

LNMI Institute of information Technology
Statutory Audit for the year ended March 31, 2009

Auditors' Report

To
The Members of Governing Council
The LNM Institute of Information Technology

1. We have audited the attached Balance Sheet of The LNM Institute of Information Technology as at March 31, 2009 and also the Income and Expenditure Account for the year ended on that date annexed thereto. These financial statements are the responsibility of Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Without qualifying our opinion, we draw attention to note 3 of Schedule 17 of the financial statements with regard to the Institute being in the process of determining the amount of adjustment required to be done on account of the physical verification of fixed assets carried out subsequent to the year end as more fully stated in the said note. As the amount of adjustment is presently not ascertainable, therefore no adjustment has been made to the accompanying financial statements. This had caused us to draw attention in our audit opinion on the financial statements relating to previous year also.
4. *Attention is invited to Note 5 of schedule 17 of the financial statements in respect of the Company being in the process of updating the leave records of the employees, and consequential non provision of leave liability as at the year end. Pending this we are unable to comment on the adjustments required to be made to the accompanying financial statements.*
5. We report that: -
 - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit, *except as stated in paragraph 4 above;*
 - ii. In our opinion, proper books of account, as required by law, have been kept by the Institute so far as appears from our examination of these books *subject to the matters stated in paragraph 3 and 4 above read with note 4 of Schedule 17.*
 - iii. The balance sheet and Income and Expenditure Account dealt with by this report are in agreement with the books of account;



S.R. BATLIBOI & CO.

Chartered Accountants

- iv. *Subject to the matters stated in paragraph 4 above*, in our opinion and to the best of our information and according to the explanations given to us, the said account give a true and fair view in conformity with the accounting principles generally accepted in India;
- a) in the case of the balance sheet, of the state of affairs of the Institute as at March 31, 2009; and
 - b) in the case of the Income & Expenditure Account, of the deficit of the Institute for the year ended on that date;

S.R. Batliboi & Co.
For S. R. Batliboi & Co.
Chartered Accountants

Rajiv Goyal
per Rajiv Goyal
Partner
Membership No.:94549

Place: Gurgaon

Date: 3/4/19



BALANCE SHEET AND INCOME AND EXPENDITURE ACCOUNT**THE LNM INSTITUTE OF INFORMATION TECHNOLOGY****(Deemed University)****Balance Sheet as at 31st March, 2009**

	Schedules	31st March 2009 (Rs)	31st March 2008 (Rs)
Sources of Funds			
Corpus/ Capital fund	1	350,000,000	350,000,000
Reserves and Surplus	2	100,000	100,000
Loan Fund			
Secured Loans	3	-	47,448,161
Unsecured Loans	4	162,347,000	94,420,000
Total		512,447,000	491,968,161
Application of Funds			
Fixed assets			
Gross Block	5	457,365,395	430,713,103
Less: Accumulated Depreciation		164,765,884	128,727,071
Net Block		292,599,511	301,986,032
Capital Work in Progress		12,501,265	18,413,442
		305,100,776	320,399,474
Current Assets, Loans & Advances			
Cash and Bank balances	6	74,051,266	68,179,167
Other current assets	7	1,639,063	263,086
Loans and Advances	8	3,431,045	3,940,771
		79,121,374	72,383,024
Less: Current Liabilities & Provisions			
Current Liabilities	9	23,072,891	25,703,330
Provisions	10	1,279,301	955,094
		24,352,192	26,658,424
Net Current Assets		54,769,182	45,724,600
Income and Expenditure Account (Debit Balance)		152,577,042	125,844,087
Total		512,447,000	491,968,161

Notes to Accounts

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The schedules referred to above and the notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For S.R.Batliboi & Co.
Chartered Accountants**For The LNM Institute of Information Technology**per **Rajiv Goyal**
Partner
Membership No. 94549
Gurgaon
Date :**Member of**
Governing Council**Member of**
Governing Council

BALANCE SHEET AND INCOME AND EXPENDITURE ACCOUNT

**THE LNM INSTITUTE OF INFORMATION TECHNOLOGY
(Deemed University)
Income and Expenditure Account for the year ended 31st March 2009**

