

OHAD
M. Kumar
4-3-2020

UNIVERSITY OF DELHI
INTERNAL AUDIT WING-III

Ref: No. IAUS-III/311-29/D.SAR/2018-19/50
Dated: 25.02.2020

26

To,

The Principal,
Kirori Mal College
University of Delhi
New Delhi-110007

Subject: Draft SAR for the year 2018-19.

Sir/Madam,

Please find enclosed herewith a copy of Draft Separate Audit Report (D.SAR) for the financial year ending 31st March, 2019 received from the office of the Director General of Audit (Central & Expenditure), IP Estate, New Delhi-110002.

In this connection, you are requested to take necessary corrective action on the audit observations urgently and action taken report may please be furnished to Internal Audit within 3 working days i.e. **on or before 28.02.2020** positively so that the same may be compiled for onward submission to DGA (CE), IP Estate.

Please treat this as **Most Urgent**.

(Please also provide soft copy of reply on email id – **AUDIT3.DU@GMAIL.COM**)

Yours faithfully,

H. Panty

Asstt. Internal Audit Officer

Encl: As above

किरोरी मल कॉलेज / KIRORI MAL COLLEGE	
दिल्ली विश्वविद्यालय / (University of Delhi)	
प्राप्त किया / RECEIVED	
डायरी नं. / Diary No.....	1585
दिनांक / Date... 3/3/20	समय / Time.....
हस्ताक्षर / Signature...	Anjali

6. Kirorimal College

A. Balance Sheet

A.1 Assets

A.1.1 Loans, Advances & Deposits (Schedule 8) -Rs. 899.25 lakh

The above includes payment of Rs. 4.75 crore made to staff on accounts of arrear of 7th CPC subject to approval of pay fixation by Delhi University. This has resulted in overstatement of Loans, Advances & Deposits and understatement of Expenditure by Rs. 4.75 crore.

A.1.2 Investment – Rs. 37 lakh

Kirori Mal College has shown investment of Rs. 37 lakh in Hostel Provident Fund Account but as per information furnished, the investment is Rs. 37.98 lakh. The difference of Rs. 0.98 lakh needs to be reconciled.

B. General

B.1 UGC remitted two tranches of money to KMC totaling Rs 1.5 crore (Rs. 75 lakh each for conducting NET examination of Dec 2013 and June 2013). The college has not submitted utilization Certificate to U.G.C. as of now (Dec 2019) and entire amount is shown as liability to U.G.C as well as recoverable from Dr. S.P.Gupta in the accounts of KMC. This fact has not been disclosed in Notes to account.

B.2 Advances to employees (Other)-Rs 1.72 crore

The above includes pending recovery of enhanced pension payment amounting to Rs. 6.67 lakh as on 31.03.2019. This should be clarified in Notes to account.

B.3 Current Liabilities and Provision (Schedule 3)–Rs. 229.69 crore

The above includes maintenance grant of Rs. 1.54 crore adjustable from UGC i.e. expenditure incurred by KMC in past years pending approval/adjustment by UGC. The yearwise breakup of this liability and the reasons for non-discharge of this liability has not been clarified to audit.

B.4 KMC has shown amount of Rs. 2.09 lakh payment to concern department (Schedule-3) as on 31st March 2019. The details of this liability i.e the year to which it pertain, the name of the department to whom the payment is to be made, etc. along with the reasons for non-discharge of this liability have not been provided to audit. KMC stated that amount is shown in account from past years.

B.5 Bank-Reconciliation

Bank reconciliation Statement is an important tool of Internal Control. Scrutiny of Bank Reconciliation Statements (BRS) of the KMC revealed that huge amounts remained un-reconciled in the following bank accounts as detailed given below:

(Amount in Rs.)

Sl. No.	Account Name and Number	Cheques/ECS issued but not presented/returned (+)	Credits not taken in cash book	Bank charges/wrong debit not taken in cash book(-)	Cheque deposited but credit not given by bank(-)
1.	General Fund Account no. 51522010003240	186971 March 2018 to November 18	813082 April 18 to March 19	62062 July 17 to Mar 19	90,500 Oct 18 to Mar (26.10.18)
2.	Student Activities Fund no. 51522010003490	462068 April 16 to October 18	52107622 May 15 to Nov 18	423363 April 16 to Jan 19	5,21,32,859 May 16 to October 19
	Total	6,49,039	5,29,20,704	4,85,422	5,22,23,359

- An amount of Rs. 6.49 lakh being the value of cheques issued but not encashed. These cheques have now become time barred but have not been taken in the cash book.
- An amount of Rs. 5.29 crore being the value of amount credited by bank but not taken in Cash Book.
- An amount of Rs. 4.85 lakh being the value of amount debited by bank but not taken in Cash Book.
- An amount of Rs. 5.22 crore being the value of cheques deposited but credit not given by bank.

