



भारतीय लेखापरीक्षा और लेखा विभाग
क्षेत्रीय प्रशिक्षण संस्थान, मुंबई
Indian Audit & Accounts Department
Regional Training Institute, Mumbai
निगमित वित्त व अभिशासन, स्वायत्त निकायों की लेखापरीक्षा और
वाणिज्यिक लेखापरीक्षा के लिए ज्ञान केंद्र
Knowledge Centre for Corporate Finance and
Governance, Audit of Autonomous Bodies and Commercial Audit



सूचनापत्र /Newsletter



Issue 24

For October 2022- March 2023

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Contact Us: -
RTI, Mumbai, 5th Floor, RTI Building, Plot No. C-2, GN Block,
Behind Asian Heart Institute, Bandra Kurla Complex, Bandra (East), Mumbai – 400051;

Section I: From the desk of Director General.....

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Dear Reader,

I am glad to release this newsletter for the half year ending March 2023. The newsletter, which commenced publication in March 2013 during my earlier tenure as Principal Director, has maintained its unbroken flow till date, with modifications in format and content from time to time.

During half year October 2022 – March 2023, RTI Mumbai conducted 29 training programmes including preparatory and Phase II induction training of DRAAOs (2018 batch) and two training programmes on Knowledge Centre topics. We also commenced the SAS preparatory training in March 2023 for the DRAAOs (2019 & 2020 batch).

With the continued active support of our user offices, RTI Mumbai could conduct all the training programmes as scheduled in the calendar and we would like to place our sincere gratitude to all the user offices and also the Regional Advisory Committee Chairperson and members to steer the efforts of the Institute with their valuable guidance and directions.

I look forward to continue to communicate with you regarding the performance and achievements of RTI, Mumbai through the medium of this newsletter in future.

We welcome inputs from readers to improve the newsletter.

Regards,

Abdul Rauf
Director General
RTI, Mumbai

Section 2: Summary of courses conducted and events in RTI, Mumbai during the half-year ended 31 March 2023

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(i) Training Courses we conducted
(a) General Courses, including Knowledge Centre

SI No	Name of course	Number of participants including number of IA&AS participants given in brackets
1.	धोखाधड़ी और धोखाधड़ी का पता लगाने की तकनीक की लेखापरीक्षा Audit of Fraud and Fraud Detection Techniques	18
2.	ज्ञान केंद्र विषय - भारतीय लेखा मानक, लेखापरीक्षा मानक, लेखा मानक और वित्तीय विवरणों का विश्लेषण पर अखिल भारतीय प्रशिक्षण कार्यक्रम KC Topic - All India Training Programme on Ind AS, Auditing Standards, Accounting Standards and Analysis of Financial Statements	40(3)
3.	एमसीटीपी स्तर - 2 / MCTP Level - 2	36
4.	ज्ञान केंद्र विषय - कॉर्पोरेट वित्त पर अखिल भारतीय प्रशिक्षण कार्यक्रम KC Topic - All India Training Programme on Corporate Finance	22(3)
5.	सामान्य प्रयोजन वित्तीय रिपोर्टिंग (इप्सास) General Purpose-Financial Reporting (IPSAS)	16
6.	KC Topic - All India Training Programme on Audit of Consolidated Financial Statements of Companies ज्ञान केंद्र विषय - समेकित वित्तीय विवरणियों का लेखापरीक्षा पर अखिल भारतीय प्रशिक्षण कार्यक्रम	44(3)
7.	लेखापरीक्षा में सांख्यिकी और नमूनाकरण / Statistics & Sampling in Audit	28
8.	सार्वजनिक निजी भागीदारी परियोजना की लेखापरीक्षा Audit of Public Private Partnerships Projects	16
9.	गुड्स एंड सर्विस टैक्स / Goods and Service Tax	37
10.	जिला लेखापरीक्षा (पंचायत राज संस्थाओं और शहरी स्थानीय निकायों सहित) / District Audit (including PRIs and ULB)	17
11.	निर्माण व्यय, संविदा और परियोजनाओं की लेखापरीक्षा Audit of Works expenditure, Contracts & Projects	27
12.	प्रबंधन कौशल का विकास Development of Management Skills	25
13.	एमसीटीपी स्तर - 3 MCTP Level - 3	39
14.	सेवानिवृत्ति-पूर्व पाठ्यक्रम (अतिरिक्त) Pre-retirement course (Additional)	32

15.	नव पदोन्नत सहायक लेखा परीक्षा अधिकारियों और पर्यवेक्षकों के लिए प्रेरण प्रशिक्षण Induction Training for newly Promoted AAOs and Supervisors	36
16.	DRAAOs के लिए प्रेरण प्रशिक्षण DRAAOs Induction Training	46
17.	लेखापरीक्षकों और लेखाकारों के लिए प्रवेशन पाठ्यक्रम, कार्यालय कार्यप्रणाली, केंद्रीय सिविल सेवा (आचरण) नियमावली, जेंडर जागरूकता और नैतिकता सहित Induction course of Auditors & Accounts including Office Procedure, CCS (Conduct) Rules, Gender Awareness and Ethics	30
18.	DRAAOs के लिए परीक्षा-पूर्व प्रशिक्षण (सीजीएलई 2019 एवं 2020 बैच) DRAAOs Preparatory Training (CGLE 2019 & 2020 batch)	73
	Total	582(9)

(b) EDP Courses

SI No	Name of course	Number of participants including number of IA&AS participants given in brackets
1.	ओरेकल बैकएंड-एसक्यूएल / Oracle Backend-SQL	25
2.	आईटी ऑडिट (इंटोसाई दिशानिर्देश, नियमावली सहित) IT Audit (including INTOSAI Guidelines, Manuals)	15
3.	टेब्लू पर प्रशिक्षण / Training on Tableau	25
4.	डेटा विश्लेषण – टेब्लू / Data Analytics – Tableau	14(10)
5.	उन्नत ओरेकल - एसक्यूएल, पीएल/एसक्यूएल Advanced Oracle - SQL, PL/ SQL	17
6.	आईटी वातावरण में लेखा परीक्षा / Audit in IT Environment	20
7.	ई-प्रोक्योरमेंट (जीईएम और सीपीपीपी) और ईटेंडरिंग (सीपीपीपी) का परिचय / Introduction to e-procurement (GeM and CPPP) and etendering (CPPP)	29
8.	डेटा विश्लेषण - नाईम Data Analytics – KNIME	15
9.	आइडिया / IDEA	17
10.	पावर पिचट के साथ एमएस एक्सेल (उन्नत) MS Excel (Advanced) with Power Pivot	24
11.	उन्नत एमएस एक्सेस और एमएस एक्सेल Advanced Ms Access and MS Excel	20
	Total	221(10)

(ii) Significant Events/ developments in RTI, Mumbai

- a. As a new initiative, RTI Mumbai administration leveraged the use of technology by successfully generating the data from the PFMS module for preparation of TDS Return of the employees of RTI Mumbai in form 24Q. This has resulted in significant savings in time and effort in preparing the TDS return for salaries and has made the process error-free.
- b. On her promotion to the post of Asst.Audit Officer, Ms.Vinniy Chaudhary, Sr.Ar was relieved on 01-12-2022 and repatriated to her parent cadre for joining in the office of the Director General of Audit (Shipping), Mumbai. RTI Mumbai congratulates her on her promotion and wishes her all the best for her future assignments.
- c. Shri Sivakameswan, IA&AS (Retd.) joined RTI Mumbai in November 2022 as Core Faculty/Knowledge Centre. His appointment has strengthened efforts of RTI Mumbai in meeting its targets for capacity building and research initiatives with regard to its knowledge centre topics.

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Section 3: Photo Gallery



Section 4: Gist of significant observations in CAG's reports relating to Knowledge Centre topics

Gist of significant observations in CAG's reports relating to Knowledge Centre topics

An adapted compendium of highlights of significant observations in CAG's reports relating to Knowledge Centre topics tabled in concerned Legislature during the half-year ended March 2023

Report 27 of 2022 – Union Commercial

Para 2.5.1.3 - Significant Accounts Comments of CAG issued as supplement to the Statutory Auditors' reports on Government Companies / Government controlled other companies

a. Listed Government companies

a.i. Comments on Profitability

Engineers India Limited (Standalone and Consolidated Financial statements): (Sl.No.1)

Non-provision of claims against the Company

Claims against the Company not acknowledged as debts (Contingent Liabilities) included an amount of ₹62.72 crore as commercial claim pending in respect of sub-judice issues with M/s S S Aggarwal (₹1.90 crore) in the Hon'ble High Court of Orissa and M/s JRMEHL & JRMMEI (₹60.82 crore) in the Hon'ble High Court of Delhi on account of contractual issues. The Company had lost one case before Arbitrator as well as District Court and another case before Arbitrator. Since the Company is having only old legal opinions and has not produced any document having its own assessment about the case, the Company should have created the provision in compliance of Ind AS 37. Non-provisioning for the same resulted in overstatement of 'Contingent Liabilities' and understatement of 'Provisions' apart from overstatement of 'Profits' by an amount of ₹62.72 crore.

IFCI Limited (Standalone and Consolidated Financial Statements) (Sl.No.2)

Non-write off of the amount not recoverable

Loans were overstated and loss for the year was understated by ₹307.77 crore due to:

Non-writing off the balance amount of ₹125.44 crore in respect of a loan given to Gran Electronics Private Limited (GEPL) which is under liquidation, as per the orders to National Company Law Tribunal (NCLT). This has resulted in understatement of loss by ₹53.20 crore (after adjustment of impairment loss allowance of ₹72.24 crore) and overstatement of loan to the same extent.

As per the NCLT decision and resolution plan, IFCI's claim with regard to total outstanding dues of ₹650.36 crore from Videocon Industries Limited was restricted to ₹70.31 crore. The maximum recoverable amount from Videocon Industries Limited was further worked out to ₹74.71 crore only. Non-writing off the balance amount of ₹575.65 crore resulted in understatement of loss by ₹244.13 crore (after adjustment of impairment loss allowance of ₹331.52 crore) and overstatement of loan by same amount.