	Schedules	31st March 2009 (Rs)	31st March 2008 (Rs)
<u>Income</u>			
Fee Income	11	46,534,300	35,082,980
Interest Income	12	6,495,997	6,912,522
Other Income	13	3,358,199	1,907,009
Total		56,388,496	43,902,511
<u>Expenditure</u>			
Personnel Expenses	14	23,575,525	17,418,337
Administrative Expenses	15	23,075,093	18,325,562
Depreciation	5	36,038,813	37,186,095
Financial Expenses	16	432,020	5,513,517
Total		83,121,451	78,443,511
Balance being excess of Expenditure over Income		(26,732,955)	(34,541,000)
Balance brought forward from previous year		(125,844,087)	(91,303,087)
Balance being surplus/(deficit) carried to balance sheet		(152,577,042)	(125,844,087)

Notes to Accounts

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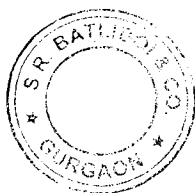
The schedules referred to above and the notes to accounts form an integral part of the Income and Expenditure Account.

As per our report of even date

For S.R.Batliboi & Co.
Chartered Accountants

For The LNM Institute of Information Technology

per **Rajiv Goyal**
Partner
Membership No. 94549
Gurgaon
Date :



Rajiv Goyal
Member of
Governing Council

Rajiv Goyal
Member of
Governing Council



**THE LNM INSTITUTE OF INFORMATION TECHNOLOGY
(Deemed University)**

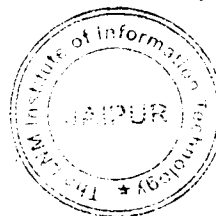
Schedules to the Accounts

	March 31, 2009 Rs.	March 31, 2008 Rs.
Schedule 1: Corpus/ Capital fund		
Balance as at the beginning of the year (Represent amounts received from Lakshmi & Usha Mittal Foundation Rs. 200,000,000 and from Government of Rajasthan Rs. 150,000,000)	350,000,000	350,000,000
	<u>350,000,000</u>	<u>350,000,000</u>
Schedule 2: Reserve and Surplus		
Capital Reserve (Nominal Amount for 100 acres of Land allotted free of cost by the Government of Rajasthan to the Institute)	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Schedule 3: Secured Loans		
Term Loans (Secured against hypothecation of all Fixed assets) (Amount repayable within one year Rs. Nil (Previous year Rs 2,500,000).)	-	47,384,343
Vehicle Loan (Secured against hypothecation of car)	-	63,818
	<u>-</u>	<u>47,448,161</u>
Schedule 4: Unsecured Loans		
Loan from Lakshmi & Usha Mittal Foundation	159,865,000	92,500,000
Caution Money - Students	2,482,000	1,920,000
	<u>162,347,000</u>	<u>94,420,000</u>

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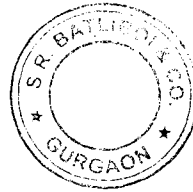
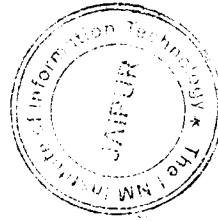
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(Deemed University)

Schedules to the Accounts

Schedule 5: Fixed Assets

Sl. No.	Description	Gross Block					Depreciation			Net Block	
		As at 1.4.2008	Additions	Deductions	As at 31.3.2009	As at 1.4.2008	For the year	Deletions	As at 31.3.2009	As at 31.3.2009	As at 31.3.2008
1	Computers and Computers accessories	22,470,184	5,643,619	-	28,113,803	19,948,520	3,170,010	-	23,118,530	4,995,273	2,521,664
2	Air Conditioners and Air Cooling	13,329,329	1,647,547	-	14,976,876	5,037,740	1,469,361	-	6,507,101	8,469,775	8,291,589
3	Electrical and other equipments	37,056,596	3,378,085	-	40,434,681	16,047,932	3,420,892	-	19,468,824	20,965,857	21,008,664
4	Furniture & fixtures	40,340,573	4,574,784	-	44,915,357	10,692,643	3,600,590	-	14,293,233	30,622,124	29,647,930
5	Library books	2,117,284	404,861	-	2,522,145	2,117,284	404,861	-	2,522,145	-	-
6	Vehicles	943,596	-	-	943,596	497,022	66,986	-	564,008	379,588	446,574
7	Buildings	314,355,541	11,003,396	-	325,358,937	74,385,930	23,906,113	-	98,292,043	227,066,894	239,969,611
8	Leasehold land (refer note below)	100,000	-	-	100,000	-	-	-	100,000	100,000	100,000
	Total (A)	430,713,103	26,652,292	-	457,365,395	128,727,071	36,038,813	-	164,765,884	12,501,265	18,413,442
	Capital Work in Progress including Capital Advances (B)										
	Total (A+B)										
	Previous Year	405,804,354	24,908,749	-	430,713,103	91,540,976	37,186,095	-	128,727,071	305,100,776	320,399,474
										301,986,032	314,263,378

