



भारत 2023 INDIA

वसुधैव कुटुम्बकम्
ONE EARTH • ONE FAMILY • ONE FUTURE



Driving India Into the Future

National Automotive Testing and R & D Infrastructure Project



ANNUAL REPORT 2020-21

National Automotive Testing and R & D Infrastructure Project



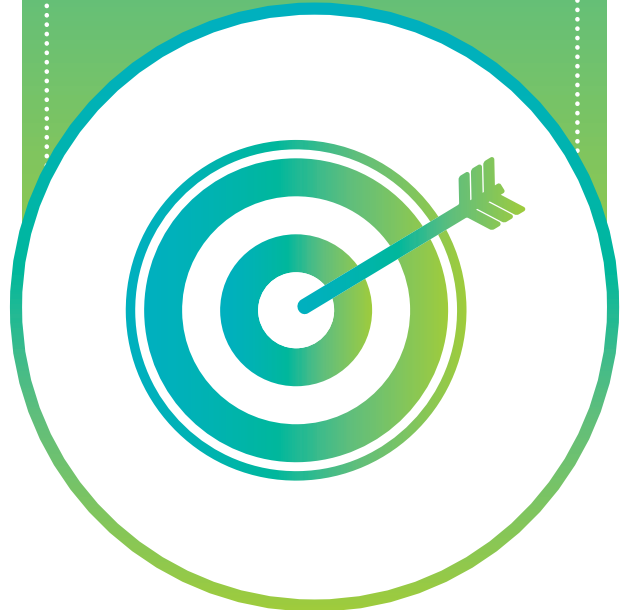
VISION

“Create state-of-the-art research and testing infrastructure to drive India into the future of global automotive excellence”

MISSION

NATRIP aims at setting up of six state-of-the-art automotive testing and R&D centres across the country and thereby:

- (i) Create core global competencies
- (ii) Enhance competitive skills for product development leading to deepening of manufacturing
- (iii) Synergize India's unique capabilities in Information Technology with the automotive sector
- (iv) Facilitate seamless integration of India Automotive Industry with the world to put India strongly on the global automotive map



Annual Report 2020-2021

ANNUAL REPORT 2020-2021



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TECHNOLOGY



RESEARCH & DEVELOPMENT

INNOVATION



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FOREWORD



SHRI KAMRAN RIZVI SECRETARY'S MESSAGE

MINISTRY OF HEAVY
INDUSTRIES
GOVERNMENT OF INDIA
NEW DELHI-110011

The Auto Sector is one of the main drivers of the country's economy. It has strong linkages with other allied sectors such as capital goods, defence & aerospace etc. World over the Auto Sector is moving towards greener technologies and zero emission vehicles. A country's economic health has a very close co-relation with the health of its automobile sector. Indian Automobile Industry is a key driver of economic growth in the country. It is the largest sector within manufacturing, contributing to more than one-third of the manufacturing GDP in the country. This Industry gives employment to over 3.7 Crore people directly and indirectly. 15% of country's total GST collection comes from the Automobile Industry. The industry produced a total 2.29 crore vehicles including passenger vehicles, commercial Vehicles, three wheelers, two wheelers, and quadricycles in April 2021 to March 2022, as against 2.26 Crore units in April 2020 to March 2021.

To strengthen the Auto sector in India, the Govt. of India established homologation and testing centres for vehicles and its systems at International Centre for Automotive Technology (ICAT) - Manesar; Global Automotive Research Centre (GARC) - Chennai; National Automotive Test Tracks (NATRAX) - Indore and upgraded facilities at Automotive Research Association of India (ARAI) - Pune; Vehicle Research and Development Establishment (VRDE) - Ahmednagar under the National Automotive Testing and R&D Infrastructure (NATRIP) Project, at a total cost of Rs. 3,558.60 crore. The project has been completed in March 2021.

NATRIP centres were conceived to eventually become self-sustainable. It is heartening to note that ICAT Manesar has become self-reliant & sustainable. The other centres at GARC-Chennai and NATRAX-Indore have started earning modest revenues and are bearing their operating expenses including manpower costs.

I wish all the success to team NATIS towards move from implementation phase to operational phase and to deliver world class testing facilities to automotive industry in their future endeavours.

CHAPTER-1

ABOUT NATRIP

Introduction

National Automotive Testing and R&D Infrastructure Project (NATRIP) is a fully Government of India funded Project for setting up state-of-the-art automotive testing, homologation and R&D infrastructure facilities in India. The Project aims at putting in place automotive testing infrastructure that will meet safety and emission regulation standards and also extend India's automotive R&D capabilities. The project was sanctioned in 2005 by the Cabinet Committee of Economic Affairs (CCEA) for setting up world class automotive testing and homologation facilities at seven different locations of the country.

In order to implement NATRIP project, an empowered "Implementation Body" was set up as an independent society and registered under the Societies Registration Act, 1860 on 27th of July 2005 as NATRIP Implementation Society (NATIS) headed by Secretary Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, and Government of India.

1.1 Objectives

- Creating critically needed automotive testing infrastructure to enable the Government in ushering in global vehicular safety, emission and performance standards
- Deepening manufacturing in India, promoting larger value addition leading to significantly enhancing the employment potential/opportunities and facilitating convergence of India's strengths in IT and electronics with state-of-the art automotive engineering.
- Enhancing India's abysmally low global outreach in this sector by de- bottlenecking exports, and,
- Removing the crippling absence of basic product testing, validation and development infrastructure for automotive industry.

1.2 NATRIP Centres

The NATRIP project as originally sanctioned by the CCEA envisaged setting up of five new centres and upgrading two existing centres. One of the centres was later merged with the existing centres. At present, the following centres have been set up:

- i. A full-fledged testing and homologation facility named International Centre of Automotive Technology (ICAT) within the northern hub of automotive industry at Manesar in the state of Haryana.
- ii. A full-fledged testing and homologation facility named Global Automotive Research Centre

- (GARC) within the southern hub of automotive industry at Oragadam near Chennai in the state of Tamil Nadu.
- iii. World-class automotive proving grounds with test tracks and laboratories/facilities for development testing named National Automotive Test Tracks (NATRAX) at Pithampur near Indore in the state of Madhya Pradesh.
 - iv. National Specialized Hill Area Driving Training facility at National Institute of Automotive Inspection, Maintenance and Training (NIAIMT) and also In-Use vehicle management centre at Silchar in the state of Assam.
 - v. Up-gradation of existing testing and homologation facilities at Automotive Research Association of India (ARAI), Pune.
 - vi. Up-gradation at Vehicle Research and Development Establishment (VRDE), Ahmednagar in the state of Maharashtra with ABS Track and EMC lab.
 - vii. The National Centre For Vehicle Research & Safety (NCVRS) to house a full fledge homologation and performance test facility for agricultural tractors and off-road vehicles, develop capability for specialized vehicles driver training and setting up of the Accident Data Analysis Centre (ADAC) at Rae-Bareli in the state of Uttar Pradesh. However the CCEA in the year 2016 dropped the facilities required at NCVRS Rae-Bareli, on the grounds that these facilities have already been envisaged at other existing NATRIP centres except Accident Data Analysis Centre (ADAC). Accordingly, Accident Data Analysis Centre (ADAC) envisaged under NCVRS centre was completed and relocated to NATRIP headquarters and in 2019 has been relocated to ICAT, Manesar.

1.3 Funding of NATRIP

The CCEA had approved NATRIP in 2005 with a fund of Rs 1718 Crore to be financed out of Grant Fund. In 2016, the CCEA revised the funding to Rs 3727.30 Crore with a mix of Grant, Loan, user charges and other internal accruals. NATRIP Project has been completed in March, 2021 at a total cost of Rs. 3558.60 Crore. The details are as under:

(Amount in Crore)

S.No	Source of Funding	Total as approved under RCE-II	Total release fund and closure cost
A.	Grant-in-Aid	2,628.17	2628.17
B.	User Charges	50.00	50.00
C.	Loan	780.35	611.65
D.	Internal accruals	268.78	268.78
	Total	3,727.30	3558.60

1.4 Present Status of the Centres

All centres are operational and have started earning revenues.

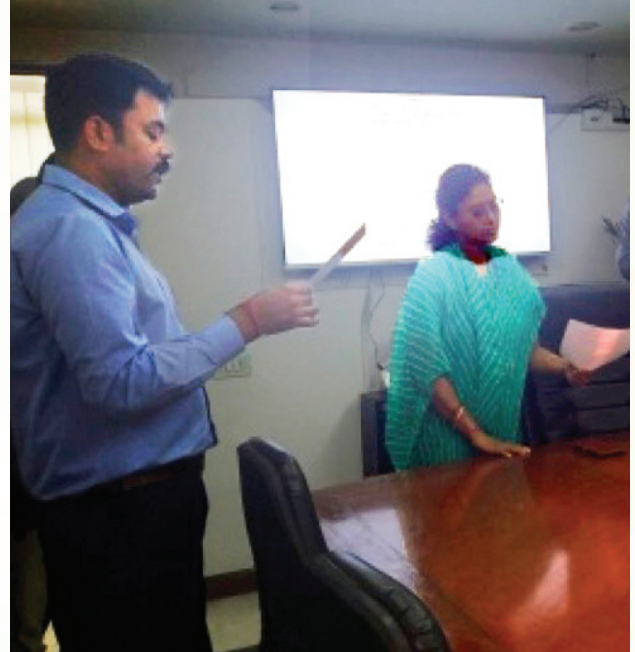
PROJECT CENTRES AT PRESENT



CHAPTER-2

NATRIP Head Quarter- Highlights of Financial Year 2020-2021

1. Responding to the Nation's call by the Prime Minister Narendra Modi, Ministry of Heavy Industries had celebrated Swachhta Pakhwada from 16th to 31st of August, 2020 with emphasis on ban on single use plastic. The Abhiyan was formally initiated in NATRIP HQ & its Centres with the oath of cleanliness by all the employees. During this period in NATRIP HQ & its centres these activities was done; (i) Promoting of Swachhta message thorough display banners, (ii) Cleaning Drive (iii) Tree plantation in centres (iv) Webinar on Water conservation (v) Webinar on Single Use Plastic (SUP). The Daily updates have also been posted at "Swachh Bharat Mission" portal.



Swachh Bharat Mission



Promote the use of Hindi

2. In order to ensure compliance with guidelines issued by the Official Language Department to promote the use of Hindi as official language in official functioning, NATRIP had celebrated the Hindi Pakhwada from 14th to 29th September, 2020. Various competitions were organized to increase the interest in the use of Hindi language for the officers and employees during the campaign. The activities were done included: (i) Essay competition (ii) letter writing (iii) Translation competition etc.

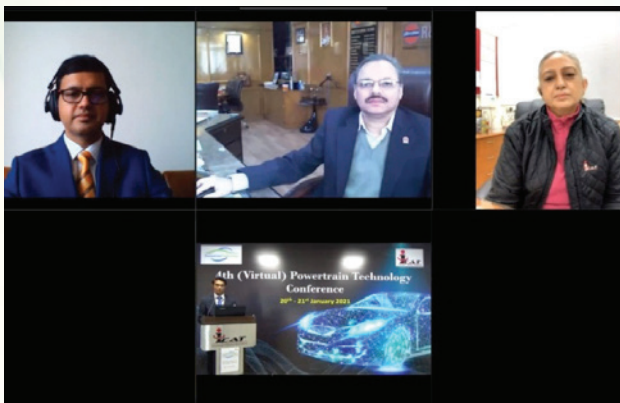
CHAPTER-3

ICAT, (Manesar)- Highlights of the Financial Year 2020-21

The International Centre for Automotive Technology (ICAT), Manesar, located in the northern automotive hub of India, is a leading world class automotive testing, certification and R&D service provider.

Powertrain Lab

1. ICAT organized its 4th (Virtual) Conference on Powertrain Technology on 20th – 21st January, 2021. This conference brought knowledge packed presentations with the latest advances in Powertrain technologies through participation from across the world including OEMs, Suppliers, Research Institutes & Govt. Bodies. This webinar also talked about the newly penetrating market of Electric Vehicles & its technologies.
2. Members from Maruti Suzuki, IOCL, Volvo, ARAI, IIT-Kanpur, Bosch, CNH, Ashok Leyland, JCB, M&M, Cummins, IIT-Delhi, European Commission, JLR, AVL and HORIBA joined as speakers and enlighten the audience with their presentations. The webinar was inaugurated by Director ICAT Shri Dinesh Tyagi, Shri SSV Ramakumar-Director IOCL R & D, Shri Ashwath Ram – MD Cummins India Limited and Mrs. Pamela Tikku-Sr. GM ICAT.



NVH Lab

1. Marine Generator Set Testing Facility

A dedicated facility was setup by ICAT NVH team at ICAT Centre-II for the testing of marine generator sets. Total investment made was approx. INR 10L and 17 generator sets of up to 2.5MW have been tested here. Total revenue generated from this is approx. INR 2.7cr.



This facility was also inspected and approved by the Indian Navy for future requirements.

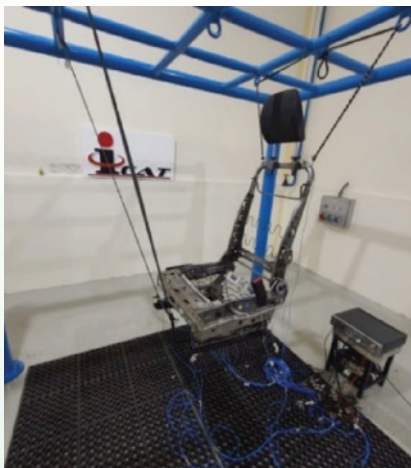
We have already taken up projects for Naval generator sets for this FY also from GRSE (Govt Shipyard Co.) for Naval Ship generator sets.

2. Modal Testing Room

A dedicated modal test facility was setup within NVH lab.

No capital was invested in this facility as all the material used was salvaged from scrapped material procured for previous projects.

The facility is capable of being used for testing components as small as a tappet spring and as large as a 75 hp tractor. Total revenue generated from this is approx. INR 35L.



1. Conducted Disturbances Test Facility

A dedicated facility was setup by ICAT EMC team at ICAT Centre-II for the testing of Charging Stations and Medical devices as per IEC 61000-4-34, IEC 61000-2-2, AIS 138 (Part 1), AIS 138 (Part 2). Total investment made was approx. INR 10.7cr and systems have been tested using it for several Indian manufacturers like Okaya, Trontek, Exicom, Delta Electronics etc.



Test Setup for IEC 61000-4-34 (Voltage Dip, Interruptions and Variations)



Test Setup for IEC 61000-2-2 (low frequency conducted disturbances)

2. Turntable dyno for electric 2W with ABS capability

A dedicated test facility was setup within EMC lab for testing of E-2 Wheelers as per AIS-004-3. Total investment made was INR 1.85cr. The facility is capable of being used for testing two wheelers by manufacturers like Okaya, TVS, Honda 2W, Yamaha, Revolt etc.



Other Key Highlights

1. The 1st edition of International Symposium on Safety Glass Technology (iSSGT'21) virtually organized by International Centre for Automotive Technology (ICAT) was held on 18th March, 2021. The webinar was inaugurated in the presence of Shri Mahim Jain, DDG (Certification) Bureau of Indian Standards (BIS)- Chief Guest, Shri Alok Jaitley, Senior Vice President-Maruti Suzuki India Ltd., Shri Mirza Asif Beg, Executive Director –Asahi India Glass Limited, Shri Kishore Kumar, Head of Quality, Saint Gobain India Pvt. Ltd. and Smt. Pamela Tikku, Sr. General Manager & Chief Business Officer-ICAT. This one day event was attended by eminent speakers and more than 250 delegates from Safety Glass & Automotive Industry, OEMs, Regulatory Bodies, Consultants, Academic Institutions, Testing Agencies and other associated stakeholders and was focused on the requirement of OEMs, Safety Glass Manufacturers and BIS working together towards the smooth implementation of the Quality Control Orders.
2. 3rd edition of International Passive Safety Webinar (iPaSS-2020) was organized virtually by Passive Safety Lab of International Centre for Automotive Technology (ICAT) on 29th, 30th & 31st October' 2020. The webinar was inaugurated in the presence of Shri Priyank Bharti, IAS, Joint Secretary- Ministry of Road Transport & Highways- Chief Guest, Shri SJR Kutty, Head – Vehicle Attributes & Technical Services ERC, Tata Motors Limited, Shri I. V. Rao, Senior Visiting Fellow, TERI and Former Sr. MEO Engg. MSIL , Director MACE, Shri R. Velusamy, Chief of Global Product Development- Automotive Division, Mahindra & Mahindra and Shri Dinesh Tyagi, Director ICAT. The webinar was aimed to spread the awareness about vehicle safety requirement, technologies and challenges amongst various stakeholders in the automotive industry. This 3-day webinar comprised of 11 technical presentations and 2 –panel discussions. More than 250 delegates from OEMs, Regulatory Bodies, Consultants, Academic Institutions, Testing Agencies and other associated stakeholders from automotive industry participated in this webinar which touched upon various elements of Passive as well as Active safety.
3. The 1st edition of International webinar on Crash Analysis for Road Safety (iCARS-2020) organized by International Centre for Automotive Technology (ICAT) between 10th to 12th December, 2020.