ITI Limited (Sl.No.3)

Incorrect charging of expenditure to Security Premium Account instead of P&L Account

Charging of expenditure, towards 'Further Public Offer' which was withdrawn, to Security Premium Account instead of Statement of Profit and Loss Account resulted in understatement of the Expenses, Security

Premium Account and overstatement of Profit by ₹11.98 crore. Despite being pointed out in the previous year, no corrective action has been taken.

MMTC Limited (Standalone and Consolidated Financial statements) (Sl.No.4)

Incorrect reckoning of income for working out Deferred Tax Assets:

Deferred Tax Assets of ₹330.69 crore was created on the probable income of ₹946.33 crore¹, as assessed by the Company, as receivable from Neelachal Ispat Nigam Limited as on 31 March 2021. Since the income receivable from Neelachal Ispat Nigam Limited was uncertain and against the Generally Accepted Accounting Principles, this has resulted in overstatement of Deferred Tax Assets and understatement of Loss by ₹330.69 crore.

Non-provision of interest payable

Non-provisioning for the interest payable for pre-arbitration period in respect of a disputed case with M/s Anglo American Metallurgical Coal Pte. Ltd, resulted in understatement of Provisions and Loss by ₹103.11 crore. This also resulted in overstatement of contingent liabilities by ₹103.11 crore.

Incorrect creation of provision for Performance Related Pay

The Company made provision of ₹17.08 crore towards Performance Related Pay (PRP) of which ₹13.99 crore pertains to the financial years 2017-18 & 2018-19 and ₹3.09 crore excess provision booked in earlier years. The Company booked interest receivable from its joint venture company, Neelachal Ispat Nigam Limited during 2017-18 and 2018-19 to arrive at PRP, whereas the Company was actually not making profits on cash basis.

Further, considering of interest receivable from JV company for the purpose of PRP is also in violation of DPE guidelines (18 September 2013). Moreover, the PRP for the financial years 2017-18 and 2018-19 were not approved by the Remuneration Committee of the Directors and considering the extreme cash crunch, the Company was not in a position to recommend PRP.

In view of the above and considering the fact that the Company has also initiated the recovery of PRP in line with its BoD approval (November 2020), the provision created towards the PRP should also have been reversed. Non-reversal resulted in overstatement of Provisions and Loss by ₹17.08 crore

Steel Authority of India Limited (Sl.No.5)

Non-provisioning of expenses and and incorrect exhibition of expense as Deposit

Profit for the year was overstated by an amount of ₹52.07 crore on account of the following:

Non-provisioning for the Gas Holder which was commissioned in August 2010 and has become idle and non-operational from November 2012. This has resulted in understatement of Other Expenses – Provisions and overstatement of Fixed Assets by ₹38.26 crore.

Direct Tax Vivad se Viswas Act, 2020, allows taxpayer to get relief from pending dispute by paying disputed tax and get waiver from payment of interest and penalty. Section 7 of the Act stipulates that amount paid under the said scheme shall not be refundable. The Company paid ₹14.01 crore towards settlement of a case under the said scheme and accounted for the same as Deposit with Government Authorities. Since, the above case was settled under the scheme, the amount was not refundable. Non-charging of the same in the

¹ ₹547.87 crore for FY 2019-20 and 2020-21 and ₹398.46 crore for FY 2021-22.

Profit and Loss Account resulted in understatement of Other Expenses as well as overstatement of Other Current Assets.

a. ii. Comments on Financial Position

Mahanagar Telephone Nigam Limited (Sl.No.1)

Non-provisioning of the demand raised by DOT

Current Liabilities – Short Term Provisions was understated by an amount of ₹3,565.53 crore due to non-provisioning for the demand raised by Department of Telecommunication (DoT) on provisional assessment of License Fee and Spectrum usage Charges for the financial years 2012-13 to 2019-20.

Further, the Hon'ble Supreme Court vide its order dated 01.09.2020 disposed the AGR matter and DoT directed all the Telephone Service Providers that it was the responsibility of the licensees to pay the license fee and other dues after carrying out their own assessment as prescribed in the License Agreement(s).

Non-provisioning for the same also resulted in understatement of the Loss and overstatement of Contingent Liabilities by ₹3,565.53 crore.

iii. Comments on Cash Flow Statement

IFCI Limited (Sl.No.1)

Incorrect classification of loss in the Cash Flow Statement

Impairment Loss in investment in subsidiaries amounting to ₹11.34 crore was incorrectly shown as 'Investment in subsidiaries' depicting sale of investment under Investing Activities. This has resulted in overstatement of cash flow from Investing Activities and understatement of cash flow from Operating Activities by ₹11.34 crore. (Applicable on Standalone Financial Statements only).

The Company reported an income of (-)₹101.73 crore from the Sale of Shares/ securities under Operating Activities instead of showing under Investing Activities. This resulted in understatement of Cash Flow from Operating Activities and overstatement of cash flow from Investing Activities by ₹101.73 crore.

a. iv. Comments on Disclosure

IFCI Limited (Sl.No.2)

Non-disclosure of the accounting policy for de-recognition of income

Accounting policy No 2(F) (a) (i) of the Consolidated Financial Statements (CFS) of the Company inter alia stipulated, that during the financial year 2020-21, the company derecognized income on certain stage 3 Assets. However, no such accounting policy was noticed in Standalone Financial Statements (SFS) of the Company or in the Financial Statements of any of its subsidiaries. Hence, the significant accounting policy of CFS of the Company was not in line with the SFSs of the Company or any of its subsidiaries. (Applicable on Consolidated Financial Statements only).

Reference is invited to the Note no. 40 of the financial statements which stated "that the Company has derecognized stage 3 income on cases categorized as C3 & D as per Income Recognition and Asset Classification norms. Accordingly, an amount of ₹613.71 crore (net of ECL impairment allowance of ₹833.38 crore) has been charged to profit & loss account. Thus, the loss for the year is higher by ₹613.71 crore and gross loan assets are lower by ₹1,447.08 crore".

However, the Company wrote off stage 3 income of ₹2,535.84 crore on cases categorized as C3 & D during the entire year 2020-21. The amount of ₹1,447.08 crore (disclosed in above said note) pertained only to the amount written off during the fourth quarter of the FY2020-21. Besides above amount, de-recognition of stage 3 income was done on some fraud and NCLT cases also for which no disclosure was made in the Notes to accounts. Hence, Notes to accounts of the financial statements were deficient to that extent.

MMTC Limited (Standalone and Consolidated Financial Statements) (Sl.No.6)

Non-disclosure of the valuation done and non-disclosure of the decision of High Court

Reference is invited to Note No.3 (c) which stated that, “The valuation of MMTC’s immovable properties have been carried out and as per latest valuation report fair value on 31.03.2021 is ₹1,642 crore, as against the previous valuation of ₹1,389 crore in May 2019 (Refer Note 32 (ii))”. However, Note 32 (ii) did not contain any such details regarding the valuation. Thus, the Notes to Accounts were deficient to that extent.

The Hon’ble Delhi High Court after hearing the execution petition plea of Anglo American Metallurgical Coal Pte. Ltd. directed (March 2021) the Company to deposit ₹585.94 crore within two months from the date of the said order. Due to financial crisis, the Company could not comply with the order. The Hon’ble Delhi High Court passed an order on 27.08.2021 for attachment of two bank accounts amounting to ₹1.02 crore. However, the Company did not disclose the above fact in the Notes to Accounts, as per the requirements of Ind AS-10, thus, the same was deficient to that extent.

b. Unlisted Government Companies

b. i. Comments on Profitability

AI Engineering Services Limited (Sl.No 1)

Incorrect recognition of revenue

Revenue from Operations was overstated by an amount of ₹93.84 crore towards provision for signing of agreement with M/s GE Engine Services, LLC. Booking of revenue and expenditure merely on signing of the agreement was not in order and this has resulted in overstatement of Revenue by ₹6.74 crore (Revenue booked for ₹93.84 crore and expenses booked for ₹87.10 crore), Trade receivable by ₹93.84 crore & Trade payable by ₹87.10 crore.

Hindustan Shipyard Limited (Sl.No.3)

Incorrect recognition of Deferred Tax Asset and Turnover

The Company recognised an amount of ₹70.90 crore (₹45.22 crore for Prior period and ₹25.68 crore for Current period) as Deferred Tax Asset as on 31.03.2021. Considering the past record of the company and in the absence of convincing evidence to establish that there will be future profits, recognition of Deferred Tax Assets is not correct. This has also resulted in the understatement of loss by ₹70.90 crore.

Revenue from Operations included an amount of ₹25.28 crore being the turnover recognised on incurring of expenditure related to collaboration for construction of Fleet Support Ships. Since the Company has submitted the bid to customer only on 30.03.2021 and the contract for construction and delivery of these ships is yet to be finalised, recognition of turnover of ₹25.28 crore was not correct, as mandated under AS 7. This has resulted in overstatement of Revenue and Expenditure to an extent of ₹25.28 crore.

**India Infrastructure Finance Company Limited (Standalone and Consolidated Financial statements)
(Sl.No.4)**

Non-recognition of the loan amount received which was written off

Non-recognition of ₹122.80 crore received by the Company on 09.04.2021 towards its share in respect of a loan given to IL&FS Financial Services Limited which turned into Non-Performing Asset on 31.12.2018 and written off from the financial statements in 2020-21, resulted in understatement of 'Profit before Tax and Other Equity' depicted in the financial statements which were finalized on 21.06.2021

National Insurance Company Limited (Sl.No.5)

Creation of unearned premium reserve on expired policies and non-provisioning for claims

Creation of Unearned Premium Reserve on the policies which had already been expired, resulted in overstatement of Unearned Premium Reserve under Provisions and Loss for the year by ₹105.71 crore.

Contrary to IRDA regulations and to its own policy, the Company did not provide for the claims amounting to ₹358.84 crore which were intimated to the operating offices prior to 31.03.2021. Non-provisioning for these claims resulted in understatement of Current Liabilities and Claims Incurred (Net) by ₹358.84 crore and understatement of Loss to the same extent.