Leasehold Land represents nominal Amount for the 100 acres of Land allotted free of cost by the Government of Rajasthan to the Institute.

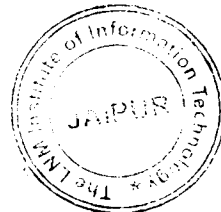
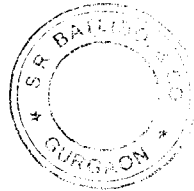


Shrey Singh

**THE LNM INSTITUTE OF INFORMATION TECHNOLOGY
(Deemed University)**

Schedules to the Accounts

	March 31, 2009 Rs.	March 31, 2008 Rs.
Schedule 6: Cash and Bank Balances		
Cash on hand	16,818	10,032
Balances with scheduled banks:		
-On Deposit accounts (Includes Rs. 50,000,000 as per requirement of University Grant Commission)	70,281,790	66,726,979
-On Savings Accounts	3,752,658	1,442,156
	<u>74,051,266</u>	<u>68,179,167</u>
Schedule 7: Other Current Assets		
Interest accrued but not due	1,639,063	263,086
	<u>1,639,063</u>	<u>263,086</u>
Schedule 8: Loans and Advances		
(Unsecured, considered good)		
Advances recoverable in cash or in kind for the value to be received	2,020,938	2,096,007
Tax deducted at source receivable	580,322	517,979
Security deposits	829,785	1,326,785
	<u>3,431,045</u>	<u>3,940,771</u>
Schedule 9: Current Liabilities		
Retention Money - Contractors	5,261,398	7,425,815
Caution Money - Students (repayable within 12 months)	575,000	435,000
Sundry Creditors	5,032,196	3,109,011
Sundry Creditors- Capital	304,596	3,670,635
Book Overdraft	1,353,521	-
Students Mess Fund	1,482,249	984,209
Digital Library Fund	8,503,730	9,820,388
LNM IIT Alumni Association	207,027	87,000
Student Welfare Fund	97,900	-
Temple Fund	13,438	5,942
Other Liabilities	241,836	165,330
	<u>23,072,891</u>	<u>25,703,330</u>
Schedule 10: Provisions		
Provision for Gratuity	1,279,301	955,094
	<u>1,279,301</u>	<u>955,094</u>



Oneij Singh

**THE LNM INSTITUTE OF INFORMATION TECHNOLOGY
(Deemed University)**

Schedules to the Accounts

	March 31, 2009 Rs.	March 31, 2008 Rs.
Schedule 11: Fee Income		
Registration Fees	1,809,550	2,577,500
Tuition Fees	21,631,750	24,697,680
Semster Fees *	14,707,000	-
Hostel Charges	5,826,000	5,148,000
Internet Charges	743,800	858,000
Mess Establishment Charges	582,600	514,800
Gymkhana Fees	557,850	643,500
Bus Hire Charges	675,750	643,500
	<u>46,534,300</u>	<u>35,082,980</u>

* Represents registration fees, tuition fees, gymkhana fees, internet charges and bus hire charges taken from the first year students of 2008 batch, which were hitherto being taken in respective income heads.

