



मोतीलाल नेहरू राष्ट्रीय प्रौद्योगिकी संस्थान इलाहाबाद
प्रयागराज-211004 भारत,
Motilal Nehru National Institute of Technology Allahabad
Prayagraj-211004 [India]

No. 189/Accounts/2019

Dated: 07, 10, 2019

To,

Audit Officer (SAR Cell)
Office of the Principal Director of Audit (Central) Lucknow
Branch Office- Prayagraj
15A Dayanand Marg, Satyanishtha Bhawan,
Prayagraj - 211001

Subject: Query on Draft SAR of MNNIT- reg

Sir,

Please refer to your letter no OPDA (C)/ SAR/2019-20/63 dated 1 Oct 2019 on the subject cited above. In this connection the desired clarification of the queries in respect of SAR of Motilal Nehru National Institute of Technology Allahabad is as enclosed.

Thanking you.

Regards,
Yours,

(Sarvesh K. Tiwari)

Registrar

No. 189 /Account Section/2019

Dated: 07, 10, 2019

Copy to:

- Director, MNNIT Allahabad for kind information

(Sarvesh K. Tiwari)

Registrar

By
09-10-19

Para No.	Query of Audit	Reply																
1	<p>Reason for decrease in the Corpus/Capital fund of Rs. 220.94 crore in current year as comparison to Rs. 308.99 crore in the last year.</p>	<p>Regarding reason for decrease in the corpus / capital fund during the year 2018-19 from ₹ 308.99 crore to ₹ 220.94 crore. Please note that during the year following additions and deductions has been made from the fund as depicted in Schedule 1 of the balance sheet, the details are once again attached.</p> <table border="1" data-bbox="513 548 1402 1084"> <tr> <td>Balance as at the beginning of the year</td> <td>309.99</td> </tr> <tr> <td>Add: Grant Government of India to the extent utilized for capital expenditure</td> <td>24.55</td> </tr> <tr> <td>Less: Excess of Income over expenditure</td> <td>5.25</td> </tr> <tr> <td>Less: Adjustments towards subsidiary fund accounts</td> <td>2.00</td> </tr> <tr> <td>Less: Apportioned Amount of Depreciation</td> <td>10.51</td> </tr> <tr> <td>Less: Transfer to Corpus Fund as per 52 FC-52.06 #</td> <td>70.81</td> </tr> <tr> <td>Less: Transfer to GRANT HEAD - SALARY (OH-36) ##</td> <td>24.02</td> </tr> <tr> <td>Balance as at the end of the year</td> <td>220.94</td> </tr> </table> <p># As per BOG resolution for strengthen of Corpus fund from balance IRG. ## To account for the negative balance of Salary Head (OH-36) as per MHRD order No. 23011/02/2018 I.F.I. dated 25.10.2018 (copy attached). Hence the para may kindly be dropped.</p>	Balance as at the beginning of the year	309.99	Add: Grant Government of India to the extent utilized for capital expenditure	24.55	Less: Excess of Income over expenditure	5.25	Less: Adjustments towards subsidiary fund accounts	2.00	Less: Apportioned Amount of Depreciation	10.51	Less: Transfer to Corpus Fund as per 52 FC-52.06 #	70.81	Less: Transfer to GRANT HEAD - SALARY (OH-36) ##	24.02	Balance as at the end of the year	220.94
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2	<p>Justification for Transfer to/from Designated fund, Building Fund, Others- Apportioned amount of Depreciation towards Assets purchased out of Capital fund.--- Rs. 10.51 crore. (Income and Expenditure Account)</p>	<p>Please refer to Schedule 10 - Grants & Donations where it can be seen that grant utilized for capital expenditure (fixed assets) has been deducted out of total grant received by the Institute in order to match the corresponding expenditure to revenue.</p> <p>The said deduction of grant is correspondingly credited to Capital Fund to be recognized in the Income & Expenditure account on systematic and rational basis over the useful life of the asset.</p> <p>Thereby as and when depreciation over those asset is charged which are acquired out of such fund the amount of depreciation is also charged against that fund (i.e. capital fund) treated as income under the head Apportioned amount of Grant towards depreciation. The total depreciation is treated as expenditure in order to disclose the true and correct presentation of depreciation.</p> <p>The addition on account of apportioned amount of depreciation of ₹. 10.51 crore does not impact the income and expenditure account as the corresponding amount is also added in depreciation. The presentation is made in such way to make clear view of the accounts as per MHRD</p>																