New Space India Limited (Sl.No.6)

Non-accounting of revenue for the service rendered

Non-accounting of the revenue from services given to BSNL resulted in understatement of 'Revenue from Operations' by ₹25.44 crore (net off share payable to Department of Space) with corresponding understatement of 'Profit for the year'. This has also resulted in understatement of 'Trade Receivables' being the amount recoverable from BSNL by ₹267.07 crore, 'Trade Payables' to Department of Space by ₹228.91 crore and 'Other Current Liabilities-GST' by ₹12.72 crore respectively.

Oriental Insurance Company Limited (Standalone and Consolidated Financial Statements) (Sl.No.7)

Creation of unearned premium reserve on expired policies and non-provisioning for claims

Creation of Unearned Premium Reserve on the policies issued for period up to 2019-20 and short term policies issued during 2020-21 resulted in overstatement of Provisions (Schedule 14), Adjustment for changes in reserves for unexpired risk (Schedule 1) and loss for the year by ₹201.47 crore.

Non-recognition of intimation received from Agriculture Insurance Company Limited on 27.05.2021 regarding Company's share of liability on account of co-insurance share at @ 10 per cent for Kharif-2020 and Rabi-2020-21 season in Madhya Pradesh and Maharashtra under Pradhan Mantri Fasal Bima Yojna (PMFBY), in violation of the Accounting Policy No. 6 (b), resulted in understatement of Current Liabilities and Loss for the year by ₹181.58 crore.

'Claims Outstanding' did not include claims intimations valuing ₹86.11 crore, received from the policyholders prior to 31.03.2021 in violation of the Accounting Policy No. 6 (a). This resulted in understatement of Claims Outstanding and Loss for the year by ₹86.11 crore.

PEC Limited (Sl.No.8)

Non provision of interest payable on the loans

The Company defaulted in payment of Interest and Loan in respect of Cash Credit/ Working Capital Loan facility taken from four Banks viz. Bank of Baroda (earlier Vijaya Bank), Canara Bank (earlier Syndicate Bank), Punjab National Bank and Punjab National Bank (earlier United Bank of India). Account of the Company was declared as Non-Performing Asset (NPA) by these Banks from September 2018 to March 2019. The Company provided the Liability towards interest payable on the basis of Bank Statements and during the financial year 2020-21, booked ₹114.34 crore as Finance Cost. In cases, where the Banks did not charge interest, the Company booked the same as Contingent Liability. However, as per sanction letters of the various banks, the Company has to pay interest on outstanding amount and therefore, it should have provided firm liability of ₹59.35 crore instead of contingent liability up to 31.03.2021. This resulted in understatement of Current Liability and Loss by ₹59.35 crore and overstatement of contingent liabilities.

Rashtriya Ispat Nigam Limited (Sl.No.9)

Recognition of defined benefit obligations before the commencement of new scheme

Exceptional Items included an amount of ₹223.06 crore pertaining to re-assessed defined benefit obligations on account of commencement of new Post-Retirement Medical Scheme which was to be commenced from 01.04.2021. Recognition of the same before the commencement of the new scheme resulted in understatement of loss before tax by ₹223.06 crore.

b. ii. Comments on Financial Position

Bangalore Metro Rail Corporation Limited (Sl.No.3)

Non-recognition of the land taken on possession as its asset

Bangalore Development Authority (BDA) had transferred 12 acres 13 guntas land to the Company on 31.08.2019. The Company valued the land for ₹61.63 crore and paid 50 per cent, i.e., ₹30.81 crore to BDA and the same was accounted for as advance to BDA under the head other current assets. As the Company has already taken the possession of land and the financial statements are prepared on accrual basis, the land value should have been accounted for in the books for ₹61.63 crore and the balance payable of ₹30.82 crore accounted for as liability. This resulted in understatement of land by ₹61.63 crore, understatement of other current liabilities by ₹30.82 crore and overstatement of other current assets by ₹30.81 crore.

Bharat Sanchar Nigam Limited (Sl.No.4)

Understatement of Loss due to incorrect treatment of revenue

Financial Asset - Trade receivables was overstated and Loss was understated by an amount of ₹533.45 crore due to:

Inclusion of Interconnection Usage Charges of ₹478.42 crore which are more than 2-10 years old/due from private inoperative companies, which was in violation of the Company's declared accounting policy.

Inclusion of amount receivable on account of services pertaining to telephone, Broadband, Private Data Network and late fee ₹ 55.03 crore in respect of Core Network TX-North circle, the chances of realisation of which are remote.

Non-provision of licence fee and spectrum usage charges

Provision as well as Loss were understated by ₹3,904.89 crore due to the following:

Non-provisioning of principal amount ₹ 3,043.14 crore for demand raised by DoT on provisional assessment of License Fee for the financial year 2012-13 to 2017-18.

Non-provisioning for principal amount ₹ 861.75 crore of Spectrum Usage Charges for various years upto 2018-19 including interest, as per demand raised by CCA

Dedicated Freight Corridor Corporation of India Limited (Sl.No.6)

Incorrect treatment of Intangible asset as Property, Plant and Equipment

The Company entered into a Concession agreement with Ministry of Railways to implement a project and to operate and maintain the new Railway corridor for a concession period of 30 years. As per the agreement, Ministry of Railways will utilise the network and pay Track Access Charges to the Company.

As per Para 11 of Ind AS 115 such infrastructure created under service concession agreement cannot be recognized as, Property Plant and Equipment. However, the Company has recognised infrastructure created under the Concession agreement as 'Property Plant and Equipment/Capital Work in Progress' in violation of Ind AS 115.

This has resulted in overstatement of 'Property Plant and Equipment' by ₹13,666.51 crore and 'Capital work in Progress' by ₹38,015.20 crore respectively and understatement of 'Intangible Assets/Financial Assets (under development)' by ₹51,681.71 crore.

Eastern Coalfields Limited (Sl.No.7)

Non-provision of trade receivable which is doubtful

Trade Receivables included an amount of ₹132.30 crore receivable from NTPC Limited for the period from September 2017 to July 2020 on account of Surface Transportation Charges (STC) for supply of Coal for a lead distance of 0–3 km. In the absence of any agreement, for charging of STC for supply of Coal for a lead distance of 0–3 km, chances of recovery of ₹132.30 crore are very remote and suitable provision should have been created. Thus, non-creation of provisions resulted in overstatement of trade receivables (net of allowances for bad and doubtful debts) and profits for the year to that extent. The Statutory Auditors' Report is also deficient to that extent.

Patratu Vidyut Utpadan Nigam Limited (Sl.No.9)

Incorrect treatment Bank Guarantee appropriated under Capital Work-in-Progress

Capital work-in progress (CWIP) is overstated by an amount of ₹154.44 crore towards Bank Guarantee (BG) which has been appropriated by the Ministry of Coal against non-compliance of milestones as per the allotment agreement of Banhardih coal mine of the Company. The said appropriation of BG amount is an abnormal loss to the Company due to failure in achieving certain prescribed efficiency parameters and hence, cannot be part of Capital work in Progress as defined under Ind AS 16.

This has resulted in overstatement of CWIP and understatement of Other Expenses by ₹154.44 crore and Loss to the same extent.

b. iii. Comments on Cash Flow Statement

Bangalore Metro Rail Corporation Limited (Sl.No.1)

Non exhibition of amount under Financing Activities

During the year, the Company has made repayment of long-term loans of ₹301.53 crore. However, the Company has accounted for only the net increase of long-term loans of ₹121.35 crore under movement in working capital. As stipulated by Paragraphs 17 (c) and 17 (d) of Ind AS 7, cash proceeds which arise from issuing debentures, loans, notes, bonds, mortgages and other short-term or long-term borrowings and cash repayments of amounts borrowed are to be shown as Financing activities.

b. iv. Comments on Disclosure

Bundelkhand Saur Urja Limited (Sl/No.1)

Non-disclosure of changes in Equity

Statement of Changes in Equity has not been included in the financial statements, despite the fact that the Equity Share Capital was increased during the year from ₹5 crore as on 31.03.2020 to ₹21.98 crore on 31.03.2021

c. Listed Government Controlled Other Companies

c. i. Comments on Financial Position

The Orissa Minerals Development Company Limited (Sl.No.1)

Non-creation of provision for compensation/ stamp duty payable

Provision for an amount of ₹27.15 crore, deposited with Government of Odisha in December 2017 and November 2018 towards compensation payable under Mines and Minerals Development Regulation Act, 1957, was not created even though the same was appropriated by the Government of Odisha as part payment. This resulted in overstatement of Other Current Assets and understatement of Loss for the year by ₹27.15 crore. The issue was raised during audit of financial statements of 2019-20 as well. However, no corrective action was taken.

The Company did not create provision towards stamp duty and registration charges amounting to ₹50.97 crore payable for execution of supplementary lease deeds of three mining leases namely Bagiaburu, Belkundi and Bhadrasahi renewed by Government of Odisha in February 2020. This has resulted in understatement of Current Liabilities by ₹50.97 crore. Further, considering the life of the respective leases, non-accountal of amortisation expenses resulted in understatement of Loss by ₹33.68 crore. The issue was raised during audit of financial statements of 2019-20 as well. However, no corrective action was taken.

d Unlisted Government Controlled Other Companies

d. ii. Comments on Financial Position

Bharatiya Reserve Bank Note Mudran Private Limited (Sl.No 1)

Under charging of Amortisation Expenses

Other intangible Assets were overstated by an amount of ₹29.30 crore due to amortising the intangible assets (transfer of technical know-how in respect of setting up of Ink Manufacturing Unit at Mysore) by lesser amount. The Company amortised the assets from the date of completion of the Phase I of the agreement i.e., December 2020 instead of from the date of commencement of commercial production i.e.,

August 2018. This has also resulted in understatement of Amortisation Expenses and overstatement of the Profit

CSC e-governance Services Ltd. (Sl.No.2)

Booking of revenue on estimate basis without Service Level Agreement

Revenue from Operations was overstated by an amount of ₹231.75 crore due to booking of revenue on the basis of estimation in absence of Service Level Agreement with Bharat Broadband Network Limited (BBNL) in contravention to the provisions of Ind AS 115. This has also resulted in understatement of Trade Receivables and overstatement of the Profit.