Schedule 12: Interest Income

On Term Deposits	6,427,268	6,617,442
On Savings Accounts	68,729	295,080
	<u>6,495,997</u>	<u>6,912,522</u>

Schedule 13: Other Income

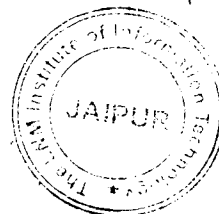
Rental income from Mess, utility shops for students, others	2,534,250	1,726,039
Discount Received	231,184	-
Receipts from Guest house	144,850	48,374
Others	447,915	132,596
	<u>3,358,199</u>	<u>1,907,009</u>

Schedule 14: Personnel Expenses

Salaries and Allowances	18,575,566	13,549,587
Visiting Faculty Honorarium	3,534,832	1,975,212
Staff Welfare Expenses	92,256	68,618
Employer Contribution to Provident and Other Funds	1,078,283	869,826
Gratuity Expenses	294,588	955,094
	<u>23,575,525</u>	<u>17,418,337</u>



Anuj Singh



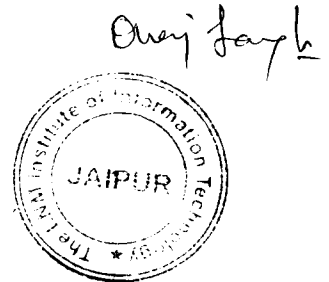
**THE LNM INSTITUTE OF INFORMATION TECHNOLOGY
(Deemed University)**

Schedules to the Accounts

	March 31, 2009 Rs.	March 31, 2008 Rs.
Schedule 15: Administrative Expenses		
Electricity Expenses	4,234,356	3,731,393
Rent	-	30,000
Insurance	384,547	405,407
Repair and Maintenance	4,771,235	4,343,567
CCB Counseling Fees	200,000	-
Advertisement and Publicity Expenses	1,440,137	688,434
Recruitment Expenses	96,323	-
Traveling & Conveyance Expenses	3,096,248	2,884,672
Communication Expenses	929,212	974,619
Printing and Stationery	1,010,517	798,302
House Keeping and Office Maintenance Expenses	1,553,263	1,450,899
Security Expenses	1,597,170	1,286,458
Students Activities Expenses / Gymkhana Expenses.	2,162,563	859,589
Seminar & Conference	156,952	167,096
Books and Periodicals	107,112	171,684
Legal & Professional Expenses	40,411	179,298
Auditor's Remuneration		
-Audit Fees	248,175	196,630
-Out of Pocket expenses	18,861	-
Bank Charges	4,546	13,340
Miscellaneous Expenses	1,023,465	144,174
	<u>23,075,093</u>	<u>18,325,562</u>

Schedule 16: Financial Expenses

Interest on Vehicle loan	1,882	12,936
Interest on Term Loan	430,138	5,500,581
	<u>432,020</u>	<u>5,513,517</u>



THE LNM INSTITUTE OF INFORMATION TECHNOLOGY

(Deemed University)

SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2009

(Unless otherwise mentioned, all amounts are in Indian Rupees)

Schedule 17: Notes to Accounts

1. Nature of Operations

The LNM Institute of Information Technology ('Institute'), an autonomous non-profit organization is jointly set up by the Government of Rajasthan and Lakshmi & Usha Mittal Foundation and is a deemed University as declared by the Government of India under Section 3 of UGC Act, 1956. The Institute is in Jaipur and is registered under Rajasthan Societies Registration Act, 1958. The objective of the institute is to produce leading professionals in the field of Information Technology with a proper blend of communication, computers, management and social awareness.

2. Statement of Significant Accounting Policies

a) Basis of preparation

The financial statements have been prepared to comply in all material respects in respects with the Notified Accounting Standards issued by the Institute of Chartered Accountants of India. The financial statements have been prepared under the historical cost convention on an accrual basis except revenue from fees which is recognized on receipt basis. The accounting policies have been consistently applied by the Institute and are consistent with those used in the previous year.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

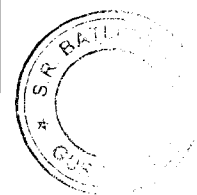
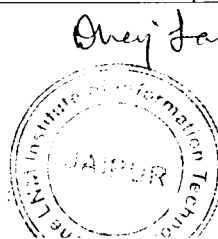
c) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

d) Depreciation

Depreciation on assets is calculated on Written Down Method as per method and rates specified in the Income Tax Act, 1961 except for library books and assets costing upto Rs. 5,000 which are depreciated fully in the year of purchase.