These need to be immediately pursued with the banks to get credit of these amounts to prevent loss of revenue to College.

B.6 Land taken on Lease has neither been disclosed in Schedule 4 nor disclosed in 'Notes to Accounts'.

B.7 Significant Accounting Policies disclosed by KMC is incomplete as (i) the method of charging depreciation and rates & (ii) Accounting Policy on Government/UGC grants, Sponsored Project Fund and Income Tax have not been disclosed.

Further, separate schedules should be prepared for Significant Accounting Policies adopted in the preparation of accounts and for Notes to Accounts as prescribed in MHRD format of accounts.

B.8 KMC Bank account No. 51522010003510 is dormant since long time. KMC took up the matter with bank for activation of this account in May, 2018. Matter needs to be taken up with bank again for activation of dormant account to prevent its misuse.

B.9 Provisions for retirement benefits have been shown under Other Liabilities instead of the specific heading 'Provisions'. The same may be rectified.

C. Grants-in-aid

(a) During the year 2018-19, Kirori Mal College received grant-in-aid of Rs. 62.65 crore. It had an opening balance of Rs. 3.27 crore. Out of the total funds of Rs. 65.92 crore, college utilized Rs. 50.15 crore leaving a balance of Rs. 15.77 crore as on 31st March 2019.

(b) KMC's Hostel received grant-in-aid of Rs. 1.69 crore. It had an opening balance of Rs. 54.61 lakh of previous year. Out of the total funds of Rs. 2.24 crore, an amount of Rs. 1.05 crore was utilized during the year 2018-19 leaving an unspent balance of Rs. 1.19 crore as on 31st March 2019.

3. System of physical verification of fixed assets

- The physical verification of Fixed Assets has not been done for the year 2018-19.
- **Maintained Institutions** The position of physical verification of assets and books and publication in Maintained Institutions is as follows:-

Sr. No.	Name of the Maintained Institutions	Physical verification conducted upto	
		Assets	Books & Publication
1.	Aryabhatta College	2018-19	2015-16
2.	Ramanujan College	2018-19	2016-17
3.	School of Open Learning	2018-19	Under process
4.	University College of Medical Sciences	2018-19	2014-15
5.	College of Vocational Studies	2018-19	2018-19
6.	Dyal Singh College (Evening)	2018-19	2018-19
7.	Agricultural Economic Research Centre	2013-14	2011-12
8.	Vallabhbai Patel Chest Institute	2018-19	2011-12
9.	Deshbandhu College	2003-04	2016-17
10.	Miranda House	2018-19	2018-19
11.	Kirori Mal College	2008-09	2013-14
12.	Ram Lal Anand	2018-19	2013-14
13.	Dyal Singh College (Morning)	2018-19	2013-14



KIRORI MAL COLLEGE

(University of Delhi) Delhi-110007

किरोड़ीमल महाविद्यालय

(दिल्ली विश्वविद्यालय) दिल्ली-११०००७

Tel.: 27667861

दूरभाष : २७६६७८६१

KMC /Acct/Audit(SAR)/2018-19/346

Date 16/10/2020

03/11

Internal Audit officer,
Internal Audit Wing-III,
University of Delhi,
Delhi.

Subject : SAR for the F.Y. 2018-19

Sir,

This is with reference your office letter No. IAUS-III/311-29/D.SAR/2018-19/103 dated 15/09/2020, wherein enclosed the audit observations on the accounts of our college for the F.Y. year 2018-19 with the request to take necessary corrective action on the audit observations urgently and action taken report may please be furnished to Internal Audit.

In this context, please find enclosed the college replies/comments of the audit report for the F.Y. 2018-19.