Kamarajar Port Limited (Sl.No.5)

Incorrect capitalization of maintenance dredging expenditure

An amount of ₹59.08 crore incurred towards maintenance dredging was capitalized under Property, Plant and Equipment of which ₹31.11 crore were depreciated. Such expenditure being of revenue nature was required to be charged to Profit and Loss Account. Incorrect capitalisation of maintenance dredging expenditure resulted in overstatement of Port Basin & Entrance Channel Asset and Profit to the extent of ₹27.97 crore (₹59.08 crore - ₹31.11 crore).

Non-provisioning of amount receivable as the case has been dismissed

Non-Provisioning for an amount of ₹45.09 crore receivable from M/s Hindustan Construction Company Limited, against which the Company had lost Arbitration Proceedings and petitions filed in the Hon'ble High Court of Madras has also been dismissed, resulted in overstatement of Advance for Capital Expenditure and Profit by ₹45.09 crore.

Krishnapatnam Railway Company Limited (Sl.No.6)

Incorrect treatment of departmental charges payable as Contingent Liability

A reference is invited to Note 39 (c) wherein it has been stated that contingent liability in respect of departmental charges not claimed by Rail Vikas Nigam Limited (RVNL) at the rate of five per cent of project cost is estimated at ₹114.12 crore. As the departmental charges were payable by the Company to RVNL in terms of clause 10.3 of Construction Agreement (September 2011), disclosure as contingent liability instead of 'Other Financial Liability' was not proper. This had resulted in understatement of 'Other Financial Liability' by ₹114.12 crore and also 'Other Intangible Assets' by the same amount.

Talcher Fertilizers Limited (Sl.No.7)

Non-Charging of pre-operative expenditure on coal mine on termination of allotment

Other Current Assets (Pre-operative Expenditure) included an amount of ₹17.20 crore being the pre-operative expenditure incurred on mine exploration at Arkhpal (Northern Part) coal mine. Since the coal mine was found unviable by the Consultant due to negative IRR, on the request of the Company, the Administrative Ministry terminated (10.05.2021) the allotment of coal mine. As such, the pre-operative expenditure incurred on the same should have been charged to Profit and Loss Statement in accordance with provisions of Ind AS-10. Non charging of pre-operative expenditures to Profit and Loss Statement resulted in overstatement of 'Other Current Assets' and 'Profit for the year' by ₹17.20 crore.

Significant comments from State Finance Audit Reports

Gujarat Industrial Development Corporation

Income -Interest received/accrued on deposits with Companies ₹ 243.69 crore

Non-reckoning of interest payable on Grant after adjustment of interest paid

The Government Resolution dated 22 December 2015 requires that interest earned should be adjusted in the account maintained for that scheme or project. The GR also states that the accrued income forms the part of the grant for a particular scheme/ project and the same shall be utilised towards the implementation of the scheme/ project. Audit noticed that on 01 April 2020, the Corporation has not adjusted the interest payable amounting to ₹ 240.18 crore and interest paid/adjusted during the year 2020-21 of ₹ 45.36 crore in grant account. Thus, the interest accrued on grant for the year 2020-21 was not calculated on ₹ 194.82 crore at the rate of 5.8 per cent per annum in accordance with Note 21 of Notes of Accounts.

This has resulted in understatement of interest liability for the year 2020-21 and overstatement of "Interest income on deposits with companies" by ₹ 11.30 crore {₹ 240.18 crore - ₹ 45.36 crore (amount paid/ adjusted during the year as per Schedule-G) x 5.8 per cent simple interest rate as mentioned in Note – 21}.

(Government of Gujarat Report No. 1 of 2023 of C&AG State Finance Audit Report – Para No. 5.5.1.3 - Comments on Profitability – Sl.No.1)

Gujarat State Forest Development Corporation Limited

Other Income – ₹ 771.07 lakh (Note No. 17)

Incorrect accounting of VAT refund under Prior Period Income and non-accountal of interest on refund

Above does not include ₹ 406.95 lakh (principal – ₹ 241.73 lakh and interest – ₹ 165.22 lakh) being the amount of VAT refund for the year 2009-10 for which the refund order was received in May 2021 before finalisation of the Financial Statements for the year 2020-21. The principal amount of ₹ 241.73 lakh was accounted for in the Prior Period Income and debited as VAT Refund receivable whereas interest amount of ₹ 165.22 lakh was not accounted for in the FY 2020-21.

Since the VAT refund is neither an error nor an omission, the same cannot be accounted as Prior Period Item. This resulted in overstatement of Prior Period Income and understatement of other income by ₹ 241.73 lakh. Also non-accounting of interest of VAT Refund resulted in understatement of other income as well as interest receivable by ₹ 165.22 lakh.

(Government of Gujarat Report No. 1 of 2023 of C&AG State Finance Audit Report – Para No. 5.5.1.3 - Comments on Profitability – Sl.No.2)

Sarigam Clean Initiative

Non-Current Assets - Property, Plant and Equipment's – ₹ 51.77 crore (Note No. 7)

Non-Capitalization of the Asset since commissioning and incorrect application of depreciation rate

The Company was formed on 08 June 2015 and took the physical possession of the Common Effluent Treatment Plant (CETP) of Gujarat Industrial Development Corporation (GIDC) in June 2015. The Company capitalised CETP w.e.f. 01 April 2019 with a capital cost of ₹ 59.00 crore. The Company started billing to members for use of CETP from 01 August 2015. Since the CETP was commercialised and the risk and

rewards of the asset vested with the Company from 01 August 2015, CETP should have been capitalised w.e.f. 01 August 2015 and depreciation should have been charged accordingly.

Further, the Company had incorrectly applied the rate of depreciation on Straight Line Method (SLM) as provided in the Schedule II of the Companies Act, 2013 on the residual value (i.e. 95 per cent of the Gross Block) of the assets instead of the Gross Block of the assets. This has resulted in understatement of depreciation for the year as well as prior periods. The net impact of the above has resulted in understatement of Prior Period Expenses by ₹ 15.19 crore, understatement of negative balance of Reserve and Surplus by ₹ 15.19 crore, understatement of depreciation for the year by ₹ 0.19 crore and consequent overstatement of profit before tax by ₹ 0.19 crore. Resultantly, Net Block of Property, Plant and Equipments is overstated by ₹ 15.38 crore.

(Government of Gujarat Report No. 1 of 2023 of C&AG State Finance Audit Report – Para No. 5.5.1.3 - Comments on Financial Position – Sl.No.2)

Gujarat State Forest Development Corporation

Equity and Liabilities: Shareholders' Funds

Reserves and Surplus – ₹ 9180.83 lakh (Note No.3)

Subsidy from Government

Incorrect accountal of Grants

The Company informed that Grant for Capital assets includes, Grant for Infrastructure (MSP) which has unutilized balance of ₹ 586.35 lakh. However, the balance of all the Grants for Capital Assets as included in Reserves & Surplus is ₹ 209.85 lakh. Further, the Company does not have any mechanism for reconciliation between grant received for capital assets and that received for other than capital assets. As such, the audit cannot vouchsafe the correctness of balance under each head.

Above includes ₹ 101.30 lakh which was utilized towards honey collection activities and debited under subsidy from Government on Capital Assets, though it should have been booked as Expenditure under Subsidy/ Grant received (other than capital assets). Incorrect accounting for utilization of the Grant resulted in understatement of balance of subsidy from Government on Capital Assets and overstatement of Subsidy/Grant received (other than Capital Assets) by ₹ 101.30 lakh.

Above includes unutilized grant amounting to ₹ 1,594.84 lakh (Capital Assets – ₹ 209.85 lakh and Other than Capital Assets – ₹ 1,384.99 lakh). Since the above grants are not having obligation for issue of equity shares, the same should not have been included in Reserves and Surplus and should have been shown separately as Deferred Government Grants/ Other Current Liabilities based on the nature of grant (either Capital or Revenue). This has resulted in overstatement of Reserves and Surplus by ₹ 1594.84 lakh, understatement of Deferred Government Grants/Other Current Liabilities by ₹ 1,594.84 lakh.

(Government of Gujarat Report No. 1 of 2023 of C&AG State Finance Audit Report – Para No. 5.5.1.3 - Comments on Financial Position – Sl.No.3)

Ajmer Vidyut Vitran Nigam Limited

Excess booking of transmission charges

RERC in its truing up order for 2018-19 allowed Rajasthan Rajya Vidyut Prasaran Nigam Limited to recover transmission charges of ₹ 604.89 crore from the Company, against which the Company booked ₹ 630.17

crore. Excess booking of transmission charges resulted in overstatement of Current Liabilities and understatement of Profit by ₹ 25.28 crore.

Non-accountal of Point of Connection of charges and recognition of disputed revenue

Non accountal of Point of Connection (POC) charges bill of ₹ 2.75 crore (July 2011 to March 2020) of Power Grid Corporation of India Limited resulted in understatement of Current Liabilities and overstatement of Profit by ₹ 2.75 crore

Accountal of disputed revenue of ₹ 4.79 crore as operational revenue resulted in overstatement of Current Assets as well as Profit by ₹ 4.79 crore.

Government of Rajasthan - Report No. 9 of 2022 of C&AG on State Public Sector Enterprises– Para No. 2.11 - Comments on Profitability – Sl.No.1)

Rajasthan Rajya Vidyut Utpadan Nigam Limited (2019-20)

Incorrect adjustment of credit of ₹ 10.69 crore against repair & maintenance expenditure resulted in understatement of repair & maintenance expenditure as well as understatement of Company's other income by ₹ 10.69 crore.

