



## AUDITOR'S REPORT

To  
The Board of Governors,  
Institute of Science & Technology  
JNTU, Hyderabad,  
Telangana.

We have audited the accompanying financial statement of the **JNTU INSTITUTE OF SCIENCE & TECHNOLOGY, HYDERABAD** Project Financed Under World Bank Credit No. 5874 IN which comprises the Statement of Sources and Applications of Funds, Income & Expenditure, Receipts & Payments and Reconciliation Claims to Total Application of Funds for the year ended 31<sup>st</sup> March 2018. These statements are responsibility of project management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Engagement and Quality Control Standards promulgated by the Institute of Chartered Accountants of India (ICAI). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 the management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the source and application of Funds of **JNTU INSTITUTE OF SCIENCE & TECHNOLOGY, HYDERABAD** for the year ended 31<sup>st</sup> March 2018, in accordance with accounting principles generally accepted in India.

In addition, in our opinion, (a) with respect to FMRs, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursement of expenditures incurred; and (b) except for ineligible expenditures as detailed in audit observations, if any, appended to this audit report, expenditures are eligible for financing under the Credit Agreement. During the course of audit, expenditure statements and connected documents were examined and these can be relied upon to support reimbursement under loan/credit Agreement.

For **SAGAR & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**



Date: 18.06.2018  
Place: Hyderabad



**JNTU INSTITUTE OF SCIENCE & TECHNOLOGY, HYDERABAD**

**UTILISATION CERTIFICATE**

a) Opening Balance as on 1 <sup>st</sup> April, 2017	-
b) Funds Received from NPIU	18,66,376
c) College Contribution	-
c) Interest earned on grant available for TEQIP	-
d) Other income	-
e) Expenditure	17,80,376
<b>Unspent Balance as on 31.03.2018</b>	<b>86,000</b>

It is also certified an amount **Rs. 18,86,376/-** (Rupees Eighteen Lakh Eighty Six Thousands Three Hundred and Seventy Six only) has been utilized by the institution for the purpose for which it was sanctioned. It is further certified that an unspent balance of **Rs. 86,000/-** (Rupee Eighty Six thousand) only is being carried forward for utilization in the next year.

We further certify that the conditions on which the grant was sanctioned have been fulfilled and where there have been any deviation from the sanctioned amount it is with prior approval of the concerned authority. We have exercised reasonable checks to see that money has been actually utilized for the purpose for which it was sanctioned

**For SAGAR & ASSOCIATES**  
CHARTERED ACCOUNTANTS



Date: 18-06-2018

Place: Hyderabad

## MANAGEMENT LETTER

Dear Sir,

We have audited the financial statements of **JNTU INSTITUTE OF SCIENCE & TECHNOLOGY, HYDERABAD** for the year ending 31<sup>st</sup> March 2018 and have issued our report dated 18-06-2018. In planning and performing our audit of **JNTU INSTITUTE OF SCIENCE & TECHNOLOGY, HYDERABAD** we considered its internal accounting control structure in order to determine our auditing procedure for the purpose of expressing our opinion of the financial statements and to provide assurance on the internal accounting control structure. The matters involving the internal accounting control structure and its operations that we consider to be material weakness in accordance with the standards referred to above have been dealt with in our audit report.

### Audit observation:

#### 1. Difference between FMRs & Books

S. No	As per FMR	As per Books	Difference
1	1,771,388	17,80,376	8,988

For

**JNTU INSTITUTE OF SCIENCE & TECHNOLOGY,  
HYDERABAD**

  
PRINCIPAL



Date: 18.06.2018  
Place: **HYDERABAD**

For **SAGAR & ASSOCIATES**  
Chartered Accountants



**JNTU INSTITUTE OF SCIENCE & TECHNOLOGY, HYDERABAD**  
**TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME (TEQIP)**  
**PHASE - III (SC-13)**  
**RECEIPT & PAYMENT ACCOUNT**  
**FOR THE YEAR ENDED 31-03-2018**

SL NO.	PARTICULARS	2017-18	PARTICULARS	2017-18
1,	Opening Balance 1.1. Cash 1.2. Bank	- -	Release to Advances	86,000
2	Received from Grant Received from NPIU	1,866,376	Payment to Consultants, Seminars & Workshop	1,125,303
3	Other Receipts if any		Procurement of Assets	-
4			Administrative Expenditure	655,073
5			Closing Balance a) Cash b) Bank	
		<b>1,866,376</b>		<b>1,866,376</b>