CHAPTER-4

National Automotive Test Tracks (NATRAX)–Highlights of the Financial Year 2020-21

1. NATRAX is a notified test agency under Rule no 126 of Central Motor Vehicle Rule (CMVR). NATRAX is one of the state-of-the-art automotive testing, R&D and certification centre. NATRAX has comprehensive test facility and provides one stop solution for development of vehicle dynamics, certification and R&D projects globally for automotive industry through its proving ground facilities. NATRAX is also establishing infrastructure facilities for testing, certification and development of electric vehicles under FAME India Initiative of Govt. of India.
2. NATRAX is the Centre of Excellence for Vehicle Dynamics and has a world-class automotive proving ground set up on 3,000 acres for comprehensive testing and evaluation of all types of vehicles. The proving ground has variety of surface types to test vehicles against varying terrains and stringencies. The heart of the proving ground is the oval 4-lane high speed track of 11.3 km designed for a neutral speed of more than 250 kmph on curves. NATRAX proving grounds which is the largest in Asia and the 5th largest in the world.
3. The complete facilities under NATRAX are as follows: -

A. TEST TRACKS

There are 14 types of Test Tracks covered under the Test Tracks Head and presently all are completed and is being used by auto industry. Brief on these tracks is as given below:

a)	High Speed Track (T-1) :	h)	Comfort Track (T-8) :
b)	Dynamic Platform (T-2) :	i)	Handling Track for 2 and 3 Wheelers (T-9) :
c)	Multi Friction Braking Track (T-3) :	j)	Sustainability Track (T-10) :
d)	Gradient Track (T-4) :	k)	Wet Skid Pad (T-11) :
e)	Fatigue Track (T-5) :	l)	Village Road (T-12) :
f)	Gravel and Off-Road Track (T-6) :	m)	Noise Track (T-13) :
g)	Handling Track (T-7) :	n)	General Road (T-14) :



HST-Western Parabola Main Pavement



HST- Southern Straight Main Pavement

B. LABS

- a. VEHICLE DYNAMICS LAB
- b. POWERTRAIN LAB
- c. VEHICLE INSTRUMENTATION LAB
- d. CAD /CAE LAB
- e. ELECTRIC VEHICLE/BATTERY TEST SYSTEM



K&C Machine



Power Train Lab



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Vehicle Dynamic Instruments

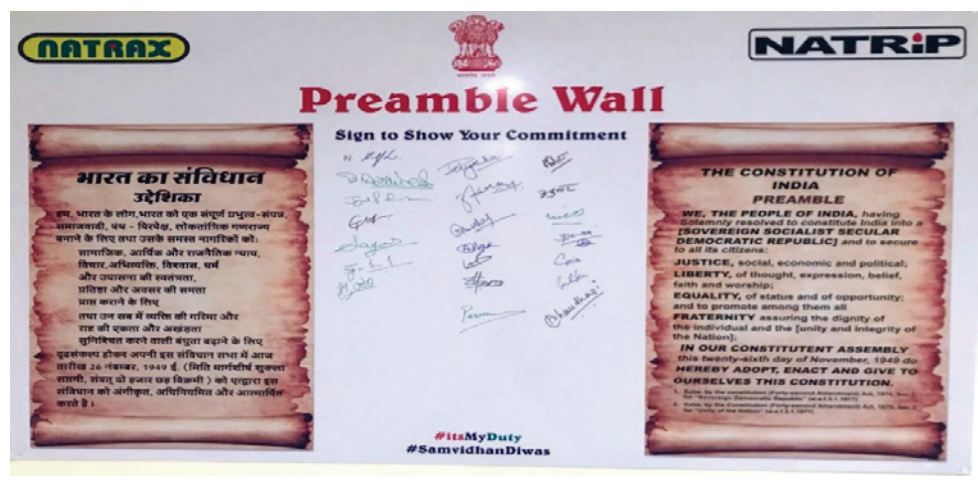
Key Highlights:

4. Like the entire world, NATRAX also faced the Covid-19 Pandemic, yet the following achievements may be added to the feather of NATRAX:
 - a. Swachhta Pakhwada was celebrated during 16-31 Aug 2020 at NATRAX. Series of activities were conducted during the Pakhwada like creating awareness on Swachhta, anti-polythene drive, ban on single use plastic inside NATRAX and plantation at NATRAX. All these activities were done considering the Covid-19 protocols laid by the Government of India from time to time.
 - b. Hindi Pakhwada was celebrated during 14th- 29th Sep 2020, wherein various competitions such as Essay Writing, Extempore, Translation, etc were held to promote Hindi Language at NATRAX.
 - c. VDY Workshop (on virtual platform) in collaboration with SAE India was held on 8th-9th Oct 2020. There were close to 150 participants from all over the Globe. This workshop focused on the fundamentals of Vehicle Dynamics Grand to know how Vehicle engineering along with Hybrid / Electrical Vehicle Design.
 - d. Constitution Day was celebrated by team NATRAX on 26th Nov 2020. In the series on 20th Jan 2021, a quiz competition on “Constitution of India” was held at NATRAX and on 22nd March 2021, essay writing competition on Constitution of India – Challenges and Suggested Reforms was held at NATRAX

ANNUAL REPORT 2020-2021



Briefing on the constitution day by Centre Head



Signature of the employees



Oath taking by all the Employees

- e. Hon'ble MoS MoHI&PE Sh. Arjun Ram Meghwal visited NATRAX facility on 17th Dec 2020. He was briefed about the centre and its facilities and was taken on a tour to all the facilities. He appreciated the facilities set up at NATRAX.



- f. With respect to Madhavpura village located inside NATRAX Site Hon'ble High Court dismissed all the seven petitions filed by Madhavpura villagers vide order dated 02.11.2020. Aggrieved by this order, villagers filed appeals (6 nos) with division bench of high court, Indore. These appeals were also dismissed by the court on 26th March 2021 in favour of NATRAX. Within a week from this order, the Madhavpura village was vacated completely on 4th April 2021 with deployment of 650 staff from police and District Administration.
- g. NATRAX organized a webinar on 26th Feb 2021 on the Impact of Budget 2021-22 on Automotive Industry.
- h. The Crash barrier testing facility, which is one of its kind and only test facility in the Country was established. The Crash Barrier Facility is also one of its kind in Asia, Similar facility is approx 8000 km away i.e. in abroad from this facility. This facility will help in the advancement of the Highway Infrastructure of the country.

CHAPTER-5

GARC Chennai-Highlights of the Financial year

1. Global Automotive Research Centre (GARC) is a full-fledged Testing and Homologation facility within the Southern hub of the Automotive Industry at Oragadam near Chennai in the state of Tamil Nadu.
2. Despite the Covid-19 pandemic, GARC was able to conduct the testing activities involving component-level certification and developmental tests without any interruption during the financial year. The current status of various facilities is given below;
 - a. Powertrain Lab: In the Powertrain facility, the commercial operation of Engine Test Cells for BS-VI tests and Real Drive Emission for BSVI testing of LDV & HDV was added in the lab to meet the requirement of the Homologation Testing.



Engine Test Cell



Vehicle Test Cell

- b. Test Track / Vehicle Evaluation Lab: Developed a new water wade test track of 100 m in length with turn around area on either end so that multiple shifts of wading capability test can be performed in it. This track can be filled up to 500 mm of water for the wading capability test.

High-Speed Test Track, Braking Surfaces Test Track, Steering Pad were reassessed and certified by M/s. TUV Rheinland for quality and performance. Our Existing External Noise Test Track has been successfully reassessed and certified by M/s. TUV Rheinland for compliance to ISO 10844:2014. GARC has purchased VBOX a renowned GPS-based data logger for conducting performance testing and evaluation on vehicles in test tracks.



Water Wadding Test Track



Test Hill Track

- c. EMI/ EMC Lab: Two-Component Chamber and Harmonic Immunity lab were commissioned and the facilities are available for testing.



Vehicle Testing Chamber



ESD Lab

- d. Infotronics / EV: In the year 2019, Govt. of India, has approved Phase-II of the FAME Scheme with an outlay of Rs. 10,000 Crore. Under this scheme, it was decided to develop Electric Vehicle Testing Infrastructure facility in GARC. A total of 13 EV packages were sanctioned under FAME-India Scheme for GARC, wherein 11 packages have been successfully commissioned and available for commercial operations for OEMs. Under FAME, E2W Low-speed vehicle certifications testing are being conducted. GARC has designed and fabricated cell penetration test rig in-house and is successfully installed and commissioned.

An MoU was signed with CECRI & CPRI for joint collaboration to conduct battery & cell level tests.

EV promotional activities for Electric Vehicle Awareness were conducted by GARC at various educational institutions and Universities across South India. An MoU signed with SRM University for offering B-Tech degree and the course content includes EV technology and testing, which is specially customized for students.



Vehicle Test Bench



Battery – Destructive Testing

- e. Passive Safety Lab: The installation works of the core crash equipment including, Rectangular pit, Micro tracks, octagonal pit, propulsion systems, etc were completed. The Angular tracks and Movable block works are in progress. Due to the COVID restrictions, the work has been delayed.



Crash Test



Universal Launcher

- 3. The Government of India approved the Production Link Incentive Scheme (PLI) for Automobile Industry on 15.09.2021 under the initiative of “Atmanirbhar Bharat Abhiyan” of the Government of India. The scheme was launched with a view to encourage localization and reduce import dependence of the industry. Shri Arun Goel, Secretary, Ministry of Heavy Industries interacted with industry leaders from OEMs and Auto Components Manufacturers in Chennai dt. 20.09.2021.



Hon'ble Secretary
HI, with Industry
representative
during PLI event

CHAPTER-6

NIAIMT- Silchar- Highlights of Financial Year 2020-2021

National Institute for Automotive Inspection Maintenance and Training (NIAIMT), Silchar

1. National Institute for Automotive Inspection Maintenance and Training (NIAIMT), Silchar comprises of three business units namely 1. 'Driving Training Institute (DTI), 2. Mechanics Training Institute (MTI) and 3. Vehicle Inspection and Maintenance Station (IMS). The centre has two campuses, one housing 3 business units and the other having dedicated hill driving training facility.
2. DTI is conducting regular driving training courses under self-sponsored category for LMV fresher training and Cab Driving Training program (Non-Transport to Transport). Total 68 candidates have been trained in FY 20-21. The training is being conducted with an aim to train drivers by using scientific methods of training which leads to improved road safety and employment opportunities.



Fig: 1 Assessor with candidates

3. DTI NIAIMT has also been selected to execute training under PMKVY 2.0 for the North East Government Institutions under Short Term Training (STT) Program for Taxi Driver. Total 27 candidates have been trained in FY 20-21.
4. MTI NIAIMT has also been selected for target allocation under PMKVY 2.0 for the North East Government Institutions Short Term Training (STT) Program in Automotive Service Technician L-4 & Welding Technician category. Total 60 candidates have been trained in FY 20-21.
5. NIAIMT IMS unit to be made mandatory Authorized Testing Agency for vehicle fitness certification of three district of Barak Valley in Assam. A proposal for joint fitness certification along with revenue sharing with State Govt. is in consideration at Assam Secretariat.



Fig: 2 Practical assessment

6. Training program slated for 200 nos. of enrolled candidates for Recognition of Prior Learning (RPL) Program under PMKVY 2.0 was shelved off due to the COVID-19 pandemic along with other regular training programmes.



*Fig: 3 Assessment online-test
Photographs of assessment of Short Term Training (STT) Program in ASTL-4*

NATRiP

Driving India Into the Future

**National Automotive Testing and
R & D Infrastructure Project**

**FINANCIAL
INFORMATION
2020-2021**



Independent Auditor's Report 2020-21

The General Body
NATRIP IMPLEMENTATION SOCIETY (NATIS)
New Delhi

Reports on Financial Statements

1. We have audited the attached financial statements of NATRIP IMPLEMENTATION SOCIETY (hereinafter referred to as Society) including its centres, International Centre for Automotive Technology (ICAT)-Manesar, Global Automotive Research Centre (GARC)-Chennai, National Automotive Test Tracks (NATRAX)-Indore and National Institute for Automotive Inspection Maintenance and Training (NIAIMT)-Silchar, which comprises the Balance Sheet as at 31st March, 2021 and also Income and Expenditure Account and Receipt and Payment Account year ending 31st March 2021 and a summary of significant accounting policies and other explanatory information annexed thereto.

Management Responsibility for the Financial Statements

2. The management of the Society is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Society in accordance with the Generally Accepted Accounting Principles including Accounting Standards issued by the Institute of Chartered Accountants of India. Their responsibility includes maintenance of adequate accounting records for safeguarding the assets of the Society and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent, design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to error or fraud.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Society's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Society has in place adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Society's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

Incorporated in the financial statements are accounts of Regional Centre International Centre for Automotive Technology-Manesar, Global Automotive Research Centre-Chennai, National Automotive

Test Tracks-Indore and National Society for Automotive Inspection Maintenance and Training- Silchar, as audited by us.

Opinion

5. In our opinion and to the best of our information and explanation given to us, the aforesaid financial statements give the information required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. In the case of the Balance Sheet, of the state of affairs of the Society as at 31st March 2021
- ii. In the case of the Income & Expenditure account, of the Deficit (Excess of expenditure over income) for the year ended on that date and;
- iii. In case of the Receipt and Payment Account, of the receipts and payments of the society for the year ended on 31st March 2021.

Emphasis of Matter

6. We draw attention to the following matters:

- i. The cost of completed assets which has been put in use, has been ascertained by debiting only direct cost and all other associated cost incurred directly to bring the assets in location and in condition necessary for it to be capable of operating. The proportionate indirect cost (Preoperative Expenses) has not been debited to the cost of such assets. The depreciation has also been charged on such assets on the cost ascertained without including the proportionate indirect cost. The Society has accumulated all indirect costs (Preoperative Expenses) and allocated them centre wise and decided to debit them proportionately to the project assets finally on the completion of all NATRIP projects.
- ii. NATIS has created project assets at ARAI centre Pune, an independent autonomous society Rs. 296.19 crores and VRDE centre Ahmednagar a division of DRDO Rs. 46.02 crores. These assets have been being used and maintained by them independently and charging depreciation on these assets These assets have not been transferred to them till the date of this Balance Sheet.

7. Further we report that, subject to Notes to Accounts:

- i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. In our opinion, proper books of accounts as required by law have been kept by the Society so far as appears from our examination of those books;
- iii. The Balance Sheet and Statement of Income & Expenditure Account and Receipt & Payment Account dealt with by this Report are in agreement with books of account;
- iv. In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards issued by The Institute of Chartered Accountants of India except where disclosed otherwise.

For **V S Tandon & Co.**
Chartered Accountants
FRS:004693N

V S Tandon
M.No.083861

Date; 28-12-2021
Place: New Delhi
UDIN: 21083861AAAAA18261

NATRiP Implementation Society (Including All Division of NATIS)

Balance Sheet

As on 31st March, 2021

(Amount in Rs.)

PARTICULARS	SCHEDULE NO.	AS ON 31.03.2021	AS ON 31.03.2020
LIABILITIES			
PROJECT FUND	1	3037,95,28,713	3016,75,28,713
RESERVE & SURPLUS	2	(3,59,14,84,316)	(2,27,78,17,185)
CUMULATIVE DEPRECIATION ON PROJECT ASSETS	9	869,80,10,843	677,83,61,693
SECURED LOANS AND BORROWINGS	3	594,65,00,000	480,35,00,000
CURRENT LIABILITIES AND PROVISIONS	4	287,66,02,077	322,71,28,623
TOTAL		4430,91,57,317	4269,87,01,844
ASSETS			
FIXED ASSETS			
A) ADMINISTRATIVE ASSETS	5	153,25,49,367	160,22,45,889
B) PROJECT ASSETS	8A	3117,53,30,339	2964,63,73,745
C) CAPITAL WORK IN PROGRESS	8B	156,35,89,970	184,76,46,345
D) PRE-OPERATING EXPENSES	8C	311,17,24,730	327,19,05,349
CURRENT ASSETS, DEPOSITS AND ADVANCES			
SECURITY DEPOSITS		4,10,23,938	3,91,10,458
ADVANCES & RECEIVABLES	6	180,17,09,720	188,37,85,207
DEPOSITS, CASH & BANK BALANCES	7	506,59,81,111	439,20,89,611
STOCK IN HAND		1,72,48,142	1,55,45,231
TOTAL		4430,91,57,317	4269,87,01,844
SIGNIFICANT ACCOUNTING POLICIES	13		
NOTES TO THE ACCOUNTS & CONTINGENT LIABILITIES	14		

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR **V. S. TANDON & Co.**

Chartered Accountants

FIRM REGN NO : 004693N

V. S. Tandon
Partner
M No. 083861

ASST. MANAGER
(FINANCE)

DIRECTOR
(FINANCE & ADMIN)

CEO & PD

Place: New Delhi

Dated: 28-12-2021

NATRIIP Implementation Society (Including All Division of NATIS)
Income & Expenditure Account

For The Year Ended 31st March,2021

(Amount in Rs.)