Government of Rajasthan - Report No. 9 of 2022 of C&AG on State Public Sector Enterprises– Para No. 2.11 - Comments on Profitability – Sl.No.2)

RajComp Info Services Limited (2019-20)

Non-booking of project expenses and service charges income

Non booking of project expenses of ₹ 22.74 crore and service charges income (6% of project expenses of ₹ 22.74 crore) thereon of ₹ 1.36 crore in the accounts resulting in overstatement of project expenses related liabilities (Note-5) by ₹ 24.10 crore (₹ 22.74 crore + ₹ 1.36 crore) and understatement of trade payables by ₹ 22.74 crore and understatement of profit by ₹ 1.36 crore.

Government of Rajasthan - Report No. 9 of 2022 of C&AG on State Public Sector Enterprises– Para No. 2.11 - Comments on Profitability – Sl.No.3)

Rajasthan Rajya Vidyut Utpadan Nigam Limited (2019-20)

Non-accountal of Capital Work in Progress

Non accountal of ₹ 89.82 crore being expenditure on construction of marshalling yard for unit-7 & 8 of Suratgarh Super Critical Thermal Power Station resulted in understatement of Capital Work in Progress and overstatement of other Non-Current Assets by ₹ 89.82 crore

Government of Rajasthan - Report No. 9 of 2022 of C&AG on State Public Sector Enterprises– Para No. 2.11 - Comments on Financial Position – Sl.No.1)

Rajasthan State Mines and Minerals Limited (2019-20)

Non-provision for Incorrect booking of Input Tax Credit

The Company did not make provision for incorrect booking of Input Tax Credit of ₹ 62.23 crore (2019-20 ₹ 20.64 crore, 2018-19- ₹ 26.08 crore and 2017-18- ₹ 15.51 crore). This has resulted in overstatement of Current Assets by ₹ 62.23 crore and understatement of Other Expenses' and 'Other Equity' by ₹ 20.64 crore and ₹ 41.59 crore respectively. The profit for the year has also been overstated by ₹ 20.64 crore.

Government of Rajasthan - Report No. 9 of 2022 of C&AG on State Public Sector Enterprises– Para No. 2.11 - Comments on Financial Position – Sl.No.2)

Haryana Vidyut Parsaran Nigam Limited for the year 2021-22

Non-capitalization of assets in time and under charging of depreciation

The Company capitalised 78 works amounting to ₹ 290.84 crore in August 2021, December 2021 and March 2022 which were commissioned from June 2007 to March 2022. Depreciation to these assets was calculated from the date of transfer i.e. August 2021, December 2021 and March 2022 instead of date of commissioning of the respective projects. The company had booked less depreciation of ₹ 18.09 crore on these projects. This has resulted in understatement of depreciation and amortization expenses and overstatement of profit by ₹ 18.09 crore.

Non-write off of assets decided for dropping from execution

The Company (HVPNL) awarded (24 May 2017) the work for construction of 220KV GIS Sub-Station, Sector-77, Gurugram to M/s KPTL Power Transmission Ltd. However, due to manifold enhancement of compensation of land, State Govt. decided to drop the land acquisition proceedings in village Shikhopur falling in Sector-77, Gurugram. The Company further decided to dismantle and shift the (partially constructed) 220 KV GIS Sub-station Sector-77, Gurugram to an alternate site (Sector-75A, Gurugram). Further, the dismantling cost was estimated at ₹ 2.48 crore (50 per cent of which is to be borne by HVPNL). The company should have written off assets recorded in work in process (WIP) of ₹ 9.23 crore (Civil & Erection) and made provision of ₹ 1.24 crore (50 per cent of the dismantling cost estimated at ₹ 2.48 crore) for the expected loss.

This has resulted in overstatement of Work in progress by ₹ 9.23 crore, understatement of provision for dismantling by ₹ 1.24 crore and overstatement of profit by ₹ 10.47 crore.

Government of Haryana - Report No. 2 of 2023 – State Finance Audit Report of C&AG India – Para No. 5.13.2 - Comments on Profitability – Sl.No.1 &2 Table 5.12

Uttar Haryana Bijli Vitran Nigam Limited for the year 2021-22

Under provision of Defined Benefit liability

Para 63 of Ind AS-19 requires that an entity shall recognise the net defined benefit liability (asset) in the balance sheet. As per actuarial valuation report, net defined benefit liability as on 31 March 2022 for funded benefits and non-funded benefits works out to ₹ 4,535.50 crore and ₹ 362.96 crore respectively. The Company has provided liability/ provision of ₹ 928.99 crore against funded benefits and nil against non-funded benefits in the accounts. Resultantly, liability/provision for employees benefits is understated by ₹ 3,969.47 crore and other equity is overstated by the same extent

Government of Haryana - Report No. 2 of 2023 – State Finance Audit Report of C&AG India – Para No. 5.13.2 - Comments on Profitability – Sl.No.1 Table 5.13

Mizoram Handloom & Handicrafts Development Corporation Limited (2018-19)

Partial-capitalization of asset completed

(i) The Company completed (2013-14) the Building (Grant Asset) but transferred only partial cost of Building (₹ 0.10 lakh) to 'Fixed Assets' and kept the balance (₹ 58.07 lakh) under 'Capital work in progress' (CWIP) without charging any depreciation. Further, the depreciation (₹ 0.02 lakh) charged for five years (2014-15 to

2018-19) on the accounted value of the Grant Asset (₹ 0.10 lakh) was also not recouped from the ASIDE Grant contrary to AS-12.

This resulted in overstatement of 'CWIP' by ₹ 58.07 lakh, understatement of depreciation on Building by ₹ 12.83 lakh (for five years), overstatement of Reserve & Surplus (ASIDE Grant) by ₹ 12.85 lakh (including depreciation of ₹ 0.02 lakh not recouped from Grant) with corresponding understatement of Fixed Assets by ₹ 45.24 lakh.

Accountal of inventory which are non-existent

(ii) The Inventories (₹ 35.41 lakh) and 'Plant & Machinery' (₹ 0.90 lakh) accounted by the Company were non-existent as at the Balance Sheet date. The Company has neither provided for the above loss nor disclosed the fact under 'Notes to Accounts' resulting in understatement of the 'Loss for the year' by ₹ 36.01 lakh.

Government of Mizoram - Report No. 1 of 2022 – State Finance Audit Report of C&AG India – Para No. 5.20 - Comments on Profitability –Table 5.13

Andhra Pradesh Central Power Distribution Corporation Limited

Incorrect calculation of amortization of capital contributions

Other Income: ₹ 499.18 crore

Amortization of Capital Contributions: ₹ 203.39 crore

The Company recognized income of ₹ 31.38 crore towards Amortization of Capital Contributions additions of assets (Plant & Machinery, lines and cable networks, metering equipment) of ₹ 649.33 crore for the year instead of ₹ 7.88 crore calculated at weighted average rate of depreciation of 4.83 per cent based on the consumer contributions of ₹ 163.25 crore received during the year. This resulted in overstatement of Income and understatement of Deferred Capital contributions by ₹ 23.50 crore and corresponding overstatement of profit for the year by same amount.

Government of Andhra Pradesh - Report No. 1 of 2023 – State Finance Audit Report of C&AG India – Para No. 5.7.1.3 - Comments on Profitability –Sl.No.2

AP Rural Agriculture Power Limited

Incorrect consideration of Personal Deposit as Cash Equivalent

Financial Assets

Cash and Cash Equivalents: ₹ 9.30 crore

The company recognized balance with banks amounting to ₹ 9.18 crore being the amount in Personal Deposit (PD) Account. As PD account cannot be termed as equivalent to bank balance or cash and cash equivalents of the Company, the same should have been disclosed under 'Other Current Assets'. Incorrect classification resulted in overstatement of Cash and Cash Equivalents and understatement of Other Current Assets.

Further, suitable disclosures on the restrictions on the withdrawal of the funds in PD account and sources of funds were not given

Government of Andhra Pradesh - Report No. 1 of 2023 – State Finance Audit Report of C&AG India – Para No. 5.7.1.3 - Comments on Financial Position –Sl.No.2

Andhra Pradesh Central Power Distribution Corporation Limited

Under provision of Pension and Gratuity Liability

Non-current liabilities

Long term provisions: ₹ 1,257.75 crore Provisions for employee benefits

Pension & Gratuity: ₹ 1,218.96 crore

As per the Actuarial Valuation report, the liability in respect of pension and gratuity benefits of employees on roll as on 01.02.1999 and employees retired before 01.02.1999 as on 31.03.2021 was ₹ 2,075.37 crore (Unit Trust) and ₹ 2,023.29 crore (Master Trust). However, in case of Unit Trust, the Company made provision of only ₹ 819.90 crore as against ₹ 2,075.37 crore assessed towards pension and gratuity benefits liability. This resulted in understatement of long-term provisions and employee benefit expenses by ₹ 1,255.47 crore and corresponding overstatement of Profit for the year by same amount.

With respect to Master Trust, the Company neither made any provision nor disclosed the Master Trust provision liability in respect of the employees on rolls as on 01.02.1999

Government of Andhra Pradesh - Report No. 1 of 2023 – State Finance Audit Report of C&AG India – Para No. 5.7.1.3 - Comments on Financial Position –Sl.No.3

Transmission Corporation of Andhra Pradesh Limited

Incorrect classification of Grant as Other Equity

Notes to the Standalone Financial Statements

Other Equity

The Company treated the funds received from Government of Andhra Pradesh (GoAP) towards Deposit contribution works for extension of electricity lines and substations for Lift irrigation schemes in line with other grants received and it included the same in “Other Equity” instead of “Grants”. This resulted in misclassification of an amount of ₹ 1,121.99 crore i.e., overstatement of “Other Equity” and understatement of “Grants” by ₹ 1,121.99 crore.