For SAGAR & ASSOCIATES  
Chartered Accountant



Place: Hyderabad  
Date: 16-06-2018

For Jntu Institute Of Science & Technology, Hyderabad



*B. V. Ranga*  
Principal  
DIRECTOR

**JNTU INSTITUTE OF SCIENCE & TECHNOLOGY, HYDERABAD**  
**TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME (TEQIP)**  
**PHASE - III (SC-1.3)**  
**INCOME & EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31-03-2018**

SL. NO.	PARTICULARS	2017-18	SL. NO.	PARTICULARS	2017-18
1.3.1	Improvement in teaching, training and learning facilities 1.3.1.1 Equipment 1.3.1.2 Learning Resources 1.3.1.3 Furniture 1.3.1.4 Minor Civil Works	- - - -		Excess of Expenditure Over Income	1,780,376
1.3.2	Academic Process 1.3.2.1 Improve Student Learning 1.3.2.2 Assistantship 1.3.2.3 Graduates Employability 1.3.2.4 Faculty/Staff Development & Motivation 1.3.2.5 Research and Development 1.3.2.6 MOOCs and Digital Learning 1.3.2.7 Mentoring / Twinning System 1.3.2.8 Reforms & Governance 1.3.2.9 Management Capacity Development 1.3.2.10 Service 1.3.2.11 Industry Institute Interaction	539,315 55,619 163,638 356,731 10,000			
1.3.3	Incremental Operating Cost 1.3.3.1 Consumables 1.3.3.2 Operation & Maintenance of Equipments 1.3.3.3 Office Expenses 1.3.3.4 Meetings 1.3.3.5 Hiring of Vehicles 1.3.3.6 Travel Cost 1.3.3.7 Salary	29,295 26,504 249,080 3,114 347,080			
		1,780,376			1,780,376

**\*For SAGAR & ASSOCIATES**  
Chartered Accountant



Place: Hyderabad  
Date: 16-06-2018

For Jntu Institute Of Science & Technology, Hyderabad



*B. V. Kumar*  
Principal

**JNTU INSTITUTE OF SCIENCE & TECHNOLOGY, HYDERABAD**  
**TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME (TEQIP)**  
**PHASE - III (SC-1.3)**  
**BALANCE SHEET**  
**AS AT 31-03-2018**

SNO	PARTICULARS	SCHEDULE NO.	2017-18
A	<b>SOURCE OF FUNDS</b>		
	2) Amount Received from NPIU		1,866,376
	3) Contribution from: College		-
	4) Excess of Income over Expenditure Current Year		-1,780,376
	<b>Previous Year</b>		-
	<b>TOTAL</b>		<b>86,000</b>
B	<b>APPLICATION OF FUNDS</b>		
	1) Fixed Assets		
	2) Work-in Progress		
	3) A. Current Assets, Loans and Advances		
	a. Cash Balance		
	b. Bank Balance		-
	c. Advance for Capital Goods		
	d. Loans & Advances	1	86,000
	<b>B. Less: Current Liabilities</b>		
	<b>Net Current Assets (A-B)</b>		<b>86,000</b>
	<b>TOTAL</b>		<b>86,000</b>

As per Report of Even Date

**For SAGAR & ASSOCIATES**  
**Chartered Accountant**

F.No. 003510S



Partner  
 Place: Hyderabad

Date: 16-06-2018

**For Jntu Institute Of Science & Technology,Hyder**



*B. Ramesh*  
 Principal

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME (TEQIP)  
 PHASE - III (SC-1.3)

Credit No. ~~46666~~ **5874 IN**

Statement of Source and Application of Funds  
 Report for the year ended 31-03-2018

Particulars	2017-18
Opening Balance (A)	-
<u>Receipts</u>	
Funds equivalent to expenditure shown in PFMS (Funds made available by MHRD)	1,866,376
Less: Debit Failures	
<b>TOTAL RECEIPTS (B)</b>	<b>1,866,376</b>
<b>TOTAL SOURCE (C=A+B)</b>	<b>1,866,376</b>
<u>Expenditure by Component</u>	
a. Improvement in teaching, training and learning facilities	
b. Academic Process	1,125,303
c. Incremental Operating Cost	655,073
<b>TOTAL EXPENDITURE (D)</b>	<b>1,780,376</b>
Closing Balance (C-D)	86,000

For Jntu Institute Of Science & Technology, Hyderabad

*[Signature]*  
 Principal

Place: Hyderabad  
 Date: 16-06-2018



**JNTU INSTITUTE OