



सत्यमेव जयते

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)



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

No. AMG-II/SAR/LNIPE, Gwalior/2023 -24 /D- 34
प्रति,

Date : 07-01-2026

कुलपति,
लक्ष्मीबाई राष्ट्रीय शारीरिक शिक्षा संस्थान (LNIPE),
शक्ति नगर, रेस कोर्स रोड,
ग्वालियर -474002

विषय-: लक्ष्मीबाई राष्ट्रीय शारीरिक शिक्षा संस्थान (LNIPE), ग्वालियर के वर्ष 2023-24 के वार्षिक लेखाओं पर पृथक लेखापरीक्षा प्रतिवेदन ।

महोदय,

Please find enclosed herewith the Separate Audit Report and Management Letter on the accounts of the **Lakshmibai National Institute of Physical Education, Gwalior** for the year 2023-24. You are requested to kindly ensure that the SAR and the audited accounts are adopted by the Board of Management 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 the undersigned for information.

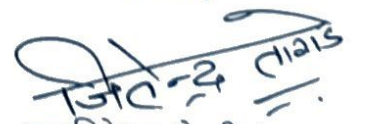
3. **It may please be noted that the Management Letter is not to be placed before the parliament.**

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

संलग्नक: 1.पृथक लेखापरीक्षा प्रतिवेदन(SAR)

2. Management Letter

भवदीय,


उप-निदेशक (केन्द्रीय)

Opinion of the Comptroller and Auditor General of India on the Accounts of Lakshmibai National Institute of Physical Education (LNIPE), Gwalior for the year ended 31 March 2024.

Opinion

We have audited the financial statements of Lakshmibai National Institute of Physical Education (LNIPE), Gwalior, which comprise the statement of financial position as at 31 March 2024 and the Income and Expenditure Account/Receipts and Payments Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies 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 from 2022-23 to 2026-27. These financial statements include accounts of the LNIPE-North East Regional Centre¹ (NERC), Guwahati as at 31 March 2024.

This 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, disclosure norms, etc. Audit observations on financial transactions regarding compliance with the Law, Rules and Regulations (Propriety & Regularity) and efficiency cum performance aspects, etc., if any, are reported through inspection reports/ CAG's audit reports separately

In our opinion the accompanying financial statements of Lakshmibai National Institute of Physical Education (LNIPE), Gwalior, read together with the accounting policies and Notes thereon and matters mentioned in the Separate Audit Report, which follows, **give a true and fair view** of the financial position of the autonomous body as at March 31, 2024, and (of) its financial performance and its cash flows for the year then ended in accordance with uniform format of accounts.

Basis for Opinion

We conducted our audit in accordance with the CAG's auditing regulations/standards/manuals/guidelines/guidance-notes/orders/circulars etc. Our responsibilities are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the autonomous body in accordance with ethical requirements that are relevant to our audit of the

¹ North East Regional Centre (NERC), Guwahati was set up as a regional centre of Lakshmibai National Institute of Physical Education (LNIPE), Gwalior in the year 2009-10. NERC Guwahati is administratively controlled by LNIPE Gwalior. Overall, LNIPE Gwalior, an autonomous body, functions under Ministry of Youth Affairs and Sports.

financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the financial statements

The *Board of Management (BoM)* is responsible for the preparation and fair presentation of the financial statements in accordance with Uniform format of accounts, and for internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

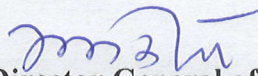
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion in accordance with CAG's auditing regulations /standards/ manuals/ guidelines/ guidance-notes/ orders/ circulars etc.

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

Place:

Date:


Director General of Audit
(Central Receipt), ADAI Level

Separate Audit Report on the Accounts of Lakshmibai National Institute of Physical Education (LNIPE), Gwalior

A. Balance Sheet (LNIPE, Gwalior)

1. Capital/ Corpus Fund & Liabilities

1.1 Corpus/ Capital Fund (Schedule-01) - ₹ 160.96 crore

1.1.1 This includes ₹ 4.00 crore being unutilised amount of the work of 400 bed hostel treated as corpus/capital instead of current liability. This resulted in overstatement of Capital/ Corpus Fund and understatement of Current Liabilities (Unutilized grant) by ₹ 4.00 crore.