Government of Andhra Pradesh - Report No. 1 of 2023 – State Finance Audit Report of C&AG India – Para No. 5.7.1.3 - Comments on Disclosure –Sl.No.1

Gangtok Smart City Development Corporation (2019-20)

Non-consideration of works executed

Balance Sheet

Non-Current Assets

Capital Works in Progress (Note 10C): ₹ 64.56 crore

This is understated by ₹ 8.92 crore due to non-accounting of the ‘security deposit’ amount retained by the Company from the Running Account (RA) bills of two Contractors (Bharat Electronics Limited: ₹8.86 crore and Ashwath Infratech Private Limited: ₹ 0.06 crore) against the capital works executed. This has correspondingly resulted in understatement of ‘Other Current Liabilities - Security Deposits’ (Note 6) to the same extent.

Government of Sikkim - Report No. 1 of 2022 – State Finance Audit Report of C&AG India – Para No. 5.20 – Table 5.13 –Sl.No.1

Namchi Smart City Limited (2019-20)

Incorrect treatment of advance as project expenses

1. Current Assets (Note 7)

Bharat Electronics Limited- Mobilisation Advance ₹ 9.98 crore (credit)

During last year (2018-19), the Company had treated the entire Mobilisation Advance (₹ 16.44 crore) paid to the Contractor (Bharat Electronics Limited) as 'Project Expenses' and adjusted against 'Project Grant Fund' (Note 3B). During current year, the Company again debited the 'Project Expenses' for the cost of works (₹ 9.98 crore) actually executed by the Contractor as on 31 March 2020 and credited the above head by an equal amount.

Thus, double accounting of the works cost (₹ 9.98 crore) during current year (2019-20) has resulted in overstatement of 'Project Expenses' by ₹ 9.98 crore and also led to negative balance (₹ 9.98 crore) under 'Current Assets-Mobilisation Advance'. This requires rectification.

Government of Sikkim - Report No. 1 of 2022 – State Finance Audit Report of C&AG India – Para No. 5.20 – Table 5.13 –Sl.No.2

Significant observations on the accounts of individual Central Autonomous Bodies

All Central Autonomous Bodies except CABs under the administrative control of Ministry of Education (erstwhile Ministry of Human Resource Development, MHRD) are required to prepare their annual accounts in the standard format of accounts prescribed by Ministry of Finance (MoF). Ministry of Education (MoE) has prescribed a separate format of accounts for all CABs under their administrative control. Both these formats follow the accrual system of accounting. Some of the significant observations on deviations from the prescribed format and commercial principles of accounting as brought out vide **Paragraph 2.3** in the **C&AG Report No. 26 of 2022 Union Civil-Central Autonomous Bodies** are given below:

I Corpus/Capital Fund

1. Indian Institute of Technology, Madras-Ministry of Education

Incorrect recognition of grant as income more than the amount incurred as expenditure

Capital Fund (Schedule 1): ₹ 78.53 crore

As per Ministry of Education Format of Accounts, the grant utilised for revenue expenditure should be shown as Income in the Income and Expenditure Account. As per Schedule 10 of the accounts, an amount of ₹ 592.89 crore was shown as grant utilised for revenue expenditure. The same amount should have been accounted as Income from Grants in the Income and Expenditure Account. However, ₹ 625.12 crore has been accounted as Income. This had resulted in overstatement of Income and understatement of Current Liabilities and Provisions by ₹ 32.23 crore. Consequently, Capital Fund was overstated by the same amount.

2. Banaras Hindu University, Varanasi-Ministry of Education

Creation of Depreciation Reserve in contravention of Format of Accounts

Corpus/Capital Fund: ₹ 3369.74 crore

The University has shown accumulated depreciation of ₹ 835.87 crore as Depreciation Reserve Fund under Corpus/Capital Fund and assets have been depicted at historical value in Balance Sheet. However, the creation of depreciation reserve fund is in contravention of the Format of Accounts prescribed by MoE. This resulted in overstatement of Corpus/Capital Fund and Fixed Assets by ₹ 835.87 crore. The University also needs to reconcile the Depreciation fund prior to 01.04.2013.

An amount of ₹ 67.03 crore related to designated/earmarked fund were reflected under Corpus/Capital Fund instead of Designated/Earmarked/Endowment Fund. This resulted overstatement of Corpus/Capital Fund and understatement of Designated/Earmarked Endowment Fund by ₹ 67.03 crore.

3. National Institute of Pharmaceutical Education and Research, Raebareli-Ministry of Chemicals and Fertilisers

Non-booking of Capital Grant not spent under Current Liabilities and Provisions

Corpus/Capital Fund (Schedule 1): ₹ 40.56 Crore

The above includes grant of ₹ 14.00 crore received towards creation of capital assets. Out of this, ₹ 5.72 crore had actually been utilised in creation of capital assets. The balance amount of ₹ 8.28 crore should have been included in Current Liabilities and Provisions. This has resulted in overstatement of Capital/Corpus fund by ₹ 8.28 crore and understatement of Current Liabilities and Provisions by the same amount.

II. Current Liabilities and Provisions

1. National Institute of Technology, Calicut-Ministry of Education

Incorrect treatment of refundable fee as Academic Receipts

Current Liabilities and Provisions: ₹ 158.83 crore

An amount of ₹ 7.83 crore was transferred from the Central Seat Allocation Board to the Institute's account in March 2021, being the fee paid by the undergraduate students admitted through JEE-Main during the academic year 2020-21. Out of this, ₹ 4.19 crore belonged to the Institute and the remaining ₹ 3.64 crore was refundable to the students, being the excess amount paid by them during admission. The Institute had not created any provision for refund of ₹ 3.64 crore, resulting in understatement of Current Liabilities and Provision (Schedule 3) and overstatement of Academic Receipts (Schedule 9). Consequently, the Surplus was also overstated by ₹ 3.64 crore.

2. Central University of Kerala, Kasaragod-Ministry of Education

Incorrect treatment of amount paid as Current Liability

(i) Current Liabilities and Provisions: ₹ 96.92 crore

Central University of Kerala (CUK) availed HEFA loan for the construction of various buildings. Every year CUK had to make repayment of ₹ 12.98 crore towards the principal component which includes Govt. of India share of 90 per cent (₹ 11.68 crore) and CUK share of 10 per cent (₹ 1.30 crore). As on 31-03-2021, CUK had availed loan amount of ₹ 21.51 crore from HEFA and repaid ₹ 12.98 crore against the principal amount.

However, the entire HEFA loan of ₹ 21.51 crore was depicted as a Liability--Current Liabilities and Provisions and the same amount was also depicted as an Advance in Schedule 8--Loans and Advances--CPWD (HEFA) Advance. Since the University had already repaid the loan amount of ₹ 12.98 crore, this resulted in overstatement of Current Liabilities-HEFA Loan for ₹ 12.98 crore and understatement of Corpus/Capital Fund (Schedule I) to the same extent.

CUK had released ₹ 21.51 crore to CPWD from HEFA loan, of which ₹ 15.57 crore was spent for construction of buildings. However, this amount was not transferred to Capital Works-in-Progress. This has resulted in overstatement of Loans and Advances (Schedule 8) for ₹ 15.57 crore and understatement of Fixed Assets–Capital Works-in-Progress Schedule 4 to the same extent.

3. Indira Gandhi National Tribal University, Amarkantak-Ministry of Education

Incorrect recognition of Receivable more than the Grant amount

Current Liabilities and Provisions (Schedule 3): ₹ 3.88 crore

University has incurred excess expenditure of ₹ 51.17 crore out of the recurring grant (OH-31-₹ 44.37 crore) and capital grant (OH-35-₹ 6.80 crore) and depicted this as receivable from the Government. As per MoE format, excess expenditure over and above the grant should not be depicted as receivable from the Government. Instead, excess expenditure should be met from internal receipts. This resulted in understatement of Current Liabilities and Provisions by ₹ 51.17 crore and overstatement of Corpus/Capital Fund by the same amount.

4. Pandit Dwarka Prasad Mishra Indian Institute of Information Technology Design and Manufacturing, Jabalpur-Ministry of Education

Non-recognition of unspent Grant as Current Liabilities

Current Liabilities and Provisions (Schedule 3): ₹ 73.00 crore

This does not include ₹ 6.54 crore being advance given to CPWD on capital account but remained unadjusted at the end of the year. Unadjusted advances meet out of grants-in-aid are to be treated as unspent balance of grants in aid and should not be classified as Corpus/Capital Fund. This resulted in understatement of Current Liabilities and Provision and overstatement of Capital Fund by ₹ 6.54 crore.

5. All India Institute of Ayurveda, New Delhi-Ministry of AYUSH

Incorrect treatment of income as Current Liabilities

Current Liabilities and Provisions (Schedule 7): ₹ 49.96 crore

This included ₹ 5.39 crore of security forfeiture and rejection fee which is the income of the Institute. This has resulted in overstatement of Current Liabilities and understatement of Income by ₹ 5.39 crore.

6. Indian Council of Medical Research, New Delhi-Ministry of Health and Family Welfare

Incorrect exhibition of Unutilized Grant refundable to Ministry

Current Liabilities (Schedule 4): ₹ 115.49 crore

As on 31 March 2021, Institute had unspent Grant-in-Aid (GIA) amounting to ₹ 246.40 crore (COVID General-₹ 223.45 crore, Capital Assets-₹ 13.24 crore and interest earned on GIA ₹ 9.71 crore). However, in the Annual Accounts, the Institute showed only ₹ 100.51 crore under the head Unutilised grant refundable to the Ministry of Health and Family Welfare instead of ₹ 246.40 crore. This led to the understatement of Current Liabilities and overstatement of Capital Fund by ₹ 145.89 crore.

7. All India Institute of Medical Sciences, Kalyani-Ministry of Health and Family Welfare

Non-recognition of interest earned on deposits and mobilization advance

Current Liabilities and Provisions: ₹ 3.64 crore

The above head was understated by ₹ 15.47 crore, due to non-recognition of: (i) the Interest earned on deposits of ₹ 5.22 crore, held by the construction agency as well as (ii) Mobilisation Advances of ₹ 10.25 crore, given to the sub-contractor, by the construction agency. This has also resulted in understatement of the Current Assets, Loans and Advances by ₹ 15.47 crore.

