

Opinion of the Comptroller & Auditor General of India on the Accounts of Indian Institute of Technology, Hyderabad (IITH) for the year ended 31 March 2025

Opinion

We have audited the financial statements of Indian Institute of Technology, Hyderabad (IITH) which comprise the statement of financial position as at 31 March 2025 and the Income & Expenditure Account/Receipts & Payment Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies under Section 19 (2) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 23(2) of Institute of Technology Act 1961.

This 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, disclosure norms, etc. Audit observations on financial transactions regarding compliance with the Law, Rules and Regulations (Propriety & Regularity) and efficiency cum performance aspects, etc., if any, are reported through inspection reports/ CAG's audit reports separately.

In our opinion the accompanying financial statements of Indian Institute of Technology, Hyderabad (IITH) read together with the accounting policies and Notes thereon and matters mentioned in the Separate Audit Report, which follows, give a true and fair view of the financial position of the autonomous body as at March 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with format applicable to the Autonomous Bodies.

Basis for Opinion

We conducted our audit in accordance with the CAG's auditing regulations/ standards/ manuals/ guidelines/ guidance-notes/ orders/ circulars etc. Our responsibilities are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the autonomous body in accordance with ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the financial statements

The Governing Body of Indian Institute of Technology, Hyderabad (IITH) is responsible for the preparation and fair presentation of the financial statements in accordance with format applicable to the Autonomous Bodies, and for internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion in accordance with CAG's auditing regulations /standards/ manuals/ guidelines/ guidance-notes/ orders/ circulars etc.

For and on behalf of the CAG of India

HEMA

MUNIVENKATAPPA

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MUNIVENKATAPPA

Date: 2025.12.30 12:20:57 +05'30'

Director General of Audit / Central

Place: Hyderabad

**-Separate Audit Report on the Annual Accounts of Indian Institute of Technology,
Hyderabad (IITH) for the year ended 31 March 2025**

Comments on Accounts

A. Balance Sheet ₹3879.02 crore

A.1 Current Liabilities and Provision ₹514.69 crore

A.1.1 Reference Number: OBS-2203702

The provision for salary expense pertaining to March 2025 was not created in the books of accounts for FY 2024-25. As per the accrual basis of accounting, provisions must be recognized for all known liabilities arising during the financial year, irrespective of the timing of payment. This resulted in understatement of Current liabilities and understatement of expenditure thereby overstatement of Surplus/Capital Fund by ₹11,87,35,247.

A.2 Corpus/Capital Fund -₹30.32 crore

The Interest of HEFA Loan of ₹60.31 lakh in 2024-25 (previous years ₹11.94 crore) wrongly charged to revenue account instead of capitalising. This resulted understatement of Fixed Assets Capital work in Progress and overstatement of expenditure – Finance cost by ₹60.31 lakh (prior period ₹11.94 crore) Consequently Surplus is overstated by the same amount.

B. General

B.1 Reference Number: OBS-2212568

TDS receivables balance as per as per ledger was shown at ₹₹3,26,66,329, whereas the same as per Form 26AS was as ₹3,22,28,468 resulting in a difference of ₹4,37,861. The institute is not maintaining party-wise reconciliation of TDS receivables, leading to unreconciled differences.

C. Management Letter : Deficiencies which have not been included in this Separate Audit Report have been brought to the notice of the Management through a Management Letter issued separately for remedial/corrective action.

D Assessment of Internal Controls

(i) Adequacy of Internal Control System: Reference Number: OBS-2212537

Internal Control System was not adequate due to the following:

(a) Specific disclosures have not been made in annual accounts in respect of current assets - sundry debtor and current liabilities and provisions.

(b) The employer contributions were not remitted for several employees due to the non-creation of their Permanent Retirement Account Numbers (PRANs). Further, the Institute has not been creating or recording the monthly employer NPS liability (14% of Basic Pay + DA) in the books of accounts in respect of new joined employees whose PRANs are not created. These fund should be transferred to NSDL immediately after due process.

(Reference Number: OBS-2224926)

(c) The institute is not maintaining party-wise reconciliation of TDS receivables, leading to unreconciled differences.

(d) The institute is compiling the annual accounts using tally software. There are four Tally accounts, i.e., Institute, students, JICA and Sponsored Research and Consultancy. General ledger and trial balances are generated and four accounts are exported to excel sheet manually and compiling the annual accounts. The institute is unable to generate combined tally balances through the tally software.

(ii) Adequacy of Internal Audit System: Internal Audit for the year 2024-25 was conducted.

(iii) Physical verification of inventory: physical verification of inventory is conducted for the year 2024-25

(iv) Physical verification of Fixed Assets :

The Annual Physical Verification of Assets for FY 2024-25 was completed in June 2025.

(v) Regularity in payment of statutory dues: Statutory dues were regularly paid during the year 2024-25.

(vi) Other matters relating to functioning of the entity: Audit by the concerned Ministry (MoE) has not been conducted since inception.

C. Grants in aid : IITH received an amount of ₹400.01 crore (Capital Grant ₹32.53 crore and Revenue Grant ₹367.48 crore) during the year 2024-25 and utilised fully as on 31 March 2025.