PARTICULARS	SCHEDULE NO.	FOR THE YEAR ENDED 31.03.2021	FOR THE YEAR ENDED 31.03.2020
INCOME			
INCOME FROM CENTRE		248,81,87,805	325,21,89,521
LESS :GST PAID		36,87,47,709	47,69,02,666
		211,94,40,096	277,52,86,855
INTEREST INCOME		14,18,83,045	11,59,27,765
MISCELLANEOUS INCOME		1,23,24,456	44,11,031
PRIOR PERIOD INCOME - SILCHAR		11,64,728	-
RECEIPTS FROM R&D GRANT		91,26,576	1,95,15,678
TOTAL (A)		228,39,38,901	291,51,41,329
EXPENDITURE			
SALARIES & OTHER ALLOWANCES	10	66,46,47,276	63,12,14,831
OPERATION & ESTABLISHMENT EXPENSES	11	28,84,54,582	40,22,44,539
TESTING EXPENSES & CONSUMABLES	12	29,16,15,845	30,81,60,588
DEPRECIATION ON FIXED ASSETS	9	216,11,42,841	234,55,68,913
DEFICIENCY ON DISPOSAL ON ASSETS		1,221	8,23,550
PRIOR PERIOD EXPENSES		23,11,729	9,85,999
EXPENDITURE FROM R&D GRANT		1,29,53,656	2,57,72,390
TOTAL (B)		342,11,27,151	371,47,70,811
BALANCE BEING EXCESS OF INCOME OVER EXPENDITURE (A-B)		(1,13,71,88,250)	(79,96,29,481)
TRANSFER TO OWN SHARE IN EV FUND		18,00,00,000	-
TRANSFER TO R&D PROJECTS		(38,27,080)	(62,56,712)
TRANSFER TO R&D RESERVE FUND		3,34,21,785	5,67,73,615
TRANSFER TO UNCLAIMED RESERVE FUND		85,38,427	-
BALANCE CARRIED TO RESERVE & SURPLUS/GENERAL RESERVE		(1,35,53,21,382)	(85,01,46,384)
SIGNIFICANT ACCOUNTING POLICIES	13		
NOTES TO THE ACCOUNTS & CONTINGENT LIABILITIES	14		

AS PER OUR REPORT OF EVEN DATE ATTACHED

 FOR **V. S. TANDON & Co.**

Chartered Accountants

FIRM REGN NO : 004693N

V. S. Tandon
 Partner
 M No. 083861

ASST. MANAGER
 (FINANCE)

DIRECTOR
 (FINANCE & ADMIN)

CEO & PD

Place: New Delhi

Dated: 28-12-2021

NATRIP Implementation Society (Including All Division of NATIS)
Balance Sheet

As on 31st March, 2021

PARTICULARS	SCHEDULE NO.	NATRIP	ICAT	GARC	NATRAX	NIAIMT	(Amount in Rs.)	
							AS ON 31.03.2021	AS ON 31.03.2020
LIABILITIES								
PROJECT FUND	1	3037,95,28,713	-	-	-	-	3037,95,28,713	3016,75,28,713
RESERVE & SURPLUS	2	(8,69,80,10,843)	452,49,26,729	28,86,90,246	32,61,56,635	(33,247,083)	(3,591,484,316)	(22,778,17,185)
CUMULATIVE DEPRECIATION ON PROJECT ASSETS	9	869,80,10,843	-	-	-	-	869,80,10,843	677,83,61,693
SECURED LOANS AND BORROWINGS	3	594,65,00,000	-	-	-	-	594,65,00,000	480,35,00,000
CURRENT LIABILITIES AND PROVISIONS	4	228,56,84,367	47,46,41,306	3,95,54,837	3,51,89,047	4,15,32,520	287,66,02,077	322,71,28,623
TOTAL		3861,17,13,080	499,95,68,035	32,82,45,083	36,13,45,682	82,85,437	4430,91,57,317	4269,87,01,844
ASSETS								
FIXED ASSETS								
A) ADMINISTRATIVE ASSETS	5	1,18,38,194	148,24,21,863	2,35,86,980	1,38,88,100	8,14,230	153,25,49,367	160,22,45,889
B) PROJECT ASSETS	8A	3117,53,30,339	-	-	-	-	3117,53,30,339	2964,63,73,745
C) CAPITAL (WORK IN PROGRESS)	8B	146,99,01,572	9,28,75,970	-	8,12,428	-	156,35,89,970	184,76,46,355
D) PRE-OPERATING EXPENSES	8C	311,17,24,730	-	-	-	-	311,17,24,730	327,19,05,349
CURRENT ASSETS, DEPOSITS AND ADVANCES								
SECURITY DEPOSITS		2,90,23,277	1,00,93,939	19,06,722	-	-	4,10,23,938	3,91,10,458
ADVANCES & RECEIVABLES	6	61,20,05,710	108,46,32,995	2,04,70,197	8,19,93,513	26,07,305	180,17,09,720	188,37,85,207
DEPOSITS, CASH & BANK BALANCES	7	220,18,89,258	231,31,11,150	28,14,65,160	26,46,51,641	48,63,902	506,59,81,111	439,20,89,611
STOCK IN HAND		-	1,64,32,118	8,16,024	-	-	1,72,48,142	1,55,45,231
TOTAL		3861,17,13,080	499,95,68,035	32,82,45,083	36,13,45,682	82,85,437	4430,91,57,317	4269,87,01,844
SIGNIFICANT ACCOUNTING POLICIES	13							
NOTES TO THE ACCOUNTS & CONTINGENT LIABILITIES	14							

 ASST. MANAGER
 (FINANCE)

 DIRECTOR
 (FINANCE & ADMIN)

CEO & PD

Place: New Delhi

Dated: 28-12-2021

NATRIP Implementation Society (Including All Division of NATIS)
Income & Expenditure Account

For The Year Ended 31st March, 2021

(Amount in Rs.)

PARTICULARS	SCHEDULE NO.	NATRIP	ICAT	GARC	NATRAX	NIAIMT	FOR THE YEAR ENDED 31.03.2021	FOR THE YEAR ENDED 31.03.2020
INCOME								
INCOME FROM CENTRE		-	206,56,11,521	29,84,61,843	12,28,24,479	12,89,962	248,81,87,805	325,21,89,521
LESS -GST PAID		-	30,66,27,275	4,34,42,306	1,85,70,646	1,07,482	36,87,47,709	47,69,02,666
INTEREST INCOME		-	175,89,84,246	25,50,19,537	10,42,53,833	11,82,480	211,94,40,096	277,52,86,855
MISCELLANEOUS INCOME		-	11,66,71,246	1,16,76,319	1,34,81,192	54,288	14,18,83,045	11,59,27,765
PRIOR PERIOD INCOME - SILCHAR		-	1,14,57,704	6,99,752	1,65,000	2,000	1,23,24,456	44,11,031
RECEIPTS FROM R&D GRANT		-	-	-	-	11,64,728	11,64,728	-
		-	91,26,576	-	-	-	91,26,576	1,95,15,678
TOTAL (A)		-	189,62,39,772	26,73,95,608	11,79,00,025	24,03,496	228,39,38,901	291,51,41,329
EXPENDITURE								
SALARIES & OTHER ALLOWANCES	10	-	54,89,16,871	6,27,17,207	3,73,88,636	1,56,24,562	66,46,47,276	63,12,14,831
OPERATION & ESTABLISHMENT EXPENSES	11	-	21,31,98,397	2,81,55,318	4,22,65,145	48,35,722	28,84,54,582	40,22,44,539
TESTING EXPENSES & CONSUMABLES	12	-	20,99,57,688	7,41,51,524	75,06,633	-	29,16,15,845	30,81,60,588
DEPRECIATION ON FIXED ASSETS	9	191,96,49,150	23,57,53,167	36,33,481	19,95,025	1,12,018	216,11,42,841	234,55,68,913
DEFICIENCY ON DISPOSAL ON ASSETS		-	1,221	-	-	-	1,221	8,23,550
PRIOR PERIOD EXPENSES		-	23,11,729	-	-	-	23,11,729	9,85,999
EXPENDITURE FROM R&D GRANT		-	1,29,53,656	-	-	-	1,29,53,656	2,57,72,390
TOTAL (B)		191,96,49,150	122,30,92,729	16,86,57,530	8,91,55,439	2,05,72,302	342,11,27,151	371,47,70,811
BALANCE BEING EXCESS OF INCOME OVER EXPENDITURE (A-B)		(1,91,96,49,150)	67,31,47,043	9,87,38,078	2,87,44,586	(1,81,68,807)	(1,13,71,88,250)	(79,96,29,481)
TRANSFER TO OWN SHARE IN EV FUND		-	12,00,00,000	5,00,00,000	1,00,00,000	-	18,00,00,000	-
TRANSFER TO R&D PROJECTS		-	(38,27,080)	-	-	-	(38,27,080)	(62,56,712)
TRANSFER TO R&D RESERVE FUND		-	3,34,21,785	-	-	-	3,34,21,785	5,67,73,615
TRANSFER TO UNCLAIMED RESERVE FUND		-	85,38,427	-	-	-	85,38,427	-
BALANCE CARRIED TO RESERVE & SURPLUS/GENERAL RESERVE		(1,91,96,49,150)	51,50,13,911	4,87,38,078	1,87,44,586	(1,81,68,807)	(1,35,53,21,382)	(85,01,46,384)
SIGNIFICANT ACCOUNTING POLICIES	13							
NOTES TO THE ACCOUNTS & CONTINGENT LIABILITIES	14							

 ASST. MANAGER
 (FINANCE)

 DIRECTOR
 (FINANCE & ADMIN)

CEO & PD

 Place: New Delhi
 Dated: 28-12-2021

NATRIP Implementation Society (Including All Division of NATIS)
Schedule Forming Part

of the Balance Sheet As On 31st March, 2021

(Amount in Rs.)

PARTICULARS	NATRIP	ICAT	GARC	NATRAX	NIAIMT	FOR THE YEAR ENDED 31.03.2021	FOR THE YEAR ENDED 31.03.2020
SCHEDULE NO. 1							
A) PROJECT FUND							
GRANT FROM GOVT. OF INDIA -OPENING BALANCE	2893,75,28,713	-	-	-	-	2893,75,28,713	2742,87,28,713
ADD: ADDITION DURING THE YEAR (LIQUIDITY DAMAGE)	3,20,00,000	-	-	-	-	3,20,00,000	150,88,00,000
TOTAL GRANT FROM GOVT. OF INDIA	2896,95,28,713	-	-	-	-	2896,95,28,713	2893,75,28,713
USER CHARGES -OPENING BALANCE	50,00,00,000	-	-	-	-	50,00,00,000	50,00,00,000
ADD: ADDITION DURING THE YEAR	-	-	-	-	-	-	-
TOTAL USER GRANT	50,00,00,000	-	-	-	-	50,00,00,000	50,00,00,000
TOTAL NATRIP PROJECT GRANT	2946,95,28,713	-	-	-	-	2946,95,28,713	2943,75,28,713
B) FUND FOR TEST FACILITY INFRASTRUCTURE FOR ELECTRIC VEHICLE (EV)							
GRANT FROM GOVT. OF INDIA -OPENING BALANCE	73,00,00,000	-	-	-	-	73,00,00,000	13,59,66,285
ADD: SHARE OF OWN FUND	18,00,00,000	-	-	-	-	18,00,00,000	59,40,33,715
TOTAL ELECTRIC VECHILE (EV) GRANT	91,00,00,000	-	-	-	-	91,00,00,000	73,00,00,000
TOTAL	3037,95,28,713	-	-	-	-	3037,95,28,713	3016,75,28,713

**NATRIP Implementation Society (Including All Division of NATIS)
 Schedule Forming Part**

of the Balance Sheet As On 31st March, 2021

(Amount in Rs.)

PARTICULARS	NATRIP	ICAT	GARC	NATRAX	NIAIMT	FOR THE YEAR ENDED 31.03.2021	FOR THE YEAR ENDED 31.03.2020
SCHEDULE NO. 2							
RESERVE & SURPLUS							
GENERAL RESERVE							
OPENING BALANCE	(6,77,83,61,693)	377,60,06,851	23,99,52,167	30,74,12,049	(1,50,78,276)	(2,47,00,68,903)	(1,61,99,22,519)
ADD: NET SURPLUS FOR THE YEAR	(1,91,96,49,150)	51,50,13,911	4,87,38,078	1,87,44,586	(1,81,68,807)	(1,35,53,21,382)	(85,01,46,384)
CAPITAL RESERVE	(8,69,80,10,843)	429,10,20,762	28,86,90,246	32,61,56,635	(3,32,47,083)	(3,82,53,90,285)	(2,47,00,68,903)
OPENING BALANCE		12				12	12
LESS: UTILIZED/(MADE) DURING THE YEAR		-				-	-
		12				12	12
R&D RESERVE FUND							
OPENING BALANCE		18,70,58,332				18,70,58,332	13,02,84,717
ADD: CREATED DURING THE YEAR		3,34,21,785				3,34,21,785	5,67,73,615
		22,04,80,117				22,04,80,117	18,70,58,332
UNCLAIMED RESERVE FUND							
OPENING BALANCE		51,93,374				51,93,374	53,79,858
ADD: CREATED DURING THE YEAR		85,38,427				85,38,427	-
LESS: UTILIZED/ADJ DURING THE YEAR		3,05,963				3,05,963	1,86,484
		1,34,25,838				1,34,25,838	51,93,374
TOTAL	(8,69,80,10,843)	4,52,49,26,729	28,86,90,246	32,61,56,635	(3,32,47,083)	(3,59,14,84,316)	(2,27,78,17,165)

NATRIP Implementation Society (Including All Division of NATIS)
Schedule Forming Part

of the Balance Sheet As On 31st March, 2021

PARTICULARS	NATRIP	ICAT	GARC	NATRAX	NIAIMT	(Amount in Rs.)	
						FOR THE YEAR ENDED 31.03.2021	FOR THE YEAR ENDED 31.03.2020
SCHEDULE NO. 3							
SECURED LOANS AND BORROWINGS							
LOAN FUND FROM GOVT. OF INDIA	480,35,00,000					4,80,35,00,000	3,72,00,00,000
ADDITION DURING THE YEAR	114,30,00,000					1,143,000,000	1,083,500,000
TOTAL	594,65,00,000	-	-	-	-	594,65,00,000	480,35,00,000
SCHEDULE NO. 4							
4 (A) CURRENT LIABILITIES & PROVISIONS							
INTEREST ON UNUTILIZED GRANT- OPENING BALANCE	66,17,85,934					66,17,85,934	45,17,22,961
LESS: DEPOSIT THE INTEREST IN CONSOLIDATED FUND OF INDIA	30,17,01,502					30,17,01,502	2,31,91,033
ADD: ADDITION DURING THE YEAR	11,16,49,715					11,16,49,715	23,32,54,006
NET INTEREST ON UNUTILIZED GRANT- CLOSING BALANCE	47,17,34,147					47,17,34,147	66,17,85,934
RETENTION MONEY	65,78,55,797			6,64,511		65,85,20,308	82,79,51,067
CREDITORS	3,96,36,037	12,13,01,966	1,03,14,470	71,29,228	3,12,143	17,86,93,843	31,51,22,724
ADVANCES RECEIVED FROM CUSTOMERS	-	19,02,46,707	8,82,873	25,98,360	-	19,37,27,940	13,43,07,052
EXPENSES PAYABLE	29,00,42,551	13,02,71,919	2,15,49,025	1,96,59,274	49,70,527	46,64,93,296	41,36,61,052
DUTIES & TAXES	42,15,046	1,11,04,684	57,36,667	51,13,354	9,523	2,61,79,274	3,69,58,027
OTHER LIABILITIES INCLUDING SECURITY AND EARNEST MONEY DEPOSIT	82,21,97,773	2,85,80,087	10,71,802	24,320	53,500	85,19,27,482	79,50,26,847
INTER BRANCH BALANCES	-	(3,61,86,827)	-	-	3,61,86,827	-	-
TOTAL CURRENT LIABILITIES & PROVISIONS	228,56,81,351	44,53,18,536	3,95,54,837	3,51,89,047	4,15,32,520	284,72,76,290	318,48,12,703

**NATRIP Implementation Society (Including All Division of NATIS)
 Schedule Forming Part**

of the Balance Sheet As On 31st March, 2021

(Amount in Rs.)