8.. National Institute of Rural Development and Panchayati Raj, Hyderabad-Ministry of Rural Development

Incorrect classification of amount received for Earmarked Funds

Current Liabilities and Provisions: ₹ 35.90 crore

This included closing balance amount of ₹ 13.73 crore towards monitoring fee received by the Institute from Ministry of Rural Development meant for Earmarked Specific Projects and to be spent on specific activities/purposes related to the monitoring of the sanctioned specific projects. This was incorrectly classified under Current Liabilities instead of as Earmarked Funds as mandated by the Uniform Format of Accounts. This resulted in overstatement of Current Liabilities and understatement of Earmarked Funds by ₹ 13.73 crore.

9. Council of Scientific and Industrial Research, New Delhi-Department of Scientific and Industrial Research

Non-accountal of interest accrued on Term Deposits

(i) Current Liabilities: ₹ 70.35 crore

14 sampled laboratories/Institutes of CSIR had made advance payments amounting to ₹ 43.54 crore out of externally funded projects and booked it as final expenditure. Further, these institutes did not account for interest amounting to ₹ 26.81 crore accrued on Term Deposits (including deposits in margin Money for opening of Letter of Credit) made out of funds of externally funded projects in their books of accounts. Thus, these institutes understated their Current Liabilities towards deposit for externally funded projects as well as Current Assets (Advances) each by ₹ 70.35 crore. Similar observations were also reported in previous year's Report, but no remedial action has been taken.

10. Prasar Bharati (Broadcasting Corporation of India), New Delhi-Ministry of Information and Broadcasting

Incorrect accountal of Intra-office transactions

Current Liabilities and Provisions: ₹ 408.67 crore

Remittances of ₹ 408.67 crore 'to/from Hqr/DDOs in transit/reconciliation' depicted in Schedule 7-Current Liabilities and Provisions pertain to payments made between headquarters and field offices of Prasar Bharati. Being intra-office transactions, effect of these transactions should be nil after reconciliation. However, no reconciliation was done.

Similar observation was also raised in earlier years' Reports, i.e. 2016-17 to 2019-20.

III. Fixed Assets

1. Indian Institute of Technology, Palakkad-Ministry of Education

Non-accountal of assets completed and put to use

Fixed Assets: ₹ 321.81 crore

The fixed assets including buildings, plant and machinery, roads and bridges and electrical installations etc., valuing ₹ 92.18 crore were completed and put to use but have not been capitalised. This had resulted in

understatement of Fixed Assets by ₹ 89.06 crore, Depreciation by ₹ 3.12 crore and overstatement of Capital Works-in-Progress by ₹ 92.18 crore.

2. Central University of Tamil Nadu, Tiruvarur-Ministry of Education

Fixed Assets-Tangible Assets: ₹ 209.90 crore

Non-capitalisation of buildings amounting to ₹ 99.80 crore, after being put to use, had resulted in overstatement of Capital Works-in-Progress and understatement of Buildings under Tangible Assets to the same extent.

3. Indian Institute of Management, Shillong-Ministry of Education

Fixed Assets-Building: ₹ 7.52 crore

Non-capitalisation of construction works already completed amounting to ₹ 178.31 crore resulted in understatement of Fixed Assets (Building) and overstatement of Capital Works-in-Progress by ₹ 178.31 crore. Depreciation on these assets was also not provided resulting in overstatement of Excess of Income over Expenditure by ₹ 8.27 crore.

4. Rani Lakshmi Bai Central Agricultural University, Jhansi-Ministry of Agriculture and Farmers' Welfare

Tangible Assets (Schedule 5)-Buildings: ₹ 75.85 crore

The total construction handed over to the University was ₹ 208.52 crore, whereas the University capitalised only ₹ 77.40 crore under Building head during 2020-21 from total Works-in-Progress of ₹ 214.06 crore. This resulted in understatement of Buildings by ₹ 131.12 crore and overstatement of Works-in-Progress by the same amount. The University also needs to recalculate the depreciation and incorporate it.

5. Indian Institute of Technology, Ropar-Ministry of Education

Incorrect capitalisation of assets which are yet to installed

Scientific and Laboratory Equipment: ₹ 86.86 crore

Above included four laboratory equipment worth ₹ 8.26 crore which were received during the Financial Year 2020-21 but could not be installed upto 31.03.2021. As the installation of the equipment was pending, these should have been classified under Capital Works-in-Progress as per the MoE Format of Accounts. This resulted in understatement of Capital Works-in-Progress by ₹ 8.26 crore, overstatement of Scientific and Laboratory Equipment by ₹ 8.00 crore (after depreciation of ₹ 0.26 crore) and overstatement of Depreciation by ₹ 0.26 crore.

6. All India Institute of Ayurveda, New Delhi-Ministry of AYUSH

Incorrect accountal of secured advance as Work-in-Progress

Fixed Assets (Schedule 8): ₹ 305.62 crore

The above includes an amount of ₹ 113.03 crore as addition during the year under the head Capital Works-in-Progress—AllIA Goa Project. However, as per the utilisation certificate provided by the National Building Construction Corporation, the above included the secured advance of ₹ 29.72 crore. Hence, the actual addition to Capital Works-in-Progress should have been ₹ 83.31 crore. This has resulted in overstatement of Fixed Assets and understatement of Current Assets, Loans and Advances by ₹ 29.72 crore.

IV Current Assets, Loans and Advances

1. National Institute of Technology, Durgapur-Ministry of Education

Non-exhibition of balances of bank accounts

Current Assets (Schedule 7): ₹ 225.08 crore

The above head was understated by an amount of ₹ 10.02 crore, due to non-exhibiting the closing balances of two separate savings bank accounts for (i) the Sponsored Research Consultancy Cell (SRCC) and (ii) Continuing Education Programme (CEP), as on 31 March 2021. This has also resulted in understatement of Current Liabilities and Provisions by the same amount.

2. National Institute of Technology, Calicut-Ministry of Education

Current Assets: ₹ 340.34 crore

The Current Account as per Schedule 7 of Balance Sheet showed a balance of ₹ 4.64 crore. But three Current Accounts having a total balance of ₹ 18.66 crore were not included in the annual accounts. Thus, the Current Account balance shown in the accounts did not exhibit a correct picture of the funds available with the institute.

3. Motilal Nehru National Institute of Technology, Allahabad-Ministry of Education

Incorrect Accountal of works completed under Advances

Loans Advances and Deposits: ₹ 86.44 crore

The above includes ₹ 76.22 core as Advances to CPWD for the construction of new Boys Hostel. However, as per Form 65 of CPWD as on 31.3.2021, the balance in Deposit work of Construction of New Boys Hostel was ₹ 14.76 crore and an expenditure of ₹ 51.67 crore has been incurred on the new Boys Hostel. This has resulted in overstatement of Loans, Advances and Deposits by ₹ 51.67 crore and understatement of Capital Works-in-Progress to the same extent. Further, the difference in Deposits works of ₹ 9.79 crore between CPWD records and Institute records needs to be reconciled.

4. National Mission for Clean Ganga (NMCG)-Ministry of Jal Shakti

Incorrect accountal of Advance given as Expenditure

Current Assets, Loans, Advances: ₹ 3508.98 crore

The above did not include an amount of ₹ 3.48 crore being advance paid to Doordarshan in December 2020 for a project called 'Rag Rag Mein Ganga-II', a travelogue series on DD National. The said amount was booked as expenditure under Communication and Public Outreach Expenses instead of Advances under Current Assets, Loans, Advances (Schedule-11). This resulted in understatement of Current Assets, Loans and Advances and understatement of Capital Fund by ₹ 3.48 crore.

5. Wildlife Institute of India, (WII) Dehradun-Ministry of Environment, Forest and Climate Change

Non-accountal of unspent balance of Externally Funded Project

Current Assets (Schedule 11): ₹ 16.79 crore

This did not include an amount of ₹ 53.16 crore being closing balance of externally funded projects at WII. Hence, current assets and earmarked funds were understated by ₹ 53.16 crore. Similar observations were made in the previous years too but no remedial action was taken.

V. Income and Expenditure

1. Indian Institute of Technology, Madras-Ministry of Education

Incorrect treatment of interest during construction as Revenue Expenditure

Administrative and General Expenses (Schedule 17): ₹ 63.43 crore

All interest payments made during the stage of construction of a capital asset is to be treated as capital expenditure. However, ₹ 5.89 crore spent towards Higher Education Financing Agency (HEFA) - a joint venture of Ministry of Education, Government of India and Canara Bank for financing creation of capital assets in premier educational institutions in India. Interest Payment has been accounted as revenue expenditure resulting in overstatement of Administrative and General Expenses and understatement of Fixed Assets by ₹ 5.89 crore each.

2. Indian Institute of Technology Kanpur-Ministry of Education

Non-accountal of Depreciation in the Income & Expenditure Account

Expenditure: ₹ 583.41 crore

The Institute calculated depreciation amounting to ₹ 112.65 crore on fixed assets and charged it directly to the Corpus/Capital Fund instead of routing it through Income and Expenditure Account. This resulted in understatement of Expenditure by ₹ 112.65 crore and consequently overstatement of Surplus by same amount.

3. Maharshi Sandipani Rashtriya Ved Vidya Pratishthan, Ujjain-Ministry of Education

Excess booking of income than the Grant utilized

Income: ₹ 51.51 crore

An amount of ₹ 45.99 crore of grant income was recognised in Income and Expenditure Statement. However, Schedule 10 for Grants/Subsidies showed ₹ 35.17 crore of grants utilised for revenue expenditure. This was in contravention of Format of Accounts prescribed by MoE which stipulates that only the amount of grant utilised for revenue expenditure will appear as income in Income and Expenditure Account. This has resulted in overstatement of Income as well Surplus by ₹ 10.82 crore.