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		<p>format of accounts.</p> <p>Para may kindly be dropped.</p>
3	<p>Reason and justification for transfer of Rs. 70.81 crore to Corpus Fund and Rs. 24.03 crore to 'Grant Head' from the capital Fund (Schedule 1).</p>	<p>1. The BOG & FC of the Institute considering the low accumulation under Corpus Fund and huge unspent balance of IRG resolved to transfer of unspent balance of IRG to the Corpus fund with a view of strengthening of corpus fund. Accordingly transfer of ₹ 70.81 crore was done in view of the Institute efforts regarding increase of corpus fund for future needs of the Institute and providing financial cushion in the long run. The fund ₹ 70.81 is transferred in the corpus for better utilization & financial control on the Institute funds.</p> <p>2. The institute has transferred the funds in compliance of MHRD order No. 23011/02/2018 I.F.I. dated 25.10.2018 (copy attached), regarding expenditure from IRG in case of shortfall in grants.</p> <p>According to MHRD Department of Higher Education letter F.No. 23011/02/2018-III dated 25.10.2018 Institute have not to show Negative balances corresponding to the fund spent from IRG in the books of accounts. The IRG/corpus fund should be debited corresponding to the expenditure incurred out of it (copy attached).</p> <p>In this Institute the fund position in salary head OH-36 was negative in the end of the year. Therefore, keeping in view the advice of MHRD as above 24.02 crore has been transferred from corpus funds.</p> <p>The Internal Revenue Generated by the Institute for the year 2018-19 35.37 crore was also transferred to salary head OH-36. This resulted the closing balance of OH-36 as zero. Thus total amount 59.39 crore (35.37 crore + 24.02 crore) has been transferred to OH-36.</p> <p>24.03 crore was transferred from corpus fund in view of the compliance of the above letter recommended by BOG and FC, since the fund position in Salary Head OH-36 was coming as negative in the year end.</p> <p>The Internal Revenue generated by Institute for the year 2018-19 is ₹ 35.37 Crore. As per MHRD order No. 23011/02/2018 I.F.I. dated 25.10.2018 and adoption of the same by the Finance Committee/ Board of Governors of the Institute, the IRG amount of ₹ 35.37 Crore and an amount of ₹ 24.02 Crore from the Corpus fund has been transferred to OH-36 to adjust the deficient balance under the head OH-36.</p> <p>Thus total amount ₹ 59.39 Crore (35.37 Crore + 24.02 Crore) has been transferred into OH-36. This resulted in the closing balance of OH-36 as Zero. Accordingly the grant status for financial year 2018-19 as per Annual Account & Balance Sheet is summarized as below:-</p>

		(Rs. In Crore)				
Head	OB	GRANT in Aid	IRG & corpus transfer	TOTAL	Exp.	Balance
OH-31	86.06	45.03	-	131.09	84.38	46.71
OH-36	-120.79	113.61	59.39	52.21	52.21	00.00
OH-35	107.61	5.64	-	113.25	27.12	86.13
TOTAL	72.88	164.28	59.39	296.55	163.71	132.84

The Institute has utilised ₹ 163.72 crore (Recurring OH-31 ₹ 84.38 crore, non-recurring OH-35 ₹ 27.12 crore and salary OH-36 ₹ 52.21 crore) leaving a balance of ₹ 132.84 crore (Recurring OH-31 ₹ 46.71 crore non-recurring OH-35 ₹ 86.13 crore and salary OH-36 ₹ 00.00 crore).