B. Income and Expenditure Account

1. Expenditure

1.1 Other administrative expenses/ Prior period Expenditure(Schedule-21) – ₹ 16.93 crore

This includes ₹ 4.18 crore being mess expenditure. An amount of ₹ 5.46 crore received from the students on the account of mess, has been accounted for as Institute's income. Above treatment is incorrect because the above amounts of ₹ 4.18 crore and ₹ 5.46 crore are funds of the students for utilization of mess services, hence these funds should not be treated as Institute's income and expenditure. This resulted in overstatement of Expenditure by ₹ 4.18 crore and overstatement of Income by ₹ 5.46 crore and overstatement of Corpus Fund (surplus) as well as Current Assets by ₹ 1.28 crore. Further, same accounting treatment has been given in the NERC account. This issue was also reported in the previous year SAR, but no corrective action was taken by Institute.

1.1.2 Establishment Expenses (Shcedule-20) - ₹ 32.40 crore

This includes ₹ 74,48,669/- on account of Travelling Expenses as this should be in other administrative expenses (Schedule-21) (as per uniform format of account). This resulted in overstatement of Establishment Expenditure by ₹ 74,48,669/- and understatement of Other Administrative Expenditure by the same amount.

C. Receipts and Payments Account

1. Receipts

This does not include ₹ 24,15,994/- on account of refund of unutilized fund from CPWD against various work. This resulted in understatement of Receipts as well as closing balance by side by ₹ 0.24 crore.

2. **Payments**

This includes ₹ 10,99,16,506/- on account of expenditure on Capital-work-in-progress instead of ₹ 11,23,32,500/- (₹ 8,50,00,000 payment made to WAPCOS and ₹ 2,73,32,500/- payment made to MIDCL during the year). This resulted in understatement of Payments side and overstatement of closing balance by ₹ 0.24 crore.

D. General (LNIPE, Gwalior)

1. During scrutiny of Bank Reconciliation Statement (BRS) records provided by the Institute shortcomings noticed have been mentioned in *Annexure -I*, which need to be reconciled.
2. Due to non- formation of Board of Management, the Annual Accounts for the F.Y 2023-24 approved by Finance Committee, could not be presented before BoM until 26.08.2025.
3. In the Consolidated balance sheet Institute showed negative balances in Capital/ Corpus Fund (Schedule-01) amounting to ₹ 34.67 crore. The disclosure given in Notes No. 06 of Schedule 25 is not justifiable in this regard. The irregularity persists in annual accounts despite reported in previous SARs. This needs to be reviewed.
4. The consolidated balance sheet of the Institute showed that Institute did not make provisions for gratuity, leave encashment and pension for eligible employees on actuarial valuation basis which is not in line Accounting Standard – 15 and uniform format of accounts. This was also pointed out in previous SARs also but the issue still persists. Further, the Institute is required to give detailed disclosure in notes to accounts regarding 'Retirement Benefits' as required by AS-15.
5. Fixed Assets (Schedule-8) -₹ 85.95 crore- Completion Certificate of Synthetic Athletic Track (cost of ₹ 4.63 crore) is not available in the LNIPE, Gwalior. Institute stated that this track was put to use since 2015-16 however, it was and capitalised during the year 2023-24 and depreciation was charged for one year only. Further, appropriate reasons have not been mentioned in the notes on accounts for not charging depreciation from 2015-16. This issue was pointed out in previous year also. This needs to be reviewed and rectified.
6. Current Assets, Loans, Advances (Schedule-11) -₹ 53.00 crore - LNIPE granted advances ₹ 2,73,32,500/- to M/s MIDCL for 03 different types of

works during 2023-24. LNIPE took the total amount in CWIP/fixed assets as well as capital/corpus fund whereas expenditure report (Form-65 as on 31-03-2024) of the said work was not available with LNIPE. This needs to be reviewed.

E. Management Letter

Deficiencies which have not been included in the Separate Audit Report have been brought to the notice of the Vice-chancellor, LNIPE, Gwalior through a management letter issued separately for remedial/ correction action.