PARTICULARS	NATRIP	ICAT	GARC	NATRAX	NIAIMT	FOR THE YEAR ENDED 31.03.2021	FOR THE YEAR ENDED 31.03.2020
4 (B) OTHER PROJECT GRANT							
NMEM, NAB & OTHER NEW INITIATIVES	3,016	-	-	-	-	3,016	3,016
IN DEPTH DATA COLLECTION OF ROAD TRAFFIC ACCIDENT (DCAAI)	-	-	-	-	-	-	27,00,000
R&D PROJECTS-AMOUNT RECD (with Interest)	-	3,31,49,850	-	-	-	3,31,49,850	25,98,47,537
LESS: TOTAL AMOUNT INCURRED	-	38,27,080	-	-	-	38,27,080	22,66,97,686
		2,93,22,770				2,93,22,770	3,31,49,851
I & C PROJECTS- TOTAL AMT RECD	-	15,80,47,615	-	-	-	15,80,47,615	15,79,82,399
LESS: TOTAL AMOUNT INCURRED	-	15,80,47,615	-	-	-	15,80,47,615	15,44,40,196
NATRIP IMPLEMENTATION SOCIETY	-	-	-	-	-	-	35,42,203
TOTAL OTHER PROJECT GRANT	3,016	2,93,22,770	-	-	-	2,93,25,787	4,23,15,920
TOTAL	228,56,84,367	47,46,41,306	3,95,54,837	3,51,89,047	4,15,32,520	287,66,02,077	322,71,28,623

NATRIP Implementation Society (Including All Division of NATIS)
Schedule of Fixed Assets (Administrative) Forming Part

of the Balance Sheet As On 31st March, 2021

Schedule - 5

(Amount in Rs.)

NATRIP INCLUDING ALL DIVISION EXCEPT ICAT	GROSS BLOCK						DEPRECIATION			NET BLOCK		
	AS ON 01.04.20	ADDITION DURING THE YEAR before 01.10.2020	ADDITION DURING THE YEAR after 01.10.2020	ADJUSTMENT DURING THE YEAR	AS ON 31.03.21	AS ON 01.04.20	Rate of Depreciation	*PROVIDED IN THIS YEAR	DEDUCTIONS	TOTAL UPTO 31.03.21	AS ON 31.03.21	AS ON 31.03.20
1	2	3	4	5	6	7	8	9	10	11	12	13
BUILDING	25,13,809	29,84,985	21,95,740	-	76,94,534	2,51,381	10%	6,63,811	-	9,15,192	67,79,342	22,62,428
FURNITURE & FIXTURES	2,85,47,134	1,38,268	1,07,589	-	2,87,92,991	1,34,80,666	10%	15,25,857	-	1,50,06,523	1,37,86,469	1,50,66,469
OFFICE EQUIPMENTS	2,47,19,855	46,05,162	57,68,645	-	3,50,93,662	1,06,82,930	15%	32,28,957	-	1,39,11,887	2,11,81,786	1,40,36,936
COMPUTERS & PERIPHERALS	2,98,37,432	1,16,714	19,58,390	-	3,19,12,536	2,76,22,562	40%	13,24,314	-	2,89,46,876	29,65,660	22,14,870
AIR CONDITIONER	28,25,790	27,005	-	-	28,52,795	21,00,715	15%	1,12,813	-	22,13,528	6,39,267	7,25,075
VEHICLES	1,11,83,274	-	12,37,585	-	1,24,20,859	69,12,429	15%	7,33,445	-	76,45,874	47,74,986	42,70,846
TOTAL CY 2020-21 (A)	9,96,27,295	78,72,134	1,12,67,949	-	11,87,67,378	6,10,50,683	-	75,89,197	-	6,86,39,880	5,01,27,504	3,85,76,624
TOTAL PY 2019-20	8,51,41,755	68,53,861	76,34,975	3,296	9,96,27,295	5,49,52,219	-	60,98,464	-	6,10,50,683	3,85,76,624	3,01,89,537

* Note: The depreciation for the year amount Rs.75,89,197/- includes the amount Rs. 18,48,673/- as a depreciation on NATRIP project (administrative) assets, which is charge under pre-operative expenses.

NATRIP Implementation Society (Including All Division of NATIS)
Schedule of Fixed Assets (Administrative) Forming Part

of the Balance Sheet As On 31st March, 2021

Schedule - 5

(Amount in Rs.)

ICAT	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	AS AT 01.04.2020	ADDITION DURING THE YEAR BEFORE 01.10.2020	ADDITION DURING THE YEAR AFTER 01.10.2020	SOLD/ TRANSFER DURING THE YEAR	AS ON 31.03.2021	AS AT 01.04.2020	RATE OF DEPRECIATION	PROVIDED FOR THE YEAR	ADJUSTMENTS	TOTAL UP TO 31.03.2021	AS ON 31.03.2021	AS ON 31.03.2020
1	2	3	4	5	6	7	8	9	10	11		
Building	34,11,32,668	31,23,796	74,90,663	-	35,17,47,126	3,70,56,554	10%	3,10,94,524	-	6,81,51,078	28,35,96,048	30,40,76,114
Plant & Machinery	156,90,30,292	5,20,83,240	6,93,45,975	(1,54,223)	169,03,05,284	50,64,54,517	15%	17,23,77,834	(7,785)	67,88,24,566	101,14,80,718	106,25,75,775
Office Equipments	5,73,21,384	23,81,771	21,55,928	(11,60,609)	6,06,98,474	2,08,39,688	15%	59,52,803	(9,04,532)	2,58,87,959	3,48,10,515	3,64,81,696
Furniture & Fixture	5,68,92,990	6,58,866	30,72,470	(14,00,115)	5,92,24,211	1,75,85,857	10%	40,95,709	(8,54,964)	2,08,26,602	3,83,97,609	3,93,07,133
Electric Installation	8,89,78,434	11,91,724	58,56,018	-	9,60,26,176	2,98,49,794	15%	94,87,256	-	3,93,37,050	5,66,89,126	5,91,28,640
Vehicles	2,84,13,165	-	46,30,184	-	3,30,43,348	1,44,56,763	15%	24,40,723	-	1,68,97,486	1,61,45,862	1,39,56,402
Computers	7,47,31,570	9,75,426	11,22,962	(39,000)	7,67,90,959	6,60,02,170	40%	41,03,154	(30,576)	7,00,74,748	67,16,211	87,29,400
Air Conditioners	4,53,84,776	9,66,383	3,87,948	-	4,67,39,107	60,84,207	15%	60,69,139	-	1,21,53,346	3,45,85,761	3,93,00,569
Loose Tools	5,83,307	18,500	-	-	6,01,807	4,69,783	100%	1,32,025	-	6,01,807	-	1,13,524
Assets under Capital Reserve (ARA)- 12 Nos. @ Rs. 1 each*	12	-	-	-	12	-	-	-	-	-	12	12
TOTAL CY 2020-21 (B)	226,24,68,599	6,13,99,706	9,40,62,148	(27,53,947)	241,51,76,505	69,87,99,332		23,57,53,167	(17,97,857)	93,27,54,642	148,24,21,863	156,36,69,265
TOTAL PY 2019-20	141,82,23,980	40,13,07,774	46,56,09,525	(2,26,72,662)	226,24,68,597	49,40,50,430		22,45,74,097	(1,98,25,196)	69,87,99,332	156,36,69,265	92,41,73,550
GRAND TOTAL (A+B)	236,20,95,894	6,92,71,840	10,53,30,097	(27,53,947)	253,39,43,883	75,98,50,015		24,33,42,364	(17,97,857)	100,13,94,522	153,25,49,367	160,22,45,889

* Note: The above assets have been acquired at the time of takeover of ARAI-RCN by NATIS free of cost and shown at nominal value of Rs. 1 each.

NATRIP Implementation Society (Including All Division of NATIS)

Schedule Forming Part

of the Balance Sheet As On 31st March, 2021

PARTICULARS	NATRIP	ICAT	GARC	NATRAX	NIAIMT	For the year ended 31.03.2021	For the year ended 31.03.2020
SCHEDULE NO. 6							
ADVANCES & RECEIVABLES							
SUNDRY ADVANCES & RECEIVABLES	11,51,06,896	5,17,71,825	37,847	12,78,518	1,40,464	16,83,35,550	28,71,77,318
SUNDRY DEBTORS	-	47,82,07,165	6,26,48,783	6,79,56,101	4,35,602	60,92,47,652	65,48,64,879
TAX DEDUCTED AT SOURCE RECEIVABLES	6,33,45,302	69,94,17,856	5,40,96,832	3,52,52,276	2,36,383	85,23,48,649	71,15,03,218
ADVANCE TO UPSIDC, FAIZABAD FOR NOVRS	7,32,94,265	-	-	-	-	7,32,94,265	7,32,94,265
INPUT GST RECEIVABLES	-	27,77,040	3,53,46,484	-	6,60,422	3,87,83,946	6,19,48,902
PREPAID EXPENSES	7,89,409	66,52,031	70,78,077	18,92,532	3,18,416	1,67,30,464	2,51,81,962
MOBILIZATION ADVANCE	4,29,69,195	-	-	-	-	4,29,69,195	6,98,14,662
INTER BRANCH BALANCES	31,65,00,643	(15,41,92,922)	(13,87,37,826)	(2,43,85,914)	8,16,018	-	-
TOTAL	61,20,05,710	108,46,32,995	2,04,70,197	8,19,93,513	26,07,305	180,17,09,720	188,37,85,207
SCHEDULE NO.7							
DEPOSITS, CASH & BANK BALANCES							
BALANCE WITH SCHEDULE BANK							
A) CURRENT ACCOUNT	4,57,74,465	2,40,92,466	2,62,141	-	29,93,415	7,31,22,487	5,50,15,665
B) SAVING ACCOUNT	36,36,45,111	14,26,48,320	1,20,51,004	1,52,77,147	18,58,687	53,54,80,268	28,61,56,336
C) FIXED DEPOSITS	175,17,90,555	203,35,76,561	25,87,00,000	24,93,74,494	-	429,34,41,610	393,61,58,416
INTEREST ACCRUED ON FDR & OTHERS	4,06,79,127	11,27,70,818	1,04,52,015	-	-	16,39,01,960	11,44,44,211
CASH BALANCE	-	22,986	-	-	11,800	34,786	3,14,984
TOTAL	220,18,89,257	231,31,11,150	28,14,65,160	26,46,51,641	48,63,902	506,59,81,111	439,20,89,611

NATRIP Implementation Society (Including All Division of NATIS)

Schedule Forming Part

of the Balance Sheet As On 31st March, 2021

(Amount in Rs.)

PARTICULARS	NATRIP	ICAT	GARC	NATRAX	NIAIMT	For the year Ended 31.03.2021	For the year Ended 31.03.2020
SCHEDULE NO. 8							
8 (A) PROJECT ASSETS							
a) NATRIP PROJECT ASSETS							
ARAI - PUNE	296,19,48,784	-	-	-	-	296,19,48,784	267,71,35,635
ICAT-MANESAR	833,07,27,866	-	-	-	-	833,07,27,866	843,14,45,094
GARC- CHENNAI	760,56,04,771	-	-	-	-	760,56,04,771	692,71,55,050
NIAIMT-SILCHAR	60,31,87,981	-	-	-	-	60,31,87,981	60,31,87,980
VRDE- AHEMADNAGAR	46,01,85,855	-	-	-	-	46,01,85,855	46,01,85,855
NATRAX-INDORE	1089,36,22,945	-	-	-	-	1089,36,22,945	1052,72,04,408
NCVRS/ADAC- RAE BAREILY	2,00,59,723	-	-	-	-	2,00,59,723	2,00,59,723
b) ELECTRIC VECHILE (EV) PROJECT							
TEST FACILITY INFRASTRUCTURE FOR ELECTRIC VEHICLE (EV) AND ELECTRIC VEHICLE SUPPLY EQUIPMENT (EVSE) PERFORMANCE TEST/ CERTIFICATION	29,99,92,414	-	-	-	-	29,99,92,414	-
TOTAL	3117,53,30,339	-	-	-	-	3117,53,30,339	2964,63,73,745

NATRIP Implementation Society (Including All Division of NATIS)
Schedule Forming Part

of the Balance Sheet As On 31st March, 2021

(Amount in Rs.)

PARTICULARS	NATRIP	ICAT	GARC	NATRAX	NIAIMT	For the year Ended 31.03.2021	For the year Ended 31.03.2020
8 (B) CAPITAL WORK IN PROGRESS							
a) NATRIP PROJECT							
ARAI - PUNE	-	-	-	-	-	-	-
ICAT-MANESAR	9,81,28,431	9,28,75,970	-	8,12,428	-	19,18,16,829	10,23,52,503
GARC- CHENNAI	105,65,16,100	-	-	-	-	105,65,16,100	155,42,48,948
NATRAX-INDORE	13,95,26,188	-	-	-	-	13,95,26,188	-
NCVRS/ADAC - RAE BAREILY	-	-	-	-	-	-	-
NIAIMT-SILCHAR	29,72,123	-	-	-	-	29,72,123	-
b) ELECTRIC VEHICLE (EV) PROJECT							
TEST FACILITY INFRASTRUCTURE FOR ELECTRIC VEHICLE (EV) AND ELECTRIC VEHICLE SUPPLY EQUIPMENT (EVSE) / PERFORMANCE TEST/ CERTIFICATION	17,27,58,730	-	-	-	-	17,27,58,730	19,10,44,904
TOTAL	146,99,01,573	9,28,75,970	-	8,12,428	-	156,35,89,970	164,76,46,355
8 (C) PRE-OPERATING EXPENSES							
ARAI - PUNE	-	-	-	-	-	-	28,16,59,153
ICAT-MANESAR	88,93,71,118	-	-	-	-	88,93,71,118	87,54,32,266
GARC- CHENNAI	90,98,94,251	-	-	-	-	90,98,94,251	89,55,64,984
NIAIMT-SILCHAR	1,90,99,999	-	-	-	-	1,90,99,999	1,90,99,999
NATRAX-INDORE	124,82,09,379	-	-	-	-	124,82,09,379	115,49,98,964
NCVRS/ADAC - RAE BAREILY	4,51,49,983	-	-	-	-	4,51,49,983	4,51,49,983
TOTAL	311,17,24,730	-	-	-	-	311,17,24,730	327,19,05,349

NATRIIP Implementation Society (Including All Division of NATIS)
Schedule of Cumulative Depreciation on Completed Assets Forming Part

of the Balance Sheet As On 31st March, 2021

Schedule - 9

(Amount in Rs.)

SITES	GROSS BLOCK	DEPRECIATION RATE	DEPRECIATION (FOR THE PERIOD 01.04.2005 TO 31.03.2021)	NET BLOCK
NIAIMT, SILCHAR				
CIVIL BUILDING, BOUNDARY WALL, TRACK, ROAD ETC.	48,37,58,056	10%	29,84,32,279	18,53,25,777
COMPUTER INCLUDING COMPUTER SOFTWARE	3,01,777	40%	2,78,311	23,466
LAND	1,99,81,352	0%	-	1,99,81,352
PLANT & MACHINERY	9,91,46,796	15%	7,28,29,858	2,63,16,938
TOTAL- NIAIMT, SILCHAR	60,31,87,981		37,15,40,448	23,16,47,533
GARC, CHENNAI				
CIVIL BUILDING, BOUNDARY WALL, TRACK, ROAD ETC.	413,76,43,257	10%	116,57,02,842	297,19,40,415
COMPUTER INCLUDING COMPUTER SOFTWARE	6,99,81,423	40%	6,39,68,788	60,12,635
LAND	58,05,63,712	0%	-	58,05,63,712
PLANT & MACHINERY	281,74,16,379	15%	104,25,49,756	177,48,66,623
TOTAL-GARC, CHENNAI	760,56,04,771		227,22,21,386	533,33,83,385
ICAT, MANESAR				
CIVIL BUILDING, BOUNDARY WALL, TRACK, ROAD ETC.	199,73,01,310	10%	75,62,19,903	124,10,81,407
COMPUTER INCLUDING COMPUTER SOFTWARE	20,74,25,120	40%	19,32,44,531	1,41,80,589
LAND	150,73,14,848	0%	-	150,73,14,848
PLANT & MACHINERY	461,86,86,588	15%	234,87,67,052	226,99,19,536
TOTAL-ICAT, MANESAR	833,07,27,866		329,82,31,486	503,24,96,380
NATRAX, INDORE				
CIVIL BUILDING, BOUNDARY WALL, TRACK, ROAD ETC.	1042,06,63,536	10%	242,93,40,037	799,13,23,499
COMPUTER INCLUDING COMPUTER SOFTWARE	1,55,57,506	40%	1,49,13,762	6,43,744
LAND	31,27,781	0%	-	31,27,781
PLANT & MACHINERY	45,42,74,122	15%	25,24,97,031	20,17,77,091
TOTAL-NATRAX, INDORE	1089,36,22,945		269,67,50,830	819,68,72,115
NCVRS/ADAC, RAE BAREILY				
CIVIL BUILDING, BOUNDARY WALL, TRACK, ROAD ETC.	63,12,838	10%	42,21,745	20,91,093
PLANT & MACHINERY	1,37,46,885	15%	95,08,445	42,38,440
TOTAL-NCVRS/ADAC, RAE BAREILY	2,00,59,723		1,37,30,190	63,29,533
ELECTRIC VECHILE (EV) PROJECT				
PLANT & MACHINERY	29,99,92,414	15%	4,55,36,503	25,44,55,911
TOTAL-ELECTRIC VECHILE (EV) PROJECT	29,99,92,414		4,55,36,503	25,44,55,911
GRAND TOTAL	2775,31,95,700		869,80,10,843	1905,51,84,857
LESS: DEPRECIATION ALREADY CHARGED TILL F Y 2019-20			677,83,61,693	
DEPRECIATION TRANSFER TO CUMULATIVE DEPRECIATION ON PROJECT ASSETS F. Y. 2020-21			191,96,49,150	

NATRIP Implementation Society (Including All Division of NATIS)

Schedule Forming Part

of the Balance Sheet As On 31st March, 2021

(Amount in Rs.)

