टी. मद्रास / I.I.T. MADRAS
चेन्नै-600 036 / CHENNAI-600 036.

MAIN ACCOUNTS

CHENNAI - 36

Salary of IIT Tirupathi Staff A/c

Ledger Account

1-Apr-2016 to 29-Sep-2016

Page 1

Date	Particulars	ID Number	BR Number	Vch Type	Vch No.	Debit	Credit	Balance
6-4-2016	Cr T MADHAVI LATA	2083	13	Bank Advice	CBP00116	20,902.00	2,148.00	18,754.00 Dr
	Cr SAIBABA BATHALA	2082	4	Bank Advice	CBP00117	1,35,859.00	6,405.00	1,48,208.00 Dr
13-4-2016	Cr REGISTRAR, IIT GUWAHATI	Guwahati, Assam.	117	Cheque Payment - (A - A/c)	CQP00079	11,410.00		1,59,618.00 Dr
	Cr IIT GUWAHATI	Guwahati, Assam	118	Cheque Payment - (A - A/c)	CQP00080	700.00		1,60,318.00 Dr
	Cr NEW PENSION TIER-1	1200	558	Bank Advice	CBP00369	4,296.00		1,64,614.00 Dr
4-5-2016	Cr IIT GUWAHATI	Guwahati, Assam	757	Cheque Payment - (A - A/c)	CQP00550	700.00		1,65,314.00 Dr
	Cr REGISTRAR, IIT GUWAHATI	Guwahati, Assam	758	Cheque Payment - (A - A/c)	CQP00551	11,410.00		1,76,724.00 Dr
9-5-2016	Cr NEW PENSION TIER-1	1200	1702	Bank Advice	CBP01413	4,414.00		1,81,138.00 Dr
12-5-2016	Cr SAIBABA BATHALA	2082	1199	Bank Advice	CBP01803	1,39,318.00	6,405.00	3,14,051.00 Dr
	Cr T MADHAVI LATA	2083	1200	Bank Advice	CBP01816	27,601.00	2,207.00	3,39,445.00 Dr
6-6-2016	Cr NEW PENSION TIER-1	1200	3141	Bank Advice	CBP02655	4,414.00		3,43,859.00 Dr
	Cr REGISTRAR, IIT GUWAHATI		1117	Cheque Payment - (A - A/c)	CQP00873	11,410.00		3,55,269.00 Dr
	Cr IIT GUWAHATI		01115	Cheque Payment - (A - A/c)	CQP00928	700.00		3,55,969.00 Dr
9-6-2016	Cr T MADHAVI LATA	2083	2830	Bank Advice	CBP02965	25,835.00	2,207.00	3,79,597.00 Dr
	Cr SAIBABA BATHALA	2082	2839	Bank Advice	CBP02967	1,52,770.00	6,405.00	5,25,962.00 Dr
4-7-2016	Cr IIT GUWAHATI		1406	Cheque Payment - (A - A/c)	CQP01191	700.00		5,26,662.00 Dr
	Cr REGISTRAR, IIT GUWAHATI		1407	Cheque Payment - (A - A/c)	CQP01192	11,410.00		5,38,072.00 Dr
	Cr SAIBABA BATHALA	2082	4451	Bank Advice	CBP04029	1,39,318.00	6,405.00	6,70,985.00 Dr
	Cr T MADHAVI LATA	2083	4454	Bank Advice	CBP04030	25,835.00	2,207.00	6,94,613.00 Dr
5-7-2016	Cr NEW PENSION TIER-1	1200	4534	Bank Advice	CBP04086	4,414.00		6,99,027.00 Dr
2-8-2016	Cr T MADHAVI LATA	2083	5611	Bank Advice	CBP05221	25,835.00	2,207.00	7,22,655.00 Dr
	Cr SAIBABA BATHALA	2082	5613	Bank Advice	CBP05222	1,39,318.00	6,405.00	8,55,568.00 Dr
4-8-2016	Cr NEW PENSION TIER-1	1200	5773	Bank Advice	CBP05356	4,414.00		8,59,982.00 Dr
	Cr REGISTRAR, IIT GUWAHATI		1861	Cheque Payment - (A - A/c)	CQP01671	11,410.00		8,71,392.00 Dr
	Cr IIT GUWAHATI		1863	Cheque Payment - (A - A/c)	CQP01672	700.00		8,72,092.00 Dr
7-9-2016	Cr NEW PENSION TIER-1	1200	7297	Bank Advice	CBP06734	4,550.00		8,76,642.00 Dr
	Cr IIT GUWAHATI		2172	Cheque Payment - (A - A/c)	CQP01988	700.00		8,77,342.00 Dr
	Cr REGISTRAR, IIT GUWAHATI		2173	Cheque Payment - (A - A/c)	CQP01989	11,410.00		8,88,752.00 Dr
9-9-2016	Cr T MADHAVI LATA	2083	7288	Bank Advice	CBP06840	27,305.00	2,275.00	9,13,782.00 Dr
	Cr SAIBABA BATHALA	2082	7289	Bank Advice	CBP06841	1,47,261.00	6,405.00	10,54,638.00 Dr
	Cr T S NATARAJAN - (001883)	001883	7290	Bank Advice	CBP06842	1,50,500.00		12,05,138.00 Dr
15-9-2016	Dr (CR 12.05.16) T. MADHAVI LATA			Bank Advice Receipt	CBR00220		1.00	12,05,137.00 Dr

Dr Closing Balance

12,56,819.00 51,682.00
 12,05,137.00
12,56,819.00 12,56,819.00


 उप-कुलसचिव
 DEPUTY REGISTRAR
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