F. Assessment of Internal Controls

a) Adequacy of Internal Audit System:

Internal Audit system was in place subject to observations mentioned in audit report.

b) 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 54 internal audit para and 71 paras of compliance audit are still pending pertaining to the period from 1998-2000 to 12/2024.
- (ii) Only one meeting of BoM was held during 2023-24 as against prescribed limit of four in a year.
- (iii) Compliance is not effective to the paras of previous years' SAR/Management Letter.

c) System of Physical verification of Fixed Assets:

Physical verification of fixed assets has been conducted for the year 2023-24. No consolidated physical verification report was prepared by the LNIPE. This was also pointed out in previous SAR.

d) System of Physical verification of inventories:

Physical verification of inventories has been conducted for the year 2023-24. No consolidated physical verification report was prepared by the LNIPE. This was also pointed out in previous SAR.

e) Regularity in payment of statutory dues:

Total Statutory dues of ₹ 60,93,307/- against GST, Income Tax and NPS was pending as on 31.03.2024.


G. Grants in aid:

During the year, the LNIPE, Gwalior received grants-in-aid of ₹ 68.70 crore² (including ₹12.50 crore for construction of 400 Bed Hostel). In addition, it had an unspent balance of ₹ 22.73 crore³. Thus, out of the total available grants-in-aid of ₹ 91.43 crore, the LNIPE, Gwalior has utilised an amount of ₹ 59.93 crore⁴ leaving unutilised amount of ₹ 31.50 crore⁵ at the end of year. Further, ₹1.32 crore received from UGC-MMTC during the year which was fully utilised. ₹ 0.39 crore grants-in-aid received from MYAS under the scheme HRDC, which was fully unutilised. LNIPE, Gwalior also received grants-in-aid of ₹ 8.25 crore⁶ for NERC Guwahati and it had an opening balance of ₹ 2.87 crore (GIA-Salary ₹ 0.17 crore & capital ₹ 2.70 crore), utilised an amount of ₹ 10.18 crore⁷ leaving unutilised amount of ₹ 0.94 crore.

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

Place:

Date:


Director General of Audit
(Central Receipt), ADAI Level

²GIA(Salary) Rs 32.00 crore, GIA(Gen) Rs 16.00 crore, GIA(Capital) Rs 7.00 crore, GIA(SAP) Rs 1.20 crore and GIA(for construction of 400 bed hostel) Rs 12.50 crore.

³GIA(Salary) Rs 2.45 crore, GIA(Gen) Rs 14.34 crore, GIA(Capital) Rs 2.69 crore, and GIA(for construction of 400 bed hostel) Rs 3.25 crore (unadjusted advance.)

⁴GIA(Salary) Rs 32.40 crore, GIA(Gen) Rs 11.06 crore, GIA(Capital) Rs 3.52 crore, GIA(SAP) Rs 1.20 crore and GIA(for construction of 400 bed hostel) Rs 11.75 crore.

⁵GIA(Salary) Rs 2.05 crore, GIA(Gen) Rs 19.28 crore, GIA(Capital) Rs 6.17 crore, and GIA(for construction of 400 bed hostel) Rs 4.00 crore.

⁶GIA(Salary) Rs 4.00 crore, GIA(Gen) Rs 3.00 crore, GIA(Capital) Rs 1.25 crore.

⁷GIA(Salary) Rs 4.33 crore, GIA(Gen) Rs 4.78 crore, GIA(Capital) Rs 1.07 crore.

Annexure –I

Table showing shortcomings noticed in Bank Reconciliation Statement records (refer para D.1)

S. No.	Bank Accounts	Shortcomings noticed
1	Director Account (A/C No. 10025857429)	Difference of ₹ 9,82,585/- raised in previous SARs is not rectified.
2	SBI Registrar Fee (A/c No 30316228244)	Supporting documents of amount ₹ 3,47,800/- shown in Annexure 5 in BRS not provided to audit. Difference of ₹ 3,99,153/- raised in previous SARs not rectified.
3	Axis Bank Account (A/c No. 915010030164923)	BRS and Bank statement as on 31.03.2024, not provided although A/ c has been closed. closing Balance of amount ₹ 1,08,245/- have been transferred to Registrar fee A/c
4	HDFC Bank Account (A/c 999978000099999)	Supporting documents of amount ₹ 15,400/- of Annexure 5 and ₹ 26,94,101/- of Annexure 8 of BRS are not provided to audit
5	Mess Account (A/c No 10025857598)	Difference of ₹ 6,55,008.60 raised in previous SARs is not rectified
6	GPG Account (A/c No. 10025857441)	Difference of ₹ 1569.51 raised in previous SARs is not rectified.