Thanking You,

Yours Sincerely,

V. Chauhan
(Prof. Vibha Singh Chauhan)
Principal
hvj

**KIRORI MAL COLLEGE,
University of Delhi, Delhi – 110 007**

	College Reply
<p>A. General</p> <p>A.1 UGC remitted two tranches of money to KMC totaling Rs 1.5 crore (Rs 75 lakh each for conduction NET examination of Dec 2012 and June 2013). The college has not submitted utilization Certificate to U.G.C. as of now (Dec 2019) and entire amount is shown as liability to U.G.C. This has not been disclosed in Notes of account.</p>	<p>Noted - necessary notes may be done in the financial year 2019-20 and compliance will be shown to the next audit party.</p> <p>First tranches of Rs.75 Lakhs was remitted by UGC in a private A/c opened by the then Principal. The second tranche was sent to the College A/c but transferred from there to above mentioned the private A/c.</p>
<p>A.2 Land taken on Lease has neither been disclosed in Schedule 4 nor disclosed in 'Notes to Accounts'.</p>	<p>The college was taken over by the University of Delhi 15.6.1983 as per the attached transfer deed. The entire land of the college and its assets and liabilities were also transferred to the University of Delhi.</p>
<p>A.3 Significant Accounting Policies disclosed by KMC is incomplete as (i) the method of charging depreciation and rates & (ii) Accounting Policy on Government/UGC grants, Sponsored Project Fund and Income Tax have also not been disclosed.</p> <p>Further, separate schedules should be prepared for Significant Accounting Policies adopted in the preparation of accounts and for Notes to Accounts as prescribed in MHRD format of accounts.</p> <p>This is being pointed out since 2016-17 but remedial action has not been taken.</p>	<p>Rate of depreciation was placed in the Annual Account at Pg. 41. UGC grants are mentioned in the Sch-10. Sponsored project was shown in Sch-3(a) of Pg No.7 and Income Tax which was Payable are shown in the Sch-3.</p> <p>According to GFR-17</p>
<p>B. Grants-in-aid</p> <p>(a) During the year 2018-19, Kirori Mal College received grant-in-aid of Rs.62.65 crores. It had an opening balance of Rs.3.27 crore. Out of the total funds of 65.92, college utilized Rs.50.15 crore leaving a balance of Rs.15.77 crore as on 31st March 2019.</p>	<p>Accepted</p>
<p>(b) KMC's Hostel received grant-in-aid of Rs.1.69 crore. It had an opening balance of Rs.54.61 lakh of previous year. Out of the total funds of Rs.2.24 crore, an amount of Rs.1.05 crore was utilized during the year 2018-19 leaving an unspent balance of Rs.1.19 crore as on 31st March 2019.</p>	<p>Accepted</p>

[Signature]
16/10/2020
Offg. Administrative Officer
KIRORI MAL COLLEGE
(UNIVERSITY OF DELHI)
DELHI-110 007

[Signature]
BURSAR
KIRORI MAL COLLEGE
(UNIVERSITY OF DELHI)
DELHI-1110 007

[Signature]
Principal
PROF. VISHA SINGH CHAUHAN
PRINCIPAL
KIRORI MAL COLLEGE
(UNIVERSITY OF DELHI)
DELHI-110 007



TRANSFER DEED

THIS INSTRUMENT MADE THIS THE 19th day of June, one thousand nine hundred and eighty three BETWEEN KIROJI MAL College Society, a Society registered under the Societies Registration Act, of 1860 and having its registered office at Nizamb (M.P.) hereinafter called 'the College Society' (which expression shall unless excluded by or reference to the context be deemed to include its successors and assigns) of the ONE PART; Seth Kiroji Mal Charity Trust, a Society registered under the Societies Registration Act of 1860 and having its registered office at Nizamb (M.P.) hereinafter called 'the Trust Society' (which expression shall unless excluded by or reference to the context be deemed to include its successors and assigns) of the SECOND PART and the University of Delhi, a body corporate constituted under sub-section 1 of Section 3 of the Delhi University Act (VIII of 1922), hereinafter called 'the University' (which expression shall unless excluded by or reference to the context be deemed to include its successors and assigns) of the THIRD PART.

WHEREAS :

1. The Trust Society entered into negotiations with the University for the purpose of starting what is known as Kiroji Mal College, hereinafter referred to as 'the College, and for seeking its affiliation to the University.
2. The Trust Society undertook to provide all the necessary finances required for running and maintaining the College;
3. The University agreed that the Trust Society might start the College provided the same was run and maintained in accordance with the Act, the statutes and the Ordinances of the University.
4. The College was started in 1929 and got affiliated to the

University. The College society was duly registered as a Society under the Societies Registration Act 1909 on 23.8.57.

5. In pursuance of the Memorandum of Association and the Rules and Regulations of the College Society, the College has been run and administered by a Governing Body the membership of which is identical with that of the College Society.
6. The Trust Society contributed a sum of Rs. 111 in capital account for the purchase of Endowment Fund for the College.
7. The Trust Society was granted by the President of India a perpetual lease of land measuring 11.00 acres in the University Campus on 22.11.1951 (hereinafter referred to as 'the College land') for the purpose of the College building, play grounds, hostel building and staff quarters;
8. The total amount spent towards construction of the College building and the canteen, is Rs. 80,00,000.00 of which a sum of Rs. 15,51,303.03 has been given by the U.G.C.
9. The Board of Trustees of both Kirori Mal Charity Trust, Raigarh (M.P.) passed by circulation the following Resolution dated 12.2.1974 transferring and handing over the college to the University of Delhi.
 - a) Kirori Mal College be handed over to the University of Delhi.
 - b) As long as the College exists, the present name of the College i.e. 'Kirori Mal College' shall be maintained to commemorate its Founder, the Late Seth Kirori Mal, and will not be changed.
 - c) After the completion of the act of transfer, the Trust shall in no way be responsible for the finances and management of the College.