4	Reason and justification of including 'Corpus Fund' into 'Earmarked Fund' (Schedule 2).	<p>Regarding including corpus fund in Earmarked fund, the same is followed as practice precedence but if the audit advises to present the same in Schedule 1 instead of Schedule 2 the same can be followed from the current year.</p> <p>At present no liability is earmarked for Corpus fund. However separate schedules for NPS, GPF & CPF are also provided in the Balance sheet.</p>
5	Justification of treating transfer to grant OH 36 (salary) Rs. 35.57 crore as utilised. (Annexure B of Schedule 3).	<p>In this regard please refer to the opening balance of excess utilised under OH-36 salary grant as on 01/04/2018, the excess utilisation has been taken from IRG and also from transfer corpus/capital fund.</p> <p>The institute has transferred the funds in compliance of MHRD order No. 23011/02/2018 I.F.I. dated 25.10.2018 (copy attached), regarding expenditure from IRG in case of shortfall in grants.</p> <p>According to MHRD Department of Higher Education letter F.No. 23011/02/2018-III dated 25.10.2018 Institute have not to show Negative balances corresponding to the fund spent from IRG in the books of accounts. The IRG/corpus fund should be debited corresponding to the expenditure incurred out of it (copy attached).</p> <p>In this Institute the fund position in salary head OH-36 was negative in the end of the year. Therefore, keeping in view the advice of MHRD as above 24.02 crore has been transferred from corpus funds.</p> <p>The Internal Revenue Generated by the Institute for the year 2018-19 ₹35.37 crore was also transferred to salary head OH-36. This resulted the closing balance of OH-36 as zero. Thus total amount ₹59.39 crore (35.37 crore + 24.02 crore) has been transferred to OH-36.</p> <p>24.03 crore was transferred from corpus fund in view of the compliance of the</p>

above letter recommended by BOG and FC, since the fund position in Salary Head OH-36 was coming as negative in the year end.

The Internal Revenue generated by Institute for the year 2018-19 is ₹ 35.37 Crore. As per MHRD order No. 23011/02/2018 I.F.I. dated 25.10.2018 and adoption of the same by the Finance Committee/ Board of Governors of the Institute, the IRG amount of ₹ 35.37 Crore and an amount of ₹ 24.02 Crore from the Corpus fund has been transferred to OH-36 to adjust the deficient balance under the head OH-36.

Thus total amount ₹ 59.39 Crore (35.37 Crore + 24.02 Crore) has been transferred into OH-36. This resulted in the closing balance of OH-36 as Zero. Accordingly the grant status for financial year 2018-19 as per Annual Account & Balance Sheet is summarized as below:-

(Rs. In Crore)

Head	OB	GRANT in Aid	IRG & corpus transfer	TOTAL	Exp.	Balance
OH-31	86.06	45.03	-	131.09	84.38	46.71
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The Institute has utilised ₹ 163.72 crore (Recurring OH-31 ₹ 84.38 crore, non-recurring OH-35 ₹ 27.12 crore and salary OH-36 ₹ 52.21 crore) leaving a balance of ₹ 132.84 crore (Recurring OH-31 ₹ 46.71 crore non-recurring OH-35 ₹ 86.13 crore and salary OH-36 ₹ 00.00 crore).

6 Please clarify the depiction of Rs. 120.79 crore as excess Utilised (Annexure B of Schedule 3).

Excess utilisation under Salary OH-36 head is out of excess payments made in salary head against the funds received in previous years which has been accounted for in the current year as per compliance of Ministry of HRD letter MHRD order No. 23011/02/2018 I.F.I. dated 25.10.2018, regarding expenditure from IRG in case of shortfall in grants.

The institute has transferred the funds in compliance of MHRD order No. 23011/02/2018 I.F.I. dated 25.10.2018 (copy attached), regarding expenditure from IRG in case of shortfall in grants.

According to MHRD Department of Higher Education letter F.No. 23011/02/2018-III dated 25.10.2018 Institute have not to show Negative balances corresponding to the fund spent from IRG in the books of accounts. The IRG/corpus fund should be debited corresponding to the expenditure incurred out of it (copy attached).

In this Institute the fund position in salary head OH-36 was negative in the end of the year. Therefore, keeping in view the advice of MHRD as above 24.02 crore

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The Internal Revenue Generated by the Institute for the year 2018-19 35.37 crore was also transferred to salary head OH-36. This resulted the closing balance of OH-36 as zero. Thus total amount 59.39 crore (35.37 crore + 24.02 crore) has been transferred to OH-36.

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Accordingly the grant status for financial year 2018-19 as per Annual Account & Balance Sheet is summarized as below:-

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Head	OB	GRANT in Aid	IRG & corpus transfer	TOTAL	Exp.	Balance
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07/11/19