Sr. Audit Officer/AMG-II



सत्यमेव जयते

कार्यालय महानिदेशक लेखापरीक्षा (केन्द्रीय प्राप्ति) नई दिल्ली
शाखा- ग्वालियर, चतुर्थ तल, ऑडिट भवन, झाँसी रोड, ग्वालियर,
मध्यप्रदेश -474002

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

No. AMG-II/SAR/LNIPE,Gwalior/2023-24/ ६-३५

Dated: ०७-०१-२०२६

To

Prof. Kalpana Sharma,

Vice-chancellor,

Lakshmibai National Institute of Physical Education (LNIPE),

Gwalior - 474002

Subject:-Management letter on the annual accounts of the Lakshmibai National Institute of Physical Education, Gwalior for the year 2023-24.

Madam,

The annual accounts of the Lakshmibai National Institute of Physical Education, Gwalior for the year 2023-24 were audited and the audit report issued thereon. During the course of audit, deficiencies (Annexure) were noticed which need to be corrected

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

Yours faithfully,

Dy. Director (Central)

O/o DGACR, New Delhi

Branch- Gwalior

Annexure

- 1. Current liabilities and Provisions (Schedule-07) - ₹ 36.31 crore**
 - 1.1 This does not include ₹ 29,15,886/- being interest earned (Sweep transfer account interest+ saving account interest) on NSDF Grant (for 400 bed hostel) during 2021-22 to 2023-24 which was refundable to the GoI/ concerned Ministry in terms of Rule 230(8) of the General Financial Rules, 2017. This resulted in understatement of Current Liabilities and Provisions and overstatement of Corpus/Capital Fund by ₹ 29,15,886/-.
 - 1.2 This does not includes ₹ 0.24 lakh being CPWD has refunded balance amount ₹ 24,15,994/- on account of various work to LNIPE. This resulted in understatement of Current Liabilities & Provisions and overstatement of Capital /Corpus Fund by ₹ 0.24 lakh.
 - 1.3 This does not include ₹ 62,78,015/- being interest earned on grants-in-aid during 2019-20 to 2023-24 which is refundable to the GoI in terms of Rule 230(8) of the General Financial Rules, 2017. This resulted in understatement of Current Liabilities and Provisions and overstatement of Corpus /Capital Fund by ₹ 62,78,015/-.
- 2. Current Assets, Loans, Advances (Schedule-11) - ₹ 53.00 crore -This does not include amount of ₹ 55,393/- being a prepaid expenses on account of insurance of vehicles paid during the year 2023-24 for next year 2024-25. This resulted in understatement of Current Assets, Loans, Advances (Prepaid Expenses) and overstatement of current year Expenditure by ₹ 55,393/-.**
- 3. Other administrative expenses/ Prior period Expenditure (Schedule-21) – ₹ 16.93 crore**
 - 3.1 This includes ₹ 1,63,93,602/- instead of ₹ 1,67,40,322/- (adjustment of ₹ 3,46,720/- being income from electricity). This resulted in understatement of Expenditure as well as Income by the amount of ₹3.47 lakh.
 - 3.2 This includes ₹ 3,43,192 /- instead of ₹ 3,61,472 /- (adjustment of ₹ 18,280/- being income from Hiring of Vehicle). This resulted in understatement of Expenditure as well as Income by the amount of ₹ 0.18 lakh.
 - 3.3 This includes ₹ 43,19,269 /- instead of ₹ 43,60,869 /- (adjustment of ₹ 41,600/- being income from Scholarship, Fellowship, Assistantship) in other academic

expenses. This resulted in understatement of Expenditure as well as Income by the amount of ₹ 0.42 lakh.

4. Details of advance ₹ 12,50,51,371/- (kept as advance in Schedule-11) such as Name of agency, Name of work for which advance paid, Date of payment, Form-65/ expenditure report were not provided to Audit despite mentioned in previous SAR.
5. Plant machinery & Equipment/Other Plant & Machinery -Opening Balances shown in accounts ₹ 12,60,29,657.58 does not match with the Opening Balances shown in fixed Assets Group summary ₹ 12,63,46,316.58. Difference of ₹ 3,16,659 needs to be reconciled.
6. Electric Installation -Opening Balances shown in accounts ₹ 7,83,41,057.72 does not match with the Opening Balances shown in fixed Assets Group summary under the head Purchase of Electric Equipment i.e ₹ 7,80,24,398.72 (₹ 7,50,19,206.72 + ₹ 30,05,192). Difference of ₹ 3,16,659/- needs to be reconciled. **(OBS-1975579)**
7. **Persistent issues (OBS-1975852)** - Other persistent irregularities/ non-compliance of previous SAR/ML have been shown as below