PARTICULARS	NATRIP	ICAT	GARC	NATRAX	NIAIMT	For the year Ended 31.03.2021	For the year Ended 31.03.2020
SCHEDULE NO. 10							
SALARIES & OTHER ALLOWANCES							
SALARIES & OTHER ALLOWANCES	-	54,89,16,871	6,27,17,207	3,73,88,636	1,56,24,562	66,46,47,276	63,12,14,831
TOTAL	-	54,89,16,871	6,27,17,207	3,73,88,636	1,56,24,562	66,46,47,276	63,12,14,831
SCHEDULE NO.11							
OPERATION & ESTABLISHMENT EXPENSES							
OPERATION & ESTABLISHMENT EXPENSES	-	21,31,98,397	2,81,55,318	4,22,65,145	48,35,722	28,84,54,582	40,22,44,539
TOTAL	-	21,31,98,397	2,81,55,318	4,22,65,145	48,35,722	28,84,54,582	40,22,44,539
SCHEDULE NO. 12							
TESTING EXPENSES & CONSUMABLES							
TESTING EXPENSES & CONSUMABLES	-	20,99,57,688	7,41,51,524	75,06,633	-	29,16,15,845	30,81,60,588
TOTAL	-	20,99,57,688	7,41,51,524	75,06,633	-	29,16,15,845	30,81,60,588

NATRIP Implementation Society (Including All Division of NATIS)
Receipt and Payment Account

of the Balance Sheet As On 31st March, 2021

(Amount in Rs.)

RECEIPTS	For the year Ended 31.03.2021	For the year Ended 31.03.2020	PAYMENTS	For the year Ended 31.03.2021	For the year Ended 31.03.2020
I. OPENING BALANCE			I. Expenses		
a) Cash in hand			Indirect Expenses & Expenses Payable		
NATRIP	-	-	NATRIP	4,47,55,718	9,35,17,079
ICAT	46,039	82,546	ICAT	42,68,38,461	37,30,23,946
GARC	-	-	GARC	2,43,80,314	9,30,672
NATRAX	25,458	-	NATRAX	5,04,77,903	2,48,92,206
NIAIMT	2,43,486	-	NIAIMT	2,492	6,54,406
b) Bank Accounts					
NATRIP	23,63,45,799	141,67,48,840	II. Payments made against funds		
ICAT	7,12,12,845	8,02,34,359	(Name of the Fund or Project should along with the particulars of payments made for each project)		
GARC	1,38,27,672	6,73,86,845	a) From Government of India - ICAT	36,07,419	1,28,11,040
NATRAX	1,60,32,927	2,78,04,172			
NIAIMT	37,52,758	42,00,801	III. Investment and deposits made		
II. Grants Received			a) Out of Earmarked/ Endowment funds		
a) From Government of India			NATRIP	247,00,00,000	307,00,00,000
NATRIP-Grant-in-Aid	-	210,28,33,715	b) Out of Own Funds (Investments-Other)		
NATRIP-LOAN Fund	114,30,00,000	108,35,00,000	ICAT	39,08,52,894	50,92,80,412
b) From State Government			GARC	19,37,00,000	12,00,00,000
c) From other sources			NATRAX	3,40,00,000	7,60,00,000
NIAIMT	50,32,388	15,80,118			
d) Grant for R & D Project			IV) Expenditure on Fixed Assets & Capital Work-in-Progress		
ICAT	91,93,216	59,41,112	a) Purchase of Fixed Assets		
e) Amount Received from User Charges (Grants for capital & revenue exp. To be shown separately)	-	-	NATRAX	-	2,000
III. Income on Investments from			GARC	2,712	3,167
a) Earmarked/Endow.Funds			b) Expenditure on Capital Work-in- progress		
b) Own Funds (Oth. Investment)			NATRIP	22,65,70,857	3,40,19,522
IV. Interest Received			ICAT	58,016	1,26,144
a) On Bank/Fixed deposits			Accounts Payable -NATRIP	77,92,07,486	352,75,28,021
NATRIP	16,37,45,642	9,49,91,997			
ICAT	3,97,57,058	8,20,52,319	V. Refund of Surplus money/ Loans		
GARC	19,04,733	32,28,523	a) To the Government of India	-	-
NATRAX	9,02,674	12,33,003	b) To the State Government	-	-
NIAIMT	54,288	79,030	c) To other Provider of funds	-	-
b) Loans, Advances etc					
c) Interest on Income Tax Refund			VI. Finance Charges (Interest)		
V. Other Income (Specify)			Deposit with Consolidated fund of India	30,17,01,502	2,31,91,033
Net Other Receipt			VII. Other Payments (Specify)		
NATRIP	-	22,590	Retention/ EMD/PBG		
ICAT	40,002	6,32,256	NATRIP	16,26,739	8,09,627
GARC	5,53,195	1,05,535	ICAT	3,39,60,760	1,27,12,532
NATRAX	3,18,050	71,396			
NIAIMT	2,82,057	9,93,719			
Sale of Fixed Assets					
VI. Amount Borrowed					
VII. Any other receipts (give details)					
Fixed Deposits					
NATRIP	269,33,21,094	244,55,03,745			
GARC	5,50,00,000	-			

(Amount in Rs.)

NATRAX		41,12,597	NATRAX	2,13,196	1,77,890
NIAIMT					
Receipts from Authority/Vendors			Duties and Taxes		
NATRIP	5,78,48,372	6,98,86,111	NATRIP	4,97,89,360	22,88,89,834
GARC	26,750	13,60,000	ICAT	32,89,25,735	42,07,20,785
NATRAX		1,15,132	GARC	2,23,82,711	2,49,61,899
NIAIMT		38,71,580	NATRAX	2,25,71,325	3,68,59,404
			NIAIMT	57,519	1,40,242
Recovery of Mobilization Advance		1,15,50,000			
Retention/ EMD/PBG		-	Security Deposits	-	-
NATRAX		1,11,940	Security Deposit (Liability)- ICAT	-	-
			Security Deposit (Liability)- GARC	7,60,000	-
			Sundry Creditors		
Sundry Debtors			ICAT	77,06,97,954	130,79,92,736
NATRIP			GARC	11,89,99,533	12,62,58,523
ICAT	202,90,07,726	257,00,18,641	NATRAX	6,49,06,691	4,20,92,399
GARC	30,29,76,236	23,47,81,265	NIAIMT	55,78,967	85,50,362
NATRAX	16,16,00,441	15,74,19,582	Deposits with Authority-NATRIP (TDS Receivable)	46,90,609	32,49,642
NIAIMT	11,37,903	26,16,006	Current Assets/Advances		
			Security Deposit (Asset)-ICAT	11,78,000	9,79,770
Security Deposit (Assets)			Security Deposit (Asset)-GARC		2,06,61,992
NATRAX	1,00,000	56,60,463	Advances-ICAT	2,63,73,875	3,00,28,780
GARC	1,95,524	3,77,000	Advance-NATRAX	2,26,765	4,46,000
			Advance-GARC	85,659	5,95,243
Security Deposit (Liabilities)			Capital Expenditure-NATRIP (Indirect Expenses)	64,99,060	74,86,441
GARC	10,99,502	-	NATRIP- ICAT		38,296
ICAT		12,091	NATRIP- GARC	29,59,539	-
			VIII. CLOSING BALANCE		
Inter Branch			a) Cash in hand		-
NATRIP-NATRAX	86,93,478	-	NATRIP		-
			ICAT	22,986	46,039
			GARC		-
			NATRAX		25,458
			NIAIMT	11,800	2,43,486
			b) Bank Accounts		
			NATRIP	40,94,19,576	23,63,45,799
			ICAT	16,67,40,786	7,12,12,845
			GARC	1,23,13,144	1,38,27,672
			NATRAX	1,52,77,147	1,60,32,927
			NIAIMT	48,52,102	37,52,758
Total	701,72,77,312	1048,11,19,029	Total	701,72,77,312	1048,11,19,029

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR V. S. TANDON & Co
CHARTERED ACCOUNTANTS
FIRM REGN NO : 004693N

V. S. Tandon
PARTNER
M No. 083861

ASST. MANAGER
(FINANCE)

DIRECTOR
(FINANCE & ADMIN)

CEO & PD

Place: New Delhi
Dated: 28.12.2021

NATRiP Implementation Society (Including All Division of NATIS)

SCHEDULE NO.-13

Background

NATIS is an autonomous body incorporated as Society under Society Registration Act, 1860 vide Registration No. S/53310 dated 27th May, 2005 by Ministry of Heavy Industries, Government of India for Implementation of National Automotive Testing and R&D Infrastructure Project (NATRIP). NATRIP was approved by the Cabinet committee on Economic Affairs (CCEA) Govt. of India on 13th July 2005. Initially the project cost was approved Rs. 1718.00 Crore and further it has been revised Rs 3,727.30 crore in July, 2016. The extended tenure of NATIS has been completed on 31st March, 2021 and NATRIP will be taken over by National Automotive Board (NAB) w.e.f. 01.04.2021 vide letter dated 17th March, 2021 issued by Ministry of Heavy Industries.

Significant Accounting Policies for the year ended on 31st March, 2021

1. Method of Accounting

The Society has followed Accrual system of accounting, except as otherwise stated. These financial statements are prepared on historical cost basis in accordance with generally accepted accounting principles and accounting standards.

2. Fixed Assets

- Fixed assets owned by the Society are stated at their cost of acquisition inclusive of freight, duties and taxes and other direct expenses related to acquisition incurred for bringing the assets to working for its intended use. The indirect (pre-operative) expenses has been accumulated and shall be capitalized on completion of NATRIP Project.
- Assets acquired in the course of construction and acquisition are accumulated and categorized as Completed or Running work (work in progress) in accordance with their completion status as on Balance Sheet date.
- Equipment purchased for the execution of various R & D Projects have been accounted for in the books of accounts of the respective centres under the utilization of that specific grant. These assets have not been shown in the fixed assets of NATIS.
- At the time of disposal of fixed assets, written down value of asset is reduced and balance is booked as income/expenditure, as the case may be.

3. Depreciation

- a) Depreciation has been provided on fixed assets at the rates prescribed under the Income Tax Act, 1961, on Written down basis.
- b) Depreciation on an asset created under NATRIP at its Centre will be charged as and when the assets (equipment in the lab/facility (ies) including buildings, utilities) are capable of operating in the manner as intended by the management and on the cost, directly attributable to bringing the assets to the location and condition necessary for it.

4. Foreign Exchange Transaction

Transactions denominated in foreign currency are accounted at the exchange rate prevailing at the date of such transaction. The assets and liabilities outstanding in foreign exchange at the date of Balance Sheet has been re-instated at the prevailing rate on the closing date of the Balance Sheet. Foreign Exchange Fluctuation related to capital item procurement are capitalized in the value of the respective assets till the date of 'put to use' of assets. Fluctuation arises after the date of 'put to use' is accounted for as revenue expenditure.

5. Employee Benefits

Bonus to employees are accounted on cash basis. Further, other benefits like leave encashment, Gratuity, Provident Funds & ESI are accounted on accrual basis.

6. Income Recognition

- Government Grants in nature of Capital for the NATRIP Projects has been accounted as Project Funds.
- Other centre specific Government Grants for R & D Projects have been shown under Project Specific Grants and unutilized balance of such grant has been treated as current liability.
- Revenue at operating centres are in nature of services of Testing of Vehicles have been recognized as and when services are completed.
- Interest earned on project funds are refundable to the Government of India unless otherwise stated and shown as current liability. Interest earned on investment of surplus revenue of centre are treated as income.

7. Inventory

Stock in hand laying at centres includes stock of HSD, Reference Fuel etc. and it is valued at cost.

8. Taxation

Society is registered under section 12A under the Income Tax Act, 1961. In view of there being no taxable income under Income-tax Act, 1961 and no provision for Income tax has been considered necessary.

SCHEDULE NO.- 14

Notes to Accounts & Contingent Liabilities for the year ended on 31st March, 2021

1. The ownership of land at every project Site is vested with Government of India through Ministry of Heavy Industries as the payment towards the land is made by NATIS from the funds provided by Government of India. As on 31.03.2021, NATRIP has created the project assets of Rs. 3528.42 Crore at various Centres against Grant received from Ministry of Heavy Industries, Government of India, which is the approx.95% of overall project fund of Rs. 3727.30 Crore (Schedule No. – 8). Details of land are as follows:

S.No	Site Name	AREA	Free Hold	Lease Hold	Status of Occupation
			Value Rs. in Crore		
1	ICAT-I	8 Acres	9.91	-	Fully occupied by ICAT, no unauthorized occupation by any outsider
2	ICAT-II	46.9 Acres	140.63	-	Fully occupied by ICAT, no unauthorized occupation by any outsider
3	NATRAX	2960 Acres		0.000007	Fully occupied by NATRAX, no unauthorized occupation by any outsider
4	GARC	304 Acres		56.64	Fully occupied by GARC, no unauthorized occupation by any outsider
5	NIAIMT Site-I-Dholchera	65.123 Acres		0.18	Fully occupied by Silchar, no unauthorized occupation by any outsider
6	NIAIMT Site-II-Jaffirbond	19.504 Acres	1.65		Fully occupied by Silchar, no unauthorized occupation by any outsider
Total			152.19	56.82	

2. The Society, out of the total Project fund of Rs3727.30 Crore received Rs. 3,541.60 Crore till 31.03.2021 (during the year Rs. 114.30 Crore and previous year Rs. 259.23 Crore). Out of which Rs. 2896.95 Crore as grant in aid, Rs. 594.65 Crore as loan and Rs. 50 Crore as User Charges. As per CCEA approval the Loan Fund is interest free and it is to be repaid in eight equal installments after the moratorium of Seven years. During the year Rs. 3.20 Crore as liquidity damage amount is includes in grant in aid. The first installment of repayable of loan will be started from the year 2025.
3. The Ministry of Heavy Industries has approved the project for “Test Facility Infrastructure For Electric Vehicle (EV) And Electric Vehicle Supply Equipment (EVSE) Performance Test/ Certification” for a total value of Rs. 95 Crore (Rs. 73 Crore from Government Fund and Rs. 22 Crore form own fund). NATRIP has received the amount Rs. 73 Crore from Ministry of Heavy Industries and allocated the Rs. 18 Crore in the same proportion to centres as share of own fund, considering the tentative completion cost of project is Rs.87.41 Crore.
4. The Society had paid an amount of Rs. 43,84,61,926/- to UPSIDC for purchase of land for NCVRS Centre at Raebareli, Uttar Pradesh out of which Rs. 36,51,67,661/- has received back during the financial year 2017-18. Balance Rs. 7,32,94,265/- is shown as Advance to UPSIDC Faizabad under the head Advances & Receivables Schedule no. - 5. Further as per the approval of Cabinet Committee on Economic Affairs (CCEA), in its meeting dated 27 July 2016, the facilities envisaged at NCVRS centre were adjusted to other centre. Accordingly, the out of total project assets amount Rs. 2.01 Crore, assets value amount Rs. 1.24 Crore has been transfer to other centre (ICAT, Manesar amount Rs. 1.12 Crore and GARC, Chennai amount Rs.0.12 Crore).