The Governing Body vide its Resolution No. 6 dated 2-4-1974 endorsed the above decision of the Board of the Trustees of both Kirori Mal Charity Trust, Raigarh (M.P.) and that the college be transferred and handed over to the University of Delhi on the above terms.

10. On being approached by the Trust Society and the College Society, the Executive Council of the University by its Res. No. 15 passed in its meeting held on 10-4-1974 resolved, inter alia, that the College be taken over by the University and run as its maintained college subject to the approval of the University Grants Commission and the Government of India.

12. The University Grants Commission in consultation with the Ministry of Education and Social Welfare, Government of India vide its letter No. F. 1-22/74 (22-11) dated 2-12-1960, occurred in the decision of the University to take over the College to be run as its maintained College.
13. It has further been decided by the University that the College after its take over by the University will continue to be known as Kirori Mal College.
14. The Trust Society agrees that in view of University having agreed to run the College as a University maintained Institution, the entire land measuring 12.82 acres on which College was built and which land belonged to the Trust Society be transferred to the University in Trust without any monetary consideration.
15. The Trust Society approached the Competent Authority, Land and Development Office, Ministry of Works and Posing, New Delhi, to give permission to the Trust Society for transfer of the College land to the University but the said permission is still awaited.
16. It is felt expedient that the University may immediately take over the management and administration of the College along with its assets and liabilities except the College land, and the Trust Society has agreed that as soon as the permission is received from the Competent Authority, Land and Development Office, the College land will also be transferred by it to the University.

NOW THIS MEMORANDUM WHEREAS that in pursuance of the Resolutions passed by the College Society and the Trust Society and in consideration of the University agreeing to administer the College as a University maintained Institution in accordance with the relevant provisions of the Statutes and the Ordinances of the University, the College Society doth hereby transfer and assign to the University (1) its entire movable property including the Library books and equipment, office and class room furniture and equipment, garden equipment, examination equipment (2) the building erected on the College land, and the Trust Society doth hereby transfer and assign to the University, each of the said two items more fully described in the Schedule than as on G.A. 2-1962 hereunder written and hereinafter collectively called the 'said property', together with all the rights, title and interest, claim and demand of the Trust Society and the College Society upon the said property, hereby transferred and assigned or expressed so to be upon and to the use of the University to have and to hold the same in trust for the furtherance of the aforesaid objectives for which the said property has been vested in the University and the Trust Society and the College Society hereby covenant with the University that they have not done and knowingly suffered or being party or privy to anything whereby they are prevented from granting and conveying the said property in manner aforesaid or whereby the same or part thereof are, is, can or may be considered in equity and the University and shall and any of all times hereafter peaceably and quietly possess and enjoy the said property and receive the rent, issues and profits thereof without any interruption, claim or demand whatsoever by the said societies or by any other person or persons claiming through them and that they shall and will from time to time and at all times hereinafter at the request and cost of the University, do and execute or cause to be done

and executed all such notes, deeds and things whatsoever for further and more perfectly assuring the said property unto and to the use of the University that it shall administer the College as a Maintained College in accordance with the relevant provisions of the Statutes and the Ordinances of the University.

The Trust Society also undertakes to transfer to the University in Trust without any monetary consideration the ground land measuring 10.00 acres on which the College building is built as soon as permission in that behalf is received from the Competent Authority, Land and Development Office, Ministry of Works and Housing.

The University agrees to meet the liabilities as shown in the balance sheet of the College as on 31-3-1988.

THE BALANCE SHEET AFTER DEDUCTIONS TO

1. Movable property including the library books and equipments, office and class room furniture, gardening equipments.
2. Details of buildings, as per balance sheet.
3. All the articles of Students societies.

IN WITNESS WHEREOF, the parties hereto have set and subscribed their respective hands here unto the day and the year first above written,

1. Principal M. S. Prasad For and on behalf of K. J. Somaiya
College Society, College, Delhi For Sri K. J. Somaiya Trust
Trustee

2. Secretary College
Trust Society For and on behalf of the Trust Society.

2. Registrar, University of Delhi For and on behalf of the University.

- Witnesses
1. Hansh Chandra Arora,
Head of Deptt., Post Graduate College, Delhi
 2. Angela, Senior Officer (Admin), K. J. Somaiya College, Delhi
 3. Ramesh Chandra, Asst. Registrar, Delhi University