4. All India Institute of Ayurveda, New Delhi-Ministry of AYUSH

Incorrect treatment of Capital Grant as Revenue Grant

Grants/Subsidies: ₹ 341.56 crore

As per Uniform Format of Accounts, Grant-in-Aid should be properly segregated and only grant for revenue purpose is recognised as Income in the Income and Expenditure Accounts. The grant for capital expenditure should be routed through the Balance Sheet. In the Income and Expenditure Accounts, (Grants/Subsidies Schedule-13), the grant received from Central Government was shown as ₹ 341.56 crore which included ₹ 273.50 crore received by the Institute for the creation of capital assets.

Hence, inclusion of grant amounting to ₹ 273.50 crore pertaining to Capital Assets, resulted in overstatement of Income as well as overstatement of Excess of Income over Expenditure by ₹ 273.50 crore.

VI. Designated/Earmarked/Endowment funds

1. Aligarh Muslim University, Aligarh-Ministry of Education

Incorrect inclusion of amount under Designated Funds

Designated/Earmarked/Endowment funds: ₹ 363.35 crore

This includes ₹ 8.88 crore under Misc. Scholarship Account which should have been included in Current liabilities and Provisions (Schedule 3). This resulted in overstatement of Designated/Earmarked/Endowment Funds and understatement of Current Liabilities and Provisions by ₹ 8.88 crore.

VII. General

1. Employees' Provident Fund Organisation (EPFO), Delhi (2019-20 FY)-Ministry of Labour and Employment

Non-provision of documents in support of Investment in Public Account

(i) Investments in Public Accounts (Schedule 20 and 22)

EPFO did not provide documents in support of amount invested during the year, cost of amortisation and closing balance of Investment in Public Account. The Department in its reply furnished the breakup of cost of amortisation but has not furnished any documents in support of amount invested in Public Account during the year amounting to ₹ 17281.37 crore and confirmation of closing balance of investments in Public Account amounting ₹ 155897.48 crore (FY).

In view of the above, audit was unable to verify the correctness of the amounts appearing under the head Investment in Public Account in Schedules 20 and 22 of annual accounts

Section 5 : Developments of Interest on Knowledge Centre topics

Ministry/Dept/Authority	Subject	No. of Date
Department of Public Enterprises	Alignment of CSR Expenditure of CPSE with National Priorities – Approval of Health and Nutrition as common theme for CSR activities of CPSEs for the year 2022-22	F.No.8/0002/2018-Dir (CSR) dated 5 April 2022
	Guiding Principles for closure of subsidiaries / Units by their Holding/Parent Public Sector Enterprises	No.DPE 3(1)/2022/DD dated 31 October 2022
	MoU Guidelines for the year 2022-23 and onwards- Updated	No.M-03/0003/2020-DPE (MoU) dated 12 October 2022
Ministry of Corporate Affairs	Amendment of the Companies (Acceptance of Deposits) Rules, 2014	CG-DL-E-31082022-238474 dated 29 August 2022
	Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022	CG-DL-E-21092022-238956 dated 20 September 2022
	Amendment to the Companies (Registration of Charges) Rules, 2014 - Application for registration of creation, modification of charge (other than those related to debentures) including particulars of modification of charge by Asset Reconstruction Company in terms of Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (SARFAESI)	CG-DL-E-31082022-238470 dated 29 August 2022
	Amendment to the Companies (Indian Accounting Standards) Rules, 2015,	CG-DL-E-04042022-234814 dated 23 March 2022
Department of Investment and Public Asset Management (DIPAM)	Empowering the Board of Directors of the Holding/ Parent Public Sector Enterprises (PSEs) to recommend and undertake the process for Disinvestment (both strategic disinvestment and minority stake sale)/ closure of their subsidiaries/units/stake in	F.No.3/17/2021-DIPAM-II-B(E) 1 June 2022

	JVs.	
Securities and Exchange Board of India (SEBI)	Master Circular for Infrastructure Investment Trusts (InvITs)	SEBI/HO/DDHS/DDHS_Div3/P/CIR/2022/53 April 26, 2022
	Master Circular for Real Estate Investment Trusts (REITs)	SEBI/HO/DDHS/DDHS_Div3/P/CIR/2022/52 April 26, 2022
	Master Circular for Commodity Derivatives Market	SEBI/HO/CDMRD/DMP/P/CIR/2022/64 May 17, 2022
	Master Circular on Surveillance of Securities Market	SEBI/HO/ISD/ISD-PoD-2/P/CIR/2022/118 September 13, 2022

Section 6: Use of PFMS data for preparation of TDS returns

The Public Financial Management System (PFMS) is being used across the Indian Audit & Accounts Department by all the Drawing and Disbursing Officers for disbursing pay and allowances to the officers and staffs of their respective offices. For this purpose, the DDOs use the Employee Information System (EIS) module of the PFMS. The module is not only being used to make payments of monthly salaries but also for making payments of arrears of pay and allowances, half-yearly release of DA arrears, reimbursement of tuition fees, Leave encashment in connection with LTC, payment of honoraria, cash awards etc. As such all taxable components of pay and allowances are captured in the EIS module and hence it is possible to calculate the gross salary income during the financial year through this module. All recoveries from pay and allowances including tax deduction are also captured in this module and the net payment is made to the employees. This module further has provision for receiving the details of savings for income tax purposes from the officers and staff thereby providing the DDOs with the information of savings for calculation of tax liability.

The Drawing and Disbursing Officers are also mandated with the responsibility of filing TDS returns of every quarter and this exercise especially in bigger offices with huge staff strength keeps the officials charged with the duties of preparing the TDS return engaged for considerable period of time after the end every quarter as the entries are to be made in the Return Preparing Utility (RPU) of the income tax department before the entries are validated using the validation tool of this utility. As the entries are made manually, considerable time is also spent on correcting the errors pointed out by the validation tool and this, at times, can be very frustrating. This increases the dependence of the DDOs on a few personnel in the office who are aware of this process and at times results in delays in filing of TDS Returns especially the return for the last quarter of the financial year wherein comprehensive information regarding the salary drawn and deductions claimed by the employees besides other income reported by them is also required to be given in the TDS Return which makes the process even more cumbersome. As a result, in many offices, DDOs outsource this work to professionals.

There is a feature available in the EIS module of the PFMS that can result in considerable saving in time and effort if the same is used carefully by following the steps outlined in the EIS manual. This feature enables creation of a text file containing all the relevant information relating to the salary drawn and tax deducted at source which can be easily validated using the File Validation Utility(FVU) of the IT Department. The process of validation becomes so straightforward that it is easy for anyone to use the utility and file the TDS Return.

Looking at the enormous savings in time and effort being offered by the above feature of the module, the Senior Auditor handling the payroll task in RTI Mumbai took the initiative in understanding the steps involved and carefully following them in the sequence prescribed. Before starting with the process of preparing the TDS return for the last quarter which is the most challenging of all the quarters, he also ensured that all the information relating to salary, other income and deductions are entered in the module. His efforts proved very fruitful as generation of TDS return for salaries (form 24Q) for all the quarters including the last quarter of the financial year (Q4) is so simplified and time saving that RTI Mumbai could claim to be one of the first offices to upload TDS return for salaries and without any errors or defaults for the financial year 2022-23. This is, thus, an example of leveraging technology by making the fullest use of all the features offered by modules of any automated system thereby realising its full potential and also the objectives with which it was designed. The initiative shown the Payroll auditor in making use of a rarely used feature of the EIS module of PFMS has thus resulted in saving of time and efforts in the manual preparation of TDS Returns.

RTI Mumbai is also using the Income Tax e-Filing portal to upload the quarterly TDS returns directly into the income tax portal through a process of Aadhar verification of the DDO. This has further eliminated the need to send the validated return to an external agency for uploading the same into the TDS portal of the income tax department.

Section 7: Newsletter Crossword (March 2023)

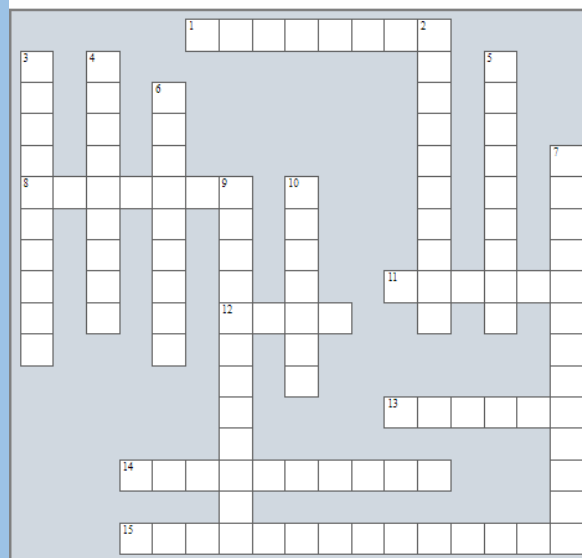
Across

1. To make an estimate of value, particularly of the value of property
8. _____ is that part of wealth of an individual or community which is used for creation of wealth.
11. A plan for allocating resources to support particular services, purposes and functions over a specified period of time
12. An agreement to use a certain currency for payments under a contract in exchange for another currency
13. A traditional system of transferring money, whereby the money is paid to an agent who then instructs an associate in the relevant country or area to pay the final recipient
14. One-hundredth of a percentage point
15. A condition of economy in which the role of price rises accelerates to extreme proportions

Down

2. The theory that in the long run economic growth is governed by factors within the national system and not by factors outside it is called _____ growth
3. Wages that are set at above the market clearing rate so as to encourage workers to increase their productivity are called _____ wages.
4. _____ is where there is one buyer with many sellers
5. Technically, it consists of purchasing a commodity or security in one market for immediate sale in another market
6. A reduction or decrease in taxable value that results in a reduction of taxes after an assessment and levy
7. In statistics, the calculation of the relationship between economic data measured over a long period of time
9. An economy where the government does not interfere because it believes it is right to let the economy run itself
10. When a government controls all aspects of economic activity it is called _____ economy

Financial Terms



Answers:

Across

1. Appraise 8. Capital 11. Budget 12. Swap
13. Hawala 14. Basispoint 15. Hyperinflation

Down

2. Endogenous 3. Efficiency 4. Monopsony
5. Arbitrage 6. Abatement 7. Cointegration
9. Laissezfaire 10. Command