5. The indirect (pre-operative) expenditure has been estimated at Rs. 340 Crore which is part of project cost of Rs. 3,727.30 Crore, and has been allocated to centres in the following manner as decided by Governing Council dated 6th March 2018 :

(Amount in Rs. Crore)

Name of Centre	Project Fund	Projected Indirect Expenditure (Pre-operative)
ICAT	941.26	87.54
GARC	963.03	89.56
NATRAX	1,321.12	122.86
ARAI	327.72	30.48
NIAIMT	75.44	1.91
VRDE	46.65	2.97
NCVRS	52.08	4.51
Total	3,727.30	339.83

6. The actual cost of indirect (pre-operative) expenditure amounting to Rs. 342.31 Crore as on 31.03.2021 including Rs. 2.97 core and Rs. 28.17 Crore which has already been allocated to cost of projects assets of VRDE centre and ARAI centre respectively (previous year amount Rs. 330.88 crore including Rs. 2.97 core which has already been allocated to cost of projects assets of VRDE centre). During the year the the total pre-operative expenditure is Rs. 12.15 crore, out of which over and above the estimated amount of pre-operative expenditure is allocated to NATRIP running centre ICAT, GARC and NATRAX in their capex ratio.
7. NATIS has received Rs 1.41 crore as grant (beyond of Plan Grant) in the financial year 2008-09 for setting up Recycling Demo Unit (RDU) for recycling of 2/3 wheelers at Chennai. Recycling demo unit has been installed and made functional in GARC Chennai. The details of assets created out of above Grant are as under:

Details of Assets under Recycling Demo Unit	Amount (Rs.)
Machinery & Equipment	35,69,271.00
Air conditioner	33,837.00
Computer/ Peripheral	38,800.00
Crates & Pallet-	2,95,181.00
Furniture & Fixture	4,42,770.00
Office Equipment	61,208.00
Printer	43,150.00
Sony Camera - DSC 570B	11,185.00

8. Provision for Gratuity and Leave Encashment are as under:

(i) **Gratuity:**

(Amount in Rs.)

Gratuity Provision as on 01.04.2020	Gratuity Paid During the Year 2020-21	Provision Made During the Year 2020-21	Gratuity Provision as on 31.03.2021
3,04,47,293.00	23,895.00	49,39,331.00	3,53,86,624.00*

As per the provision of Gratuity Act, 1972 the Gratuity shall be payable to an employee at the time of his resignation after he has rendered the continuous service not less than five years. The calculation is made for every completed year of service or part thereof in excess of six months at the rate of fifteen day's wages (Basic+DA) based on the rate of wages last drawn by the employee concerned. Actuarial valuation certificate has not been obtained.

*It includes the provision for Gratuity of the employees posted at centres except ICAT as on 31.03.2021, accordingly the society has transferred the provision of Gratuity of the employees posted at centres to respective centres books of accounts.

(ii) **Leave Encashment:**

(Amount in Rs.)

Provision for Leave Encashment as on 01.04.2020	Leave Encashment Paid During the Year 2020-21	Provision Made During the Year 2020-21	Provision for Leave Encashment as on 31.03.2021
1,23,92,234.00	37,27,346.00	6,29,423.00	1,30,21,657.00*

The Calculation is made for employees no. of days of Earned Leave Balance as on 31.03.2021 multiplied by last month pay (Basic+DA), divided by thirty days.

*It includes the provision for leave encashment of the employees posted at centres except ICAT as on 31.03.2021, accordingly the society has transferred the provision of leave encashment of the employees posted at centres to respective centres books of accounts.

9. The Society has interest and other earned income amount of Rs. 47,17,34,147/- (previous year Rs. 66,17,85,934/-). It is to be refunded to Government of India, hence it is shown under Current Liabilities under Schedule-4.
10. The Depreciation charged on Completed work (Project Assets) has been accumulated for Rs. 869,80,10,843/- till the end of this financial year as on 31.03.2021 (Previous Year Rs. 677,83,61,693/-). This amount has shown in Balance Sheet under the head Cumulative Depreciation on Project Assets. (Schedule- 9). The above amount includes the depreciation amount Rs.4,55,36,503/- on Electric Vehicle (EV) Project Assets as on 31.03.2021, which has been completed and put to use.
11. At the time of takeover of ARAI-RCN by NATIS, some of the assets have been received free of cost. These assets are 12 in numbers and shown at a nominal value of Rs. 1 each in the fixed asset chart (referred schedule-5- ICAT).
12. NATIS receives centre specific grants for various R&D Projects by Government of India. For conducting such specific R&D, certain immovable assets mainly in nature of equipment have been procured which has been accounted for under the utilization of that specific grant. As these equipment are meant for specific use and after completion of the project, have been stored as in term of sanction, it can be disposed-off after prior approval of the grant sanctioning authority. A separate register has been maintained for such assets.
13. ICAT, a division of NATIS provide 100% provision for sundry debtor's outstanding for more than 6 months except as on Balance Sheet date.

14. ICAT has taken a policy from Life Insurance Corporation for gratuity benefit of employees. For the financial year 2020-21, ICAT has paid an amount of Rs. 64,01,660/- (previous year Rs. 1,44,18,734/-) to LIC as a contribution under this policy and the same has been debited to Income and Expenditure Account.
15. ICAT has also taken a policy from Life Insurance Corporation for Leave Encashment of employees. For the financial year 2020-21, ICAT has paid an amount of Rs. 80,85,918/- (previous year Rs. 45,54,529/-) to LIC as a contribution under this policy and the same has been debited to Income and Expenditure Account.
16. ICAT a division of NATIS has created a lien on fixed deposits of Rs. 9.19 crores (previous year Rs. 20.26 crores) in favor of bank as securing for issuance letter of credit.
17. R&D Reserve fund has been created equivalent to 5% out of income over expenditure of ICAT Division of NATIS.
18. Details of Prior Period Expenses:

(Amount in Rs.)

Prior Period Expenses (ICAT):	FY 2020-2021	FY 2019-2020
i) Consumable and Testing	Rs. 76,475/-	Rs. 1,93,791/-
ii) Staff Welfare	Rs. 35,118/-	Rs. 35,506/-
iii) Machinery Repair & Maintenance	Rs. 10,54,825/-	Rs. 6,88,725/-
iv) General Repair & Maintenance	Rs. 1,64,654/-	Rs. 1,500/-
v) Business Promotion Expenses	Rs. 7,85,555/-	Rs. 4,217/-
vi) Insurance Expenses	Rs. NIL	Rs. 4,049/-
vii) Testing Expenses	Rs. 75,800/-	Rs. 36,211/-
viii) Transportation Expenses	Rs. NIL	Rs. 22,000/-
ix) Books and Periodicals	Rs. 7,495/-	Rs. NIL
x) Tour & Travelling Expenses	Rs. 57,219/-	Rs. NIL
xi) Vehicle Running & Maint Expenses	Rs. 37,530/-	Rs. NIL
xii) Telephone Expenses	Rs. 12,058/-	Rs. NIL
xiii) Legal & Professional Expenses	Rs. 5,000/-	Rs. NIL
TOTAL	Rs. 23,11,729/-	Rs. 9,85,999/-

Prior Period Income (NIAIMT):	FY 2020-2021	FY 2019-2020
i) BUILDING MAINTAINANCE EXP.	Rs.11,64,728/-	Rs. NIL

19. Income/Expenditure in Foreign Exchange (ICAT):	FY 2020-2021	FY 2019-2020
i) Income in Foreign Exchange	Rs. 7,52,19,667/-	Rs. 10,34,05,474/-
ii) Expenditure in Foreign Exchange	Rs. 40,95,80,918/-	Rs. 24,42,49,869/-
iii) Foreign Exchange Variation (Debit)	Rs. 66,17,144/-	Rs. 54,06,242/-

20. Contingent liability :

- a) Shri S. Purushotaman (ex-employee) has filed two writ petitions in Delhi High Court against NATIS for reduction in salary and termination of services with total claim amounting to Rs. 35,00,000. The matter is sub-judice and NATIS is hopeful of favorable result and hence no provision towards the same is made.
- b) The work of construction of Test tracks for Rs. 453 Crore at NATRAX, Indore was awarded on 4th May 2010 for a contract period of 2 years i.e. till 14th Sep'12 and the test tracks at GARC, Chennai for Rs. 72.35 Crore on 4th May 2010 for a 12 month contract period were also awarded to IVRCL. During the project review with M/s IVRCL on 16th Jan 2013, they have stated that due to various reasons like delays in issuing of GFCDs, hold put on works for design review, etc.; and in view of substantial increase in the cost of construction materials viz. Diesel, Bitumen, Cement, Steel etc. and labour, they will not be in a position to execute the work as per the original BoQ rates and substantial losses will be incurred by M/s IVRCL in case of execution of works as the rates are more than 3.5 years old. On the basis of above ground and interest of project NATIS has terminated the contract with M/s IVRCL. M/s IVRCL has filed total claims for amount Rs. 415.27 Crore including supplementary claims for amount Rs. 201.48 Crore as per claims for their contractual loss against awarded contract of test track NATRAX, Indore and GARC, Chennai. NATRIP has also filed counter claims on M/s IVRCL for amount Rs. 792.35 Crore (revised amount Rs. 871.06 Crore) on account of risk & cost. The matter is under arbitration and M/s IVRCL was declared insolvent on 23.02.2018 and liquidation of the company was under process.
- c) Our Contractor M/s DS Partnership with regard to their contractual payments for the design of Civil, General Arrangement and General Utilities has filed claims for GBP 3,32,231.73 (equivalent INR 3.35 Crore approx. as on 31.03.2021 @ INR 100.9509 per GBP) along with Interest of GBP 5,18,787.48 approx (equivalent INR 5.24 Crore approx as on 31.03.2021 @ INR 100.9509 per GBP) as per claims for their contractual payments for deliveries of design of civil, general arrangement and general utilities and also filed the claim for cost of arbitration proceedings GBP 15,000.00 (equivalent INR 15.14 Lakhs approx. as on 31.03.2021 @ INR 100.9509 per GBP). The Matter has been decided in favour of society vide order dated 02.04.2016. Against this order M/s DS Partnership is in appeal before the Hon'ble Delhi High Court. No provision has been made in the accounts against this claims as the matter is pending before the Hon'ble High Court.
- d) (i) The Income Tax Assessment for the A Y 2010-11 was completed u/s 143 (3) of the income tax act and demand of Rs. 2,49,84,069/- was raised against the society. Against demand, society has filed the appeal with appellate authority and also got favorable order from Appellate Authority. However, the appeal effect from the department is still pending. In view of this no provision has been made towards this liability in the accounts.

(ii) The Income Tax Assessment for the A Y 2016-17 was completed u/s 143 (3) of the income tax act and an additional demand of Rs. 1,02,88,927/- was raised against the society after adjusting the TDS amount Rs. 7,50,34,415/- (total disputed demand Rs. 8,53,23,342/-). Against demand society has filed the appeal with appellate authority. The

management is of the view that after appeal proceedings is over & order received, there might be no demand against the society. In view of this no provision has been made towards this liability in the accounts.

- (iii) The Income Tax Assessment for the A Y 2017-18 was completed u/s 143 (3) of the income tax act and an additional demand of Rs. 15,99,47,138/- was raised against the society after adjusting the TDS amount Rs. 6,73,78,591/- (total disputed demand Rs. 22,73,25,729/-). Against demand society has filed the appeal with appellate authority. The management is of the view that after appeal proceedings is over & order received, there might be no demand against the society. In view of this no provision has been made towards this liability in the accounts.
- (iv) The Income Tax Assessment for the A Y 2018-19 was completed u/s 143 (3) of the income tax act and an additional demand of Rs. 39,04,54,170/- was raised against the society after adjusting the TDS amount Rs. 12,29,83,109/- (total disputed demand Rs. 51,34,37,279/-). Against demand society has filed the appeal with appellate authority. The management is of the view that after appeal proceedings is over & order received, there might be no demand against the society. In view of this no provision has been made towards this liability in the accounts.
- e) NATRIP had entered into a Contract with M/s Era Buildsys Ltd on 7th May 2010 for construction of Client Workshop, Maintenance & General Storage buildings at NATRAX, Indore for Rs. 11,13,18,590/-. The work was completed and final bill has been settled with the Contractor M/s Apex Buildsys (Formerly known as Era Buildsys Ltd.). M/s Apex Buildsys invoked Clause 19A of the Contract and the Notice of Claims was served to NATRIP on 24th July, 2017. Further, they issued another letter dated 28th August, 2017 invoking Clause 31 of the Contract (Amicable settlement and mediation) and appointed Sh. A.K. Sharma as their nominee to carry out the amicable settlement. Subsequently, a meeting was convened at NATRIP HQ with the Contractor on 25th October, 2017. Further, M/s Apex Buildsys requested to release their security deposit (i.e. retention money) vide their letter dated 21st November, 2017. The retention money has been released on 25 Jan, 2018. The Contractor filed Arbitration under Section 11 of Arbitration and Reconciliation Act 1996 at Hon'ble High Court of Delhi on 13th February, 2018 (as per the date mentioned in the affidavit). Copy of the petition was received at this office on 26th February, 2018. The amount Claimed by Contractor is Rs 9.32 Cr towards the losses due to delayed project. No provision has been made in the accounts against this claims as the matter is pending under Arbitration and liquidation of the company was under process.
- f) NATRIP had entered into a Contract with M/s Kistler Instrumente AG, Switzerland for supply and installation of crash test instrumentation at GARC for contract value Euro 58,52,715/- dated 1st April, 2010. The supply was done in 2013 and 80% payment has been released against the supply of material. However the installation was not done by contractor. The matter is under arbitration. The contractor filed the claim of EURO 18,59,593/- (equivalent INR 16.01 Crore approx. as on 31.03.2021 @ INR 86.099 per EURO) and NATRIP has filed the counter claim INR 17.82 Crore and Euro 43,69,722.19/- (equivalent INR 55.44 Crore approx as on 31.03.2021 @ INR 86.099 per EURO).

- g) M/s E. C. Construction Pvt. Ltd. has filed a case in Punjab and Haryana High Court for claiming an amount of Rs. 130 lakhs against a construction contract. Matter is sub-judice and hence no provision towards the same is made.
- h) Sh. Rakesh Garg, ex-employee of the centre, has filed a case in Delhi High Court for re-employment and has claimed Rs. 10 lakhs as compensation. Matter is sub-judice and hence no provision towards the same is made.
21. The balances of Advances, security deposits, Debtors & Creditors are subject to confirmation and reconciliation.
22. Previous year figures are re-grouped, re-arranged & re-casted wherever necessary to make current figure more comparable.

As per our report of even date attached
FOR V. S. TANDON & Co.
Chartered Accountants
FIRM REGN NO : 004693N

V. S. Tandon
Partner
M No. 083861

Asst. Manager
(FINANCE)

Director
(FINANCE & ADMIN)

CEO & PD

Place: New Delhi
Date: 28-12-2021

SEPARATE AUDIT REPORT OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA ON THE ACCOUNTS OF NATRIP IMPLEMENTATION SOCIETY (NATIS), NEW DELHI (INCLUDING ALL DIVISIONS OF NATIS) FOR THE YEAR ENDED 31 MARCH 2021

1. We have audited the attached Balance Sheet, Income and Expenditure Account and Receipts and Payments Account of NATRIP IMPLEMENTATION SOCIETY (NATIS) for the year ended 31 March 2021 under Section 20(1) of the Comptroller & Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 read with Section 89 (b) of NATIS Memorandum & Rules and Regulations, 2005. The audit has been entrusted to Comptroller & Auditor General of India for the period up to 2021-22. The preparation of these financial statements is the responsibility of the NATIS management. Our responsibility is to express an opinion of these financial statements based on our audit.
2. This Separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms etc. Audit observations on financial transactions with regard to compliance with the Laws, Rules & Regulations (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any, are reported through Inspection Report/CAG's Audit Reports separately.
3. We have conducted our audit in accordance with accounting standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An 'audit includes examining, on a test basis, evidence supporting the amounts and disclosure 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 presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
4. Based on our audit, we report that:
 - (i) We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii) The Balance Sheet and Income & Expenditure Account/Receipts and Payments dealt with by this report have been drawn up in the format prescribed by the Government for central autonomous body.
 - (iii) In our opinion, proper books of accounts and other relevant records have been maintained by NATIS as required under. Rule 89 (a) of NATIS Memorandum & Rules and Regulations, 2005 in so far as it appears from our examination of such books.
 - (iv) We further report that:

COMMENTS ON ACCOUNTS:

A. BALANCE SHEET

LIABILITIES

A.1 Cumulative Depreciation on Project Assets (Schedule 9) : ₹ 869.80 crore

As per accounting principles, net block of fixed assets should be shown in the accounts after deducting the depreciation from gross block. But in respect of project assets created out of grants, gross value of assets has been shown in project assets and accumulated depreciation thereon has been shown under liabilities.

The incorrect depiction of accumulated depreciation on project assets under liabilities has resulted in overstatement of liabilities by ₹869.80 crore with consequent overstatement of project assets by the same amount.

Despite being pointed out in SAR for the years 2019-20, no corrective action has been taken by the management.

ASSETS

FIXED ASSETS

A.2 Project Assets (Schedule 8A): ₹ 3117.53 crore

Project Assets include assets belonging to Automotive Research Association of India (ARAI), Pune (₹ 296.19 crore) and Vehicle Research & Development Establishment (VRDE), Ahmednagar (₹ 46.02 crore). As these assets created out of grants have been used and maintained independently by ARAI and VRDE and they are not part of NATIS, accounting of these assets and related fund amount in the books of NATIS is not correct.

This has resulted in overstatement of project assets and project funds each by ₹ 342.21 crore.