Assets	Rates (%) (WDV)
Computers and Computers accessories	60.00
Air Conditioners and Air Cooling	15.00
Electrical and other equipments	15.00
Furniture and fixtures	10.00
Library Books	100.00
Vehicles	15.00
Buildings	10.00



**THE LNM INSTITUTE OF INFORMATION TECHNOLOGY
(Deemed University)**

**SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2009
(Unless otherwise mentioned, all amounts are in Indian Rupees)**

e) Expenditure on new projects and substantial expansion

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. These expenditures are shown as Capital Work in Progress. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account. Income earned during construction period is deducted from the total of the indirect expenditure.

f) Retirement Benefits

- i. Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective fund.
- ii. Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

g) Government grants and subsidies

Grants from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with. Government Grant received in the form of non monetary assets is free of cost, and is recorded at Nominal value.

h) Revenue Recognition

i. Income from Students Fees

The revenue from students fees is recognized on receipt basis. Fees is collected in advance two times in a year, once in July for the months July to December and then in January for January to June.

ii. Interest

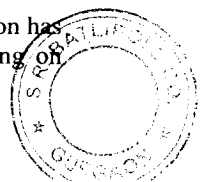
Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

i) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

3. Physical verification of Fixed Assets has been conducted subsequent to year end. There has been shortage of fixed assets amounting to Rs. 1,507,575 (Gross) (written down value Rs. 998,671) and fixed assets lying unused amounting to Rs. 2,415,250 (Gross) (written down value Rs. 1,646,671). The management is in the process of ascertaining the amount of adjustments that may be required to be made to the carrying value of fixed assets. However, pending the ascertainment of amount to be adjusted, no provision has been made for these fixed assets in the books of account.
4. Management is in the process of strengthening its internal control environment in respect of certain processes specifically related to maintenance of stores and gate entry registers, regularisation of agreements with vendors & service providers, maintenance of records related to government grants/ sponsorship projects and compliance with their terms & conditions, and attendance and leave records. There has been improvement in these control environments during the year, however, it needs to be further strengthened to make it commensurate with the size and operations of the institute. The management believes that there is no material financial implication arising out of the weakness in these processes.
5. The management is in the process of updating leave records of the employees. Pending this no provision has been made for leave liability as at the year end. In the opinion of the management, liability arising on account of leave provision would not be material.

Omaj Singh



THE LNM INSTITUTE OF INFORMATION TECHNOLOGY
(Deemed University)
SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS AT MARCH 31, 2009
(Unless otherwise mentioned, all amounts are in Indian Rupees)

6. Capital work in progress include preoperative expenses pending allocation.

Particulars	March 31, 2009	March 31, 2008
a) Project Expenses:		
Opening :		
Salary and Allowances	375,055	212,310
Provident Fund etc.	15,424	15,030
Telephone Expenses	11,961	16,416
Traveling and Conveyance	16,791	49,162
Total (a)	419,231	292,918
b) Additions during the year		
Salary and Allowances	284,097	706,487
Provident Fund etc.	17,557	27,447
Telephone Expenses	26,110	24,090
Traveling and Conveyance	4,664	4,420
Total (b)	332,428	762,444
c) Capitalization during the year		
Salary and Allowances	314,825	543,742
Provident Fund etc.	15,753	27,053
Telephone Expenses	18,184	28,545
Traveling and Conveyance	10,247	36,791
Total (c)	359,009	636,131
d) Closing: (a + b - c)		
Salary and Allowances	344,327	375,055
Provident Fund etc.	17,228	15,424
Telephone Expenses	19,887	11,961
Traveling and Conveyance	11,208	16,791
Total (d)	392,650	419,231

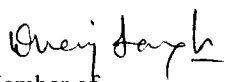
7. Previous year's figures have been regrouped where necessary to conform to current year's classification.

In terms of our report of even date.

For S.R. Batliboi & Co.
Chartered Accountants

per **Rajiv Goyal**
Partner
Membership No. 94549
Place: Gurgaon
Date:

For the LNM Institute of Information Technology


Member of
Governing Council


Member of Governing
Council