7.1 Paras of SAR– 2022-23

- (i) **Current Liabilities and Provision (Schedule-7) – ₹ 15.98 crore** -This does not include ₹ 0.47 crore being interest/other earnings on the deposits/funds released by National Sports Development Fund (NSDF), Department of Sports under Ministry of Youth Affairs & Sports for 400 bed capacity hostel in the LNIPE, Gwalior. As per the Ministry guidelines¹ about interest or other earnings on the deposits/funds released by NSDF for the project in compliance with the provisions of GFRs, it will be remitted back to NSDF. However, interest earned, Multi Option Deposits (MOD) balance and interest receivable from WAPCOS Ltd., a Govt. of India Undertaking (interest on mobilization advance is to be transferred by WAPCOS-construction agency) have not been remitted to the NSDF and therefore, amount of such interest/earning were to be accounted for as current liability. This was, however, not done. This resulted in understatement of Current Liabilities and Provisions by ₹ 0.47 crore² and

¹Para No. 5 (C) and (f) of letter No. F. No. K-14013/10/2017-NSDF dated 11.03.2020 (issued by Ministry of Youth Affairs & Sports)

² Mod balance - ₹ 17,16,000 (FDR with SBI (SWIP A/C, under Investment Others (Schedule-10)

overstatement of Corpus/Capital Fund by ₹ 0.30 crore and understatement of Loans, Advance & Deposits by ₹ 0.17 crore on account of interest receivable from WAPCOS.

(ii) **Establishment Expenses (Schedule-20) - ₹ 38.57 crore** -This does not include ₹ 0.14 crore being amount received by recovery of bonus (₹ 0.05 crore) and Staff quarter fees (₹ 0.09 crore) and has been adjusted with establishment expenses (Allowance and Bonus and Salary and Wages). This resulted in understatement of Expenditure by ₹ 0.14 crore and understatement of Prior Period Income by ₹ 0.05 crore and understatement of current year Income ₹ 0.09 crore.

(iii) **Other Administrative Expenses etc. (Schedule-21) -₹ 21.94 crore** - This includes ₹ 3.89 crore being mess expenditure. An amount of ₹ 4.72 crore (₹ 4,71,08,131+ interest received ₹ 98,986) received from the students on the account of mess and interest received, has been accounted for as Institute's income, and also corresponding expenditure of ₹ 3.89 crore on mess has been treated as Institute's expenditure. Above treatment is not correct because the above amounts of ₹ 4.72 crore and ₹ 3.89 crore have been funded by the students for mess and utilised on their mess, hence these cannot be accounted for as parts of the accounts of the Institute. Therefore, such fund cannot be treated as Institute's Income and Expenditure, only amount payable and receivable from the mess to be accounted for in the Institute's accounts. This resulted in overstatement of Expenditure by ₹ 3.89 crore and overstatement of Income by ₹ 4.72 crore and overstatement of Corpus Fund (surplus) as well as Current Assets by ₹ 0.83 crore.

(iv) **Other Administrative Expenses etc. (Schedule-21) -₹ 21.94 crore** - This includes ₹ 0.19 crore³ being expenses pertaining to the period 2021-22 and paid

Interest on FDR ₹ 6,46,090 /- (Interest on FDR, interest earned (Schedule-17))

Interest on Saving account ₹3,823 /- (Saving accounts, interest earned (Schedule-17))

Income from investment ₹ 5,94,963 /- (Schedule-15)

Interest earned from Mobilization Advance ₹ 17,45,193 (Abstract of Works as on 10.4.23 issued by WAPCOS)

³For e.g. AMC of Internet (Vr. No.14, 01.04.22) – ₹ 54929, Shoes (Vr. No. 45, dt 05.04.22) – ₹ 72398, AMC of Computer (Vr. No. 48, dt. 05.04.22) – ₹ 52335, AMC of Lab equipment (Vr. No. 65, dt 06.04.22)- ₹ 310014 OBF application Development (Vr. No. 122, dt 22.04.22) – ₹ 169920, Sanitation (Vr. No. 146, dt 20.04.22) – ₹ 1000172 etc.

in F.Y 2022-23. This resulted in understatement of Prior Period Expenditure, and overstatement of current year Expenditure by ₹ 0.19 crore.