Despite of being pointed out in SAR for the years 2019-20, no corrective action has been taken by the management

A.3 Projects Assets (Schedule-8 A): ₹ 3117.53 crore

a) NATRIP Project Assets

A.3.1 GARC-CHENNAI : ₹ 760.56 Crore

The above includes ₹ 18.75 crore being the value of Project Assets which became obsolete and support for which has been discontinued by original equipment manufacturers (OEM) and were replaced with technologically upgraded project assets during 2018-19. As per the vendor, the realizable value of these project assets was negligible, hence the book value of these assets should have been provided for completely.

Inclusion of obsolete project assets has resulted in overstatement of Project Assets and understatement of Excess of Expenditure over Income by ₹ 18.75 crore.

Despite being pointed out in SAR for the years 2018-19 and 2019-20, no corrective action has been taken by the management.

A.3.2 NATRAX- INDORE: ₹1089.36 Crore

A.3.2.1 The above includes ₹ 0.31 crore incurred on GEO tech survey of Leasehold Land of NATRAX, Indore allotted by State Government against a nominal premium of ₹ 700. However, NATIS has capitalized expenditure incurred on GEO tech survey amounting to ₹ 0.31 crore and shown as Land under Projects Assets. However as per GAAP expenditure incurred during a particular financial year benefit of which spills over more than one financial year should be treated as Deferred revenue expenditure.

Incorrect accounting of expenditure on GEO tech survey on leasehold land has resulted in overstatement of Project Assets by ₹ 0.31 crore and understatement of Deferred Revenue Expenditure by similar amount.

A.3.2.2 Project Assets includes ₹ 23.25 crore being the value of project assets of NATRAX-Indore transferred to the State Government before 2018-19. As the NATIS is not getting any benefit from these assets, these project assets should have been charged off through Income and Expenditure Account.

Inclusion of project assets transferred in the accounts of NATIS has resulted in overstatement of Project Assets and understatement of Excess of Expenditure over Income by ₹ 23.25 crore.

Despite being pointed out in SARs for the years 2018-19 and 2019-20, no corrective action has been taken by the management.

A.4 Pre-operative Expenses (Schedule 8C): ₹ 311.17 crore

A reference is invited to the point No. 2 of Significant Accounting Policies wherein it has been mentioned that the indirect (pre-operative) expenses have been accumulated and shall be capitalized on completion of NATRIP project. Though, NATRIP project was completed as of 31 March 2021, NATIS did not capitalize the pre-operative expenses of ₹ 311.17 crore incurred towards creation of project assets.

Thus, non-capitalization of pre-operative expenses has resulted in overstatement of pre-operative expenses by ₹ 311.17 crore and understatement of project assets by similar amount.

Despite being pointed out in SAR for the years 2019-20, no corrective action has been taken by the management.

CURRENT ASSETS, DEPOSIT AND ADVANCES**A.5 Advances and Receivables (Schedule 6): ₹180.17 crore****Advances to UPSIDC for NCVRS: ₹7.33 crore**

The above includes ₹ 7.33 crore out of ₹ 43.84 crore paid to U.P. State Industrial Development Corporation (UPSIDC) for allotment of land in Trishundi to set up a green field project called National Centre for Vehicle Research and Safety (NCVRS), Rai-Bareli, Uttar Pradesh, by NATIS. However, CCEA approved the shifting of facilities of NCVRS to another location. NATIS claimed for refund of ₹ 43.84 crore from UPSIDC. UPSIDC refunded ₹ 36.51 crore after adjusting ₹ 7.33 crore as deductibles in condition of surrender of land and denied considering the request of refund of the balance ₹ 7.33 crore after repeated requests. As this amount is not recoverable, a provision should have been made in the Accounts. But no such provision has been made. Non provisioning of Advance to

UPSIDC has resulted in overstatement of 'Current Assets, Deposits and Advances' and understatement of 'Excess of Expenditure over Income' by ₹ 7.33 crore

Despite being pointed out in SAR for the year 2019-20, no corrective action has been taken by the management.

B. INCOME AND EXPENDITURE ACCOUNT

EXPENDITURE

B.1 Salary and other allowance (Schedule 10): ₹ 66.46 crore

B.1.1 Above includes ₹ 80.86 lakh towards annual renewal premium for the policy taken from LIC for leave encashment of employees for the year 2021-22. As the premium pertained to the FY 2021-22, Liability thereof should not have been recognized in the annual accounts for FY 2020-21.

This has resulted in overstatement of salary and other allowances and consequently overstatement of 'Excess of expenditure over income' by ₹80.86 lakh and overstatement of Current Liabilities to the same extent.

Further, in note no 15 of schedule 13, it has inter-alia been stated that, for the financial year 2020-21, ICAT has paid an amount of ₹ 80.86 lakh to LIC as a contribution under this policy and the same has been debited to Income and Expenditure Accounts. The same is not correct as for the year 2020-21, ₹ 45.54 lakh was paid in 2019-2020 as a contribution under this policy.

Despite being pointed out in SAR for the years 2019-20, no corrective action has been taken by the management

B.1.2 Above includes ₹ 64.02 lakh towards annual renewal premium for the policy taken from LIC for gratuity benefits of employees for the year 2021-22. As the premium pertained to the FY 2021-22, Liability thereof should not have been recognized in the annual accounts for FY 2020-21.

This has resulted in overstatement of salary and other allowances and consequently overstatement of 'Excess of expenditure over income' by ₹ 64.02 lakh and overstatement of Current Liabilities to the same extent.

Further, in note no 14 of schedule 13, it has inter-alia been stated that, for the financial year 2020-21, ICAT has paid an amount of ₹ 64.02 lakh to LIC as a contribution under this policy and the same has been debited to Income and Expenditure Accounts. The same is not correct as for the year 2020-21, ₹1.44 crore was paid in 2019-2020 as a contribution under this policy.

C. GENERAL, COMMENTS

C.1 NATIS was in receipt of Grants from Government of India for specific purpose of implementing NATRIP Project. which was an earmarked fund.

However, NATIS accounted for entire grant received from Gol as Project Fund under liability side and corresponding assets created out of grant has been shown as fixed assets (Project Assets, Capital Work in Progress and Pre-operative Expenses) under assets side which is inconsistent with the format prescribed under Uniform Format of Account.

Despite being raised through Management Letter on previous accounts, no corrective action has been taken by the management.

C.2 Actuarial valuation of liability towards leave encashment and gratuity payable to employees has yet to be conducted by NATIS Headquarters and other units (except ICAT Manesar) which has resulted in violation of Accounting Standard-15.

Despite being pointed out in SAR for the years 2019-20, no corrective action has been taken by the management.

C.3 Out of total project assets amounting to ₹2.01 crore under NCVRS/ADAC, assets valuing ₹1.24 crore has been transferred to other centres. Since no economic benefits are expected from remaining assets of ₹ 0.77 crore, the same should have been written off.

Despite being pointed out in SAR for the years 2019-20, no corrective action has been taken by the management.

D. GRANT-IN-AID

NATIS has opening balance of unutilized grant of ₹ 57.57 crore and earned interest of ₹ 2.65 crore during the year on that grant. During the year, a grant in aid of ₹ 0.76 crore was received. NATIS could utilize a sum of ₹ 32.31 (including interest earned / refund of ₹ 2.65 crore) crore leaving a balance of ₹ 28.67 crore as unutilized as on 31 March 2021.

E. Management letter

Deficiencies which have not been included in the Separate Audit Report have been brought to the notice of NATIS through a management letter issued separately for remedial/ corrective action.

(v) Subject to our observation in the preceding paragraphs, we report that the Balance Sheet and Income and Expenditure Accounts / Receipt and Payment Accounts dealt with by this report are in agreement with the books of accounts.

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statement read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in the Annexure to this Separate Audit Report, give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In so far as it related to the Balance Sheet, of the state of affairs of NATRIP Implementation Society as at 31 March 2021, and

(b) In so far as it related to Income and Expenditure Account, of the Excess of Expenditure over Income for the year ended as on that date.

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

रुस्तु.रु.पंडा

**(S. A. Panda)
Principal Director of Audit
(Industry & Corporate Affairs)
New Delhi**

**Annexure to Separate Audit Report of NATRIP Implementation Society
(NATIS), New Delhi (including all Divisions of NATIS)
for the year 2020-21**

1. Adequacy of Internal Audit System

NATIS has no Internal Audit wing. The work of internal audit is carried out by the firm of Chartered Accountants. The Internal Audit System prevalent in NATIS was adequate and commensurate with the size and nature of its business.

2. Adequacy of Internal Control System

The internal control is deficient due to following:

- (i) No Travelling Allowance & Leave Travel Concession register was found to be maintained.
- (ii) No confirmation of debtors, creditors, receivables and payables at the end of the financial year was found on record in NATIS.

3. System of Physical Verification of Fixed Assets

Physical verification of Fixed Assets (Project Assets) has been conducted by the management at the year end.

4. System of Physical verification of Inventory

There is no inventory in the books of NATIS, New Delhi (excluding ICAT, Manesar and GARC, Chennai) as on 31 March 2021. The physical verification of inventory of ICAT Manesar and GARC, Chennai was conducted for the period ended 31 March 2021 and no discrepancy was noticed.

5. Regularity in payment of Statutory Dues

No instances of delayed payment of statutory dues were noticed during test check of records.

**Sd/-
Dy. Director (AMG-III)**

NATIS Report to C&AG of Separate Audit Report (SAR) for the Financial Year ended 31st March, 2021

Sr. No.	Separate Audit Report (SAR) of F Y 20-21	NATIS Reply
A.	BALANCE SHEET	
	LIABILITIES	
A.1	Cumulative Depreciation on Project Assets (Schedule 9) : ₹ 869.80 crore	
	<p>As per accounting principles, net block of fixed assets should be shown in the accounts after deducting the depreciation from gross block. But in respect of project assets created out of grants, gross value of assets has been shown in project assets and accumulated depreciation thereon has been shown under liabilities.</p> <p>The incorrect depiction of accumulated depreciation on project assets under liabilities has resulted in overstatement of liabilities by ₹869.80 crore with consequent overstatement of project assets by the same amount.</p> <p>Despite of being pointed out in SARs for the years 2019-20, no corrective action has been taken by the management.</p>	<p>NATIS has given assurance to C&AG office in response to final SAR as issued by C&AG office for F Y 2019-20, i.e. <i>it will be complied after the approval of competent authority at the time of completion of NATRIP Project or approval, whichever is earlier.</i></p> <p>Accordingly, the matter has been placed in 26th Audit Committee meeting held on 05th January, 2022.</p> <p><i>After due deliberation, Audit Committee agreed to follow the current rate of depreciation as per income Tax Act. The Audit Committee also suggested to take independent opinion from a CA Firm regarding writing-off the cumulative depreciation on Project Assets amount of Rs.869.80 Crore treated as deferred Income based on applicable Accounting Standards before finalizing the annual accounts of F Y 2021-22.</i></p> <p>After recommendation of Audit Committee, it was placed in 71st Governing Council (GC) Meeting held on 09th February, 2022 for approval. The GC has approved the above recommendation. In view of above assurance, it is requested to drop the audit para.</p>
	ASSETS FIXED ASSETS	
A.2	Project Assets (Schedule 8A): ₹ 3117.53 crore	

	<p>Project Assets include assets belonging to Automotive Research Association of India (ARAI), Pune (₹ 296.19 crore) and Vehicle Research & Development Establishment (VRDE), Ahmednagar (₹ 46.02 crore). As these assets created out of grants have been used and maintained independently by ARAI and VRDE and they are not part of NATIS, accounting of these assets and related fund amount in the books of NATIS is not correct.</p> <p>This has resulted in overstatement of project assets and project funds each by ₹ 342.21 crore.</p> <p>Despite of being pointed out in SARs for the years 2019-20, no corrective action has been taken by the management</p>	<p>NATIS has given assurance to C&AG office in response to final SAR as issued by C&AG office for F Y 2019-20, i.e. it will be complied after the approval of competent authority at the time of completion of NATRIP Project.</p> <p>Accordingly, the matter has been placed in 26th Audit Committee meeting held on 05th January, 2022.</p> <p><i>After detailed deliberation, the audit committee has recommended the Annual Accounts of NATIS for the year 2020-21 to be taken up for approval of GC NATIS and settle all open points of C&AG during the preparation of Annual Accounts of NATRIP for the Financial Year 2021-22 based on opinion of CA Firm as per applicable Accounting Standard.</i></p> <p>After recommendation of Audit Committee, it was placed in 71st Governing Council (GC) Meeting held on 09th February, 2022 for approval. The GC has approved the above recommendation. In view of above assurance, it is requested to drop the audit para.</p>
A.3	Projects Assets (Schedule-8 A): ₹ 3117.53 crore	
a	NATRIP Project Assets	
A.3.1	GARC- CHENNAI: ₹ 760.56 Crore	
	<p>The above includes ₹ 18.75 crore being the value of Project Assets which became obsolete and support for which has been discontinued by original equipment manufacturers (OEM) and were replaced with technologically upgraded project assets during 2018-19. As per the vendor, the realizable value of these project assets was negligible, hence the book value of these assets should have been provided for completely.</p> <p>Inclusion of obsolete project assets has resulted in overstatement of Project Assets and understatement of Excess of Expenditure over Income by ₹ 18.75 crore.</p> <p>Despite of being pointed out in SAR for the years 2018-19 and 2019-20, no corrective action has been taken by the management.</p>	<p>NATIS has given assurance to C&AG office in response to final SAR as issued by C&AG office for F Y 2019-20, i.e. it will be complied after the approval of competent authority at the time of completion of NATRIP Project or approval, whichever is earlier.</p> <p>Accordingly, the matter has been placed in 26th Audit Committee meeting held on 05th January, 2022.</p> <p>It was discuss in meeting that Project Assets include ₹ 18.75 crore, which became obsolete and support for which has been discontinued by original equipment manufacturers (OEM) and were replaced with technologically upgraded project assets during 2018-19. – pertain to M/s Messring up gradation work under progress at GARC.</p> <p><i>As confirmed by GARC Finance, since work is under progress and replaced items shall be utilised in operation of the equipment, GARC may be given reply to C&AG suitably on above para.</i></p> <p>After recommendation of Audit Committee, it was placed in 71st Governing Council (GC) Meeting held on 09th February, 2022 for approval. The GC has approved the above recommendation.</p> <p>In view of above clarification, since the work is under progress and payment made under this contract is shown under the head work-in-progress, it is requested to audit team to drop the audit para.</p>

A.3.2	NATRAX- INDORE: ₹ 1089.36 Crore	
A.3.2.1	<p>The above includes ₹ 0.31 crore incurred on GEO tech survey of Leasehold Land of NATRAX, Indore allotted by State Government against a nominal premium of ₹ 700. However, NATIS has capitalized expenditure incurred on GEO tech survey amounting to ₹ 0.31 crore and shown as Land under Projects Assets. However as per GAAP expenditure incurred during a particular financial year benefit of which spills over more than one financial year should be treated as Deferred revenue expenditure.</p> <p>Incorrect accounting of expenditure on GEO tech survey on leasehold land has resulted in overstatement of Project Assets by ₹ 0.31 crore and understatement of Deferred Revenue Expenditure by similar amount.</p>	<p>It is informed that capitalization of expenditure of ₹. 0.31 crore pertains to Survey work of the Lease hold land of NATRAX, Indore.</p> <p>It is further informed that above land was allotted by State Government to Ministry of Heavy Industries for NATRAX. Copy of allotment letter already given to Audit Team.</p> <p>In view of above clarification and allotment letter, since the above land was allotted by State Government to Ministry of Heavy Industries for NATRAX for ascertainable period. There is no question of amortization of cost, since the period of allotment of land and related expenditure is not ascertainable.</p> <p>Accordingly, In view of above clarification, it is requested to drop the audit para.</p>
A.3.2.2	<p>Project Assets includes ₹ 23.25 crore being the value of project assets of NATRAX-Indore transferred to the State Government before 2018-19. As the NATIS is not getting any benefit from these assets, these project assets should have been charged off through Income and Expenditure Account.</p> <p>Inclusion of project assets transferred in the accounts of NATIS has resulted in overstatement of Project Assets and understatement of Excess of Expenditure over Income by ₹ 23.25 crore.</p> <p>Despite of being pointed out in SARs for the years 2018-19 and 2019-20, no corrective action has been taken by the management.</p>	<p>NATIS has given assurance to C&AG office in response to final SAR as issued by C&AG office for F Y 2019-20, i.e. it will be complied after the approval of competent authority at the time of completion of NATRIP Project or approval, whichever is earlier.</p> <p>Accordingly, the matter has been placed in 26th Audit Committee meeting held on 05th January, 2022.</p> <p>It was discuss in meeting that Project Assets include ₹ 24.27 crore of NATRAX-Indore incurred on land, which was transferred to the State Government before 2018-19. As the NATIS is not getting any benefit from these assets, these project assets should have been charged off through Income and Expenditure Account.</p> <p><i>As recommended by Audit Committee, it is affirmed that it will be corrected during preparation of Annual Accounts of F Y 2021-22.</i></p> <p>After recommendation of Audit Committee, it was placed in 71st Governing Council (GC) Meeting held on 09th February, 2022 for approval. The GC has approved the above recommendation.</p> <p>In view of above assurance, it is requested to drop the audit para.</p>

