

**Separate Audit Report on the accounts of Indian Institute of Information Technology Design and Manufacturing (IIITDM), Kurnool for the year 2024-25**

**A. BALANCE SHEET**

**A.1 Sources of Funds – Rs.374.33 crore**

**A.1.1 Current Liabilities & Provisions – Schedule 3 – Rs.42.60 crore**

**Reference Number: OBS-2163989**

**A.1.1.1** This does not include an amount of Rs.1,17,09,276 being the Interest earned/accrued on Grants (Fixed Deposit accounts) received from Government of India. The Institute has treated it as an income and booked under Schedule 11 – Interest on investments instead of booking under Current Liability-Schedule 3. The details of which are as under:

FDR No.	Amount deposited during the year 2024-25	Interest earned	Interest accrued	Remarks
43667972694	5,00,00,000	7,70,548	8,694	
43668017267	5,00,00,000	7,70,548	8,694	
43667965202	5,00,00,000	7,70,548	8,694	
42956457638	7,50,00,000	24,13,192	20,59,912	
42956457128	7,50,00,000	24,13,192	20,59,912	
42956011468	3,00,00,000	1,05,205	-	FDR closed during the year
42956455223	3,00,00,000	3,20,137	-	FDR closed during the year
		75,63,370	41,45,906	

This resulted in the Overstatement of interest earned/accrued under schedule 11 by Rs.1.17 crore and understatement of Current Liabilities & Provisions under schedule 3 to the same extent.

**Reference Number: OBS-2164088**

**A.1.1.2** Actuary valued Past Service Cost (PSC) of Gratuity of ₹ 51,89,245 and Leave Encashment ₹ 65,08,781 (EL) and ₹ 55,67,459 (HPL) aggregating to ₹ 1,72,65,485 shown under Schedule 22 Prior Period Expenses instead of Sch 15A as per instruction of format of account..This needs to corrected.

## **A.2 Application of Funds - Rs.374.33 crore**

### **A.2.1 Loan, Advances and Deposit Sch 8 Rs. 5.13 crore**

The above includes Rs. 2.41 crore recoverable from MoE against the provision of retirement benefit. This amount should be charged from Corpus. This resulted overstatement of Current Assets and Loan and Advance and Corpus/Capital Fund by Rs. 2.41 crore

## **B. Income & Expenditure account**

### **B.1 Expenditure – Rs.37.73 crore**

#### **B.1.1 Repairs & Maintenance – Schedule 19 – Rs.57.77 lakh**

**Reference Number: OBS-2164024**

This includes an amount of Rs.6,47,820 paid towards supply of water tankers. The Institute had booked the same under Schedule 19 - Repairs and Maintenance instead of classifying under Schedule-17, Administrative and General expenses (water charges).

This resulted in overstatement of Schedule 19-Repairs and Maintenance and understatement of Schedule 17- Administrative and General Expenses by ₹6.48 lakh.

## **C. General:**

**Reference Number: OBS-2164133**

**C.1** The following works were not classified under Proper head of accounts:

S.No.	Description of the work	Amount	Head under which Accounted for	Head under which to be accounted for
1	Internal Water Supply and Sanitary Installation	6,23,52,873	Site development, Buildings, Roads & Bridges	Tubewells & Water Supply
2	Sewers	1,12,76,980		Sewerage & Drainage
3.	Unfiltered water supply grid	46,13,310		Tubewells & Water Supply
4	Storm water drains	87,14,030		Sewerage & Drainage
5.	Horticulture operation	82,01,440		Land Scaping & Horticulture
6.	Water Tanks, Rain Harvesting tanks, STPs, ETP and Biological Waste Disposal	6,75,62,500		Sewerage & Drainage
7.	Borewell and Pumps	24,00,000		Tubewells & Water Supply

The same needs reconciliation.

**Reference Number: OBS-2164139**

C.2 In R&P account, the following heads of accounts were mentioned:

Receipts side:

- a. Interest accrued on Fixed deposits of Rs.10,29,557,
- b. Prepaid expenses of Rs.36,39,610,
- c. outstanding liabilities/provisions of Rs.2,46,89,894
- d. Retirement benefits payable of Rs.11,33,460

Payments side:

- a. Interest accrued on Fixed deposits of Rs.76,08,059
- b. Sundry Debtors of Rs.18,95,72,765
- c. outstanding liabilities of Rs 2,30,50,622

These heads of accounts pertain to the Accrual basis of accounting while R&P accounting is based on cash basis of accounting. This needs rectification in R&P account.

C.3 The Institute has neither maintained separate account of NPS nor shown distinctly in the accounts.

**D. Management Letter**

Deficiencies which have not been included in the Separate Audit Report have been brought to the notice of the Director, IIITDM, Kurnool through a Management letter issued separately for remedial / corrective action.

**E. Assessment of Internal Controls**

- i. **Adequacy of Internal Audit System:** There is no Internal Audit Wing in the Institute. However, the Internal Audit of the Institute was conducted by a Chartered Accountant firm.
- ii. **Adequacy of Internal Control System:** Internal control system is not adequate on the following grounds:
  - a) There is no Investment Policy
  - b) There is no Internal Audit Manual
  - c) Non maintenance of Budget Control Register
  - d) Non maintenance of Register of Medical claims.
- iii. **System of Physical verification of fixed assets:** Physical verification of Fixed Assets was in progress for the year 2024-25.
- iv. **System of Physical verification of inventory:** Not applicable

- v. **Regularity in payment of statutory dues:** The Institute is regular in depositing undisputed statutory dues with the appropriate authorities.
- (vi) **Other matters relating to functioning of the entity:** Nil

**F. Grants in aid**

Grants in aid of Rs.63.15<sup>1</sup> crore was received during the year. The organization had utilised the entire grant as on 31 March 2025.

---

<sup>1</sup> Capital Grant: Rs.26.15 crore, Revenue Grant: Rs.37.00 crore