- (v) Human Resource Development Centre (HRDC) (earlier known as Academic staff Colleges) is the scheme of University Grant Commission (UGC) under which a Centre is established within the campus of LNIPE. UGC gives Grants to the Institute for arranging various teachers' training programs through HRDC. The conditions of Grant sanction inter- alia include that the assets acquired out of UGC Grant shall not be disposed /utilized for any other purposes without proper sanction of UGC, and, if at any time, the University (Institute) ceases to function, such assets shall revert back to UGC.
- (vi) By virtue of above arrangement, the ownership of assets created out of HRDC Grants vests with UGC. Therefore, the fixed assets created out of HRDC Grants should not be treated as Institute's assets. However, Institute has included the fixed assets created out of HRDC grants in their Fixed Assets Schedule (Schedule-8) instead of disclosing these assets in Notes to accounts. This needs rectification.
- (vii) Expenses on some of the items⁴(having useful life more than one year and costing is more than ₹ 5,000/-) booked under Other Administrative Expenses (Schedule-21) instead of accounted for as the fixed assets. This is contravention of point no. 6.2 under point no. 7 of Significant Accounting Policies (Schedule-24). This needs rectification.
- (viii) Details of ₹ 12.51 crore (kept as advance on capital account – refer Schedule-11) such as copy of sanction order, details of work etc was not provided to audit. Prior to the year 2021-22, Capital advances amounting to ₹ 25.17 crore were being shown under Current Assets, Loans, Advances (Schedule- 11) and same amount was shown in Reserve and Surplus (Schedule-2). Out of ₹ 25.17 crore, the Institute deducted ₹ 13.40 crore from Current Assets, Loans, Advances during the year 2021-22, and the same deducted from the Reserves and Surplus (Schedule-2). This deduction was carried out without

⁴Water Heater 15 Litre (Vr. No. 1240, dt.9.12.22) - ₹ 36648, Water Heater 25 Litre (Vr. No. 1240, dt.9.12.22) - ₹ 28112, UPS (Bill No. Gem 20142947 dated 17.05.22) – ₹ 10800, Pump Set Submersible motor 7.5 HP (Gem Invoice No. 20766506, dt 20.06.22) – ₹ 47949, Pump Set Submersible motor 1.5 HP (Gem Invoice No. 20766547, dt. 20.06.22) - ₹24998, Water Storage Tank 1000 litter (Gem invoice no. 21488840, dt.24.7.22) – ₹ 23010 and Water Storage Tank 3000 litter (Gem invoice no. 21488854) - ₹ 25670

any justification and supporting documentation. Institute could not investigate the reasons despite assurance given by it. This stands as persistent irregularity.

- (ix) Negative balance of ₹ 1.09 crore is depicted in Corpus/Capital Fund (Schedule-1) .The clarification given in Note No. 8 of Schedule-25 is not justifiable. The irregularity still persists in the annual accounts despite mentioned in the previous SAR and assurance given by the Institute.
- (x) Investment of provident fund balances has been made in bank instead of the pattern of investment prescribed by the Ministry of Finance, GOI. This was also pointed out in previous SARs also but the issue still persists.
- (xi) Mess Equipment (Gross value ₹ 18.20 lakh) and Sports Equipment (Gross value ₹ 58.71 lakh) have been accounted for under Plant & Machinery Others under Plants & Machinery Equipment head without recognizing the nature of Equipment (e.g. Dining table with fixed round chair purchase for Mess has been accounted under Plant &Machinery while this was to be accounted for as furniture, vr. 323/April 22).Further, Purchase for Hostel also accounted for under Plants & Machinery head. This needs rectification.
- (xii)Miscellaneous Income under Schedule 18 included ₹ 17.41 lakh⁵ in r/o of receipts on various accounts. The source of such receipts i.e. purpose and from whom such amounts were received could not be identified. This needs to be reconciled.