A.4	Pre-operative Expenses (Schedule 8C): ₹ 311.17 crore	
	<p>A reference is invited to the point No. 2 of Significant Accounting Policies wherein it has been mentioned that the indirect (pre-operative) expenses have been accumulated and shall be capitalized on completion of NATRIP project. Though, NATRIP project was completed as of 31 March 2021, NATIS did not capitalize the pre-operative expenses of ₹ 311.17 crore incurred towards creation of project assets.</p> <p>Thus, non-capitalization of pre-operative expenses has resulted in overstatement of pre-operative expenses by ₹ 311.17 crore and understatement of project assets by similar amount.</p> <p>Despite of being pointed out in SARs for the years 2019-20, no corrective action has been taken by the management</p>	<p>NATIS has given assurance to C&AG office in response to final SAR as issued by C&AG office for F Y 2019-20, i.e. it will be complied after the approval of competent authority at the time of completion of NATRIP Project.</p> <p>Accordingly, the matter has been placed in 26th Audit Committee meeting held on 05th January, 2022.</p> <p><i>After detailed deliberation, the audit committee has recommended the Annual Accounts of NATIS for the year 2020-21 to be taken up for approval of GC NATIS and settle all open points of C&AG during the preparation of Annual Accounts of NATRIP for the Financial Year 2021-22 based on opinion of CA Firm as per applicable Accounting Standard.</i></p> <p>After recommendation of Audit Committee, it was placed in 71st Governing Council (GC) Meeting held on 09th February, 2022 for approval. The GC has approved the above recommendation.</p> <p>In view of above assurance, it is requested to drop the audit para.</p>
	CURRENT ASSETS, DEPOSIT AND ADVANCES	
A.5	Advances and Receivables (Schedule 6): ₹180.17 crore Advances to UPSIDC for NCVRS: ₹ 7.33 crore	
	<p>The above includes ₹ 7.33 crore out of ₹ 43.84 crore paid to U.P. State Industrial Development Corporation (UPSIDC) for allotment of land in Trishundi to set up a green field project called National Centre for Vehicle Research and Safety (NCVRS), Rai-Bareli, Uttar Pradesh, by NATIS. However, CCEA approved the shifting of facilities of NCVRS to another location. NATIS claimed for refund of ₹ 43.84 crore from UPSIDC. UPSIDC refunded ₹ 36.51 crore after adjusting ₹ 7.33 crore as deductibles in condition of surrender of land and denied considering the request of refund of the balance ₹ 7.33 crore after repeated requests. As this amount is not recoverable, a provision should have been made in the Accounts. But no such provision has been made. Non provisioning of Advance to UPSIDC has resulted in overstatement of 'Current Assets, Deposits and Advances' and understatement of 'Excess of Expenditure over Income' by ₹ 7.33 crore</p> <p>Despite being pointed out in SAR for the year 2019-20, no corrective action has been taken by the management.</p>	<p>NATIS has given assurance to C&AG office in response to final SAR as issued by C&AG office for F Y 2019-20, that the matter is under consideration and a final decision will be taken, once the same will be materialized or at the time of completion of NATRIP project.</p> <p>Accordingly, the matter has been placed in 26th Audit Committee meeting held on 05th January, 2022.</p> <p><i>As recommended by Audit Committee, it is affirmed that it will be corrected during preparation of Annual Accounts of FY 2021-22. It will be written-off through Income & Expenditure Account and the same amount will be routed through deferred Income based on independent opinion of CA Firm as per applicable Accounting Standards.</i></p> <p>After recommendation of Audit Committee, it was placed in 71st Governing Council (GC) Meeting held on 09th February, 2022 for approval. The GC has approved the above recommendation.</p> <p>In view of above assurance, it is requested to drop the audit para.</p>

B	INCOME AND EXPENDITURE ACCOUNT EXPENDITURE	ICAT
B.1	Salary and other allowance (Schedule 10): ₹ 66.46 crore	
B.1.1	<p>Above includes ₹ 80.86 lakh towards annual renewal premium for the policy taken from LIC for leave encashment of employees for the year 2021-22. As the premium pertained to the FY 2021-22, Liability thereof should not have been recognized in the annual accounts for FY 2020-21.</p> <p>This has resulted in overstatement of salary and other allowances and consequently overstatement of 'Excess of expenditure over income' by ₹ 80.86 lakh and overstatement of Current Liabilities to the same extent.</p> <p>Further, in note no 15 of schedule 13, it has inter-alia been stated that, for the financial year 2020-21, ICAT has paid an amount of ₹ 80.86 lakh to LIC as a contribution under this policy and the same has been debited to Income and Expenditure Accounts. The same is not correct as for the year 2020-21, ₹ 45.54 lakh was paid in 2019-2020 as a contribution under this policy.</p> <p>Despite of being pointed out in SARs for the years 2019-20, no corrective action has been taken by the management</p>	<p>In general, whenever an organization makes provision for any liability (relating to gratuity, leave encashment etc.), it provides the data of the employees as at the end of the financial year to the actuary. Practically, this data is being provided after the end of financial year i.e. in the month of April or any further month. Actuary makes the valuation as per given data (for previous financial year) and sends the report to the concerned organization. Then, the organization makes the provision of the liability in the financial year of which this data pertains to i.e. past financial year. No organization gets actuarial valuation in one year advance because all provisioning are made after the end of relevant financial year i.e. during the finalization of balance sheet.</p> <p>Same procedure is being followed in ICAT. As per procedure prevailing in ICAT, data of employees like leave balance, date of joining, salary etc. as on 31st March of the financial year is provided to LIC after the end of the financial year i.e. in April onwards. Then, LIC makes the valuation as per actuarial principles and provides the report to ICAT. After receiving the report from LIC, ICAT makes the provision of the same in 31st March of the financial year to which this data pertains. This provision is nothing but the present value of all the liabilities of leave encashment of ICAT for the employees existing on last date of financial year i.e. 31st March, 2021. Accordingly, ICAT has made the provision of Rs. 80.86 lakhs for financial year 2020-21 and disclosed the same in notes to accounts. On the same concept, Rs. 45.54 has been disclosed for financial year 2019-20 in the notes to accounts.</p> <p>In view of above clarification, it is requested to Audit team to drop the audit para.</p>

<p>B.1.2</p>	<p>Above includes ₹ 64.02 lakh towards annual renewal premium for the policy taken from LIC for gratuity benefits of employees for the year 2021-22. As the premium pertained to the FY 2021-22, Liability thereof should not have been recognized in the annual accounts for FY 2020-21.</p> <p>This has resulted in overstatement of salary and other allowances and consequently overstatement of 'Excess of expenditure over income' by ₹ 64.02 lakh and overstatement of Current Liabilities to the same extent.</p> <p>Further, in note no 14 of schedule 13, it has inter-alia been stated that, for the financial year 2020-21, ICAT has paid an amount of ₹ 64.02 lakh to LIC as a contribution under this policy and the same has been debited to Income and Expenditure Accounts. The same is not correct as for the year 2020-21, ₹1.44 crore was paid in 2019-2020 as a contribution under this policy.</p>	<p>ICAT</p> <p>In general, whenever an organization makes provision for any liability (relating to gratuity, leave encashment etc.), it provides the data of the employees as at the end of the financial year to the actuary. Practically, this data is being provided after the end of financial year i.e. in the month of April or any further month. Actuary makes the valuation as per given data (for previous financial year) and sends the report to the concerned organization. Then, the organization makes the provision of the liability in the financial year of which this data pertains to i.e. past financial year. No organization gets actuarial valuation in one year advance because all provisioning are made after the end of relevant financial year i.e. during the finalization of balance sheet.</p> <p>Same procedure is being followed in ICAT. As per procedure prevailing in ICAT, data of employees like leave balance, date of joining, salary etc. as on 31st March of the financial year is provided to LIC after the end of the financial year i.e. in April onwards. Then, LIC makes the valuation as per actuarial principles and provides the report to ICAT. After receiving the report from LIC, ICAT makes the provision of the same in 31st March of the financial year to which this data pertains. This provision is nothing but the present value of all the gratuity liability of ICAT for the employees existing on last date of financial year i.e. 31st March, 2021. Accordingly, ICAT has made the provision of Rs. 64.02 lakhs for financial year 2020-21 and disclosed the same in notes to accounts. On the same concept, Rs. 144 lakhs has been disclosed for financial year 2019-20 in the notes to accounts.</p> <p>In view of above clarification, it is requested to Audit team to drop the audit para.</p>
<p>C.</p>	<p>GENERAL COMMENTS</p>	

<p>C.1</p>	<p>NATIS was in receipt of Grants from Government of India for specific purpose of implementing NATRIP Project. which was an earmarked fund.</p> <p>However, NATIS accounted for entire grant received from GoI as Project Fund under liability side and corresponding assets created out of grant has been shown as fixed assets (Project Assets, Capital Work in Progress and Pre-operative Expenses) under assets side which is inconsistent with the format prescribed under Uniform Format of Account.</p> <p>Despite being raised through Management Letter on previous accounts, no corrective action has been taken by the management</p>	<p>As per CCEA approval, NATRIP has been funded with a mix of Project Grant, Loan Fund, User Charges and Liquidated Damages. NATRIP project is a fully Government of India funded Project and NATIS is the implementation body which has been established on behalf of MHI, Government of India. All land purchases under this project are vested in name of parent ministry, i.e. MHI.</p> <p>NATRIP had been showing all the funds received from GOI (Other than centre specific Grants/cess fund for R & D) under the head Project Fund since inception and the accounts has been duly certified by C&AG audit teams. The project fund (including grant and loans) is in the nature of capex and has been given to set up 4 greenfield centres and upgrade 2 existing centres. C&AG during the audit in 2018-19 had pointed out that the Loan portion should be separately shown under “Loans and Borrowings”. The loan was also a part of the Project Grant and was a part of the capex given by GOI for funding the project. Thus the loan and the Grant was being shown together under Project Grant. However following the observation of C&AG, the same has been complied as they had considered the presentation overall satisfactory. As the depiction of Project Grant had not been commented so far by audit, and that under Schedule no. 13, it had been clarified that “Government Grants in nature of Capital for the NATRIP Projects has been accounted as Project Funds”.</p> <p>Now it is suggested to use the heading “Earmarked Funds”. Given the peculiarity of the funds and the usage as has been mentioned in the introduction, it is already requested to C&AG office in last year of Draft SAR that the head of Project Grant may be continued for the remaining period of the project. Accordingly the above para has been dropped based on above clarification. As per assurance given in last draft SAR, NATIS has changed the nomenclature as Project Fund.</p> <p>In view of above clarification, it is requested to drop the audit para.</p>
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<p>C.2</p>	<p>Actuarial valuation of liability towards leave encashment and gratuity payable to employees has yet to be conducted by NATIS Headquarters and other units (except ICAT Manesar) which has resulted in violation of Accounting Standard-15.</p> <p>Despite of being pointed out in SARs for the years 2019-20, no corrective action has been taken by the management</p>	<p>It is informed that Provision for Gratuity and Leave Encashment are made as under by NATRIP Centres other than ICAT:</p> <p>Provision for Gratuity</p> <p>As per the provision of Gratuity Act, 1972 the Gratuity shall be payable to an employee at the time of his resignation after he has rendered the continuous service not less than five years.</p>
		<p>The calculation is made for every completed year of service or part thereof in excess of six months at the rate of fifteen day's wages (Basic+DA) based on the rate of wages last drawn by the employee concerned. Actuarial valuation certificate has not been obtained.</p> <p>Provision for Leave Encashment</p> <p>The Calculation is made for employees no. of days of Earned Leave Balance as on 31.03.2021 multiplied by last month pay (Basic + DA), divided by thirty days.</p> <p>Reply of NATRAX</p> <p>NATRAX use to make the provision for its gratuity & leave encashment liability in its balance sheet in FY 2020-21, however, from next financial year i.e from FY 2021-22, NATRAX has also taken the policy from Life insurance corporation for gratuity benefit of its employees.</p> <p>Reply of GARC</p> <p>GARC used to make provision for leave encashment and provision for gratuity on the basis of Salary, No of completed year, Leave Balance.</p> <p>Presently in GARC we have staff of 45 Nos. on role, hence not having any actuarial valuation on the same & not taking any policy.</p> <p>However, Noted for future compliance.</p> <p>In view of above, it is informed that since ICAT is fully operational and earned revenue from 2006. Other NATRIP Centres have start operation and earning revenue from few years back.</p> <p>It is assure to Audit team, these centres will also implement the same policy and procedure in upcoming years (most probably during finalization of accounts of F Y 21-22) based on the approval of competent authority.</p> <p>In view of above assurance, it is requested to drop the audit para.</p>

<p>C.3</p>	<p>Out of total project assets amounting to ₹ 2.01 crore under NCVRS/ADAC, assets valuing ₹ 1.24 crore has been transferred to other centres. Since no economic benefits are expected from remaining assets of ₹ 0.77 crore, the same should have been written off.</p> <p>Despite of being pointed out in SARs for the years 2019-20, no corrective action has been taken by the management</p>	<p>As per recommendation of Audit Committee and further approval of Governing Council, it is given assurance to C&AG Audit Team, the amount of Rs. 0.77 Crore shall written off in view of the fact that remaining assets do not have economic benefits are expected from use of those assets during the preparation of Annual Accounts for the F Y 21-22.</p> <p>In view of above assurance, it is requested to drop the audit para.</p>
<p>D.</p>	<p>GRANT-IN-AID</p> <p>NATIS has opening balance of unutilized grant of ₹ 57.57 crore and earned interest of ₹ 2.65 crore during the year on that grant. During the year, a grant in aid of ₹ 0.76 crore was received. NATIS could utilize a sum of ₹ 32.31 (including interest earned / refund of ₹ 2.65 crore) crore leaving a balance of ₹ 28.67 crore as unutilized as on 31 March 2021.</p>	<p>Noted.</p>
<p>E.</p>	<p>Management letter</p> <p>Deficiencies which have not been included in the Separate Audit Report have been brought to the notice of NATIS through a management letter issued separately for remedial/ corrective action.</p> <p>(v) Subject to our observation in the preceding paragraphs, we report that the Balance Sheet and Income and Expenditure Accounts / Receipt and Payment Accounts dealt with by this report are in agreement with the books of accounts.</p> <p>(vi) In our opinion and to the best of our information and according to the explanation given to us, the said financial statement read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in the Annexure to this Separate Audit Report, give a true and fair view in conformity with the accounting principles generally accepted in India:</p> <p>(a) In so far as it related to the Balance Sheet, of the state of affairs of NATRIP Implementation Society as at 31 March 2021, and</p> <p>(b) In so far as it related to Income and Expenditure Account, of the Excess of Expenditure over Income for the year ended as on that date.</p>	<p>Noted.</p>

Annexure to draft Separate Audit Report for the F Y 2020-2021		
1.	<p>Adequacy of Internal Audit System</p> <p>NATIS has no Internal Audit wing. The work of internal audit is carried out by the firm of Chartered Accountants. The Internal Audit System prevalent in NATIS was adequate and commensurate with the size and nature of its business.</p>	Noted.
2.	<p>Adequacy of Internal Control System</p> <p>The internal control is deficient due to following:</p> <ul style="list-style-type: none"> (i) No Travelling Allowance & Leave Travel Concession register was found to be maintained. (ii) No confirmation of debtors, creditors, receivables and payables at the end of the financial year was found on record in NATIS. 	<ul style="list-style-type: none"> (i) It is informed that since NATIS is using the accounting software (Tally), all are recorded in computerized system and there is no chance of delicacy. Other than this, it is processed by HR & Admin as per prescribed form. Under this format, last claim is also recorded. (ii) It is informed to all Centres for balance confirmation of debtors, creditors, receivables and payables.
3.	<p>System of Physical Verification of Fixed Assets</p> <p>Physical verification of Fixed Assets (Project Assets) has been conducted by the management at the year end.</p>	Noted.
4.	<p>System of Physical verification of Inventory</p> <p>There is no inventory in the books of NATIS, New Delhi (excluding ICAT, Manesar and GARC, Chennai) as on 31 March 2021. The physical verification of inventory of ICAT Manesar and GARC, Chennai was conducted for the period ended 31 March 2021 and no discrepancy was noticed.</p>	Noted.
5.	<p>Regularity in payment of Statutory Dues</p> <p>No instances of delayed payment of statutory dues were noticed during test check of records.</p>	Noted.

NATIS GC MEMBERS

Shri Arun Goel

Secretary to the Government of India,
Ministry of Heavy Industries
Government of India
Udyog Bhawan, New Delhi-110 011

Chairman**Shri Shashank Priya**

Special Secretary & Financial Adviser
Ministry of Heavy Industries
Government of India
Udyog Bhawan, New Delhi- 110 011

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