7.2 SAR – 2022-23 (Management Letter)

- (i) No disclosure in the Significant Accounting Policy (Schedule-24) in respect of which branch accounts have been included in the consolidated accounts of LNIFE.
- (ii) Significant Accounting Policy (Schedule-24) -This includes disclosure about depreciation on Fixed Assets has been provided on written down value (WDV)

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S. No.	Ledger date	Account Name	Amount (in ₹)
1	01-07-2022	Director A/c	2,423
2	07-07-2022	SBI Bank	15,79,725
3	29-08-2022	SBI Bank	99,220
4	29-08-2022	Director A/c	2,808
5	11-10-2022	Registrar Fee A/c	8,800
6	23-12-2022	SBI Bank	47,581
7	30-03-2023	SBI Bank	340
Total			17,40,897

method as per rates specified in the companies Act, 2013. This is in contravention of the Uniform Format of Accounts (UFA) which states that depreciation on fixed assets should be provided as per Income Tax Act.

(iii) Provision (₹ 50,99,613) has been provided for the pension of month of March-23 under Provision (item no. B.3) under Current Liabilities and Provisions (Schedule-7). However, provision for pension for March-23 has been depicted by ₹ 52,37,678 under the ledger of pension/family pension. Thus, difference of ₹ 1,38,065 need rectification.

(iv) Addition of Fixed Assets during the year under Fixed Assets (Schedule-8) has not been shown in the bifurcated columns of “less than 180 days” and “more than 180 days” as per depreciation policy of the Institute.

7.3 SAR 2021-22 (SAR/ML)

(i) Bank reconciliation and Bank statements for the amount of ₹ 1,04,294 /- (balance upto March 2022- ₹ 28679) shown in Axis Bank in ledgers of Annual Account for F.Y. 2022-23 were not provided.

(ii) In r/o five bank accounts, unadjusted/unreconciled amounts pertain to previous years were adjusted i.e. depicted as ‘deducted from or added to cash book’ in their respective bank reconciliation statements upto March 2023 without any valid reason. Details are as under:-

S. No.	Particulars	Amount Added to Cash Book Balance in ₹	Amount deducted from Cash Book Balance in ₹
1	Difference in Opening Balance between Cash Book and Bank Statement as on 01/04/2012 as per BRS for the month of March 2023. (SBI Director Account No:- 10025857429)	9,82,585.00	
2	Difference in Opening Balance between Cash Book and Bank Statement as on 01/04/2013 as per BRS for the month of March 2023. (SBI Registrar Fees Account No:- 30316228244)	3,99,153.00	
3	Difference in Opening Balance between Cash Book and Bank Statement as on 01/04/2013 as per BRS for the month of March 2023. (SBI LNIPE Account No:- 1002587598)	6,55,008.00	
4	Difference in Opening Balance between Cash Book and Bank Statement as on 01/04/2010 as per BRS 2023 (SBI Account No:- 10025857441)		1,569.51
5	Cheques or PFMS advice issued or drawn in F.Y. 2020-21 but not yet	65,000.00	

	presented for payment and added in F.Y. 2021-22 Cash book balances for BRS for the Month of March 2022 of LNIPE, Gwalior.(LNIPE Account 10025857768) PFMS No. C 032146881079 & C 032149921567 date 24.03.2021		
6.	Cheuqs/PFMS advice issued but omitted to be recorded in Cash Books pertains to previous years and deducted from Cash book balances for BRS for the month of March 2022 (SBI, Mela Road, Gwalior LNIPE Account :-1002587598)		13,79,879.00

Further, in cash book (SBI bank a/c no. 1002587598) for 2012-13, total eight cheques bearing numbers 139896 to 139903 amounting to ₹ 1379879/- were found recorded. All these cheques were cleared between 02.04.2013 and 05.04.2013. However, the same cheques were shown as unreconciled as "*Cheque issued but not recorded in Cash Book*" in BRS upto March 2023. Reasons for these unadjusted/unreconciled amounts, pending for adjustment since long time, needs to be investigated.]

8. Fixed Assets was understated by ₹ 5.43 lakh due to non- inclusion of amortized value of leasehold land of 273 bighas at Sonapur Campus. NERC, Guwahati paid ₹ 5.43 lakh (₹4.80 lakh + ₹ 0.54 lakh) to State Government of Assam for lease charge of 40 years at ₹ 1000/- per month in November, 2014. Instead of including the amortized lease value of land in Annual Account, NERC, Guwahati showed a token amount of ₹ 1.00 under Freehold Land. Such incorrect exhibition of leasehold land as freehold land led to understatement of Corpus Capital Fund by ₹ 5.43 lakh.
- (NERC, Guwahati)**


Sr. Audit Officer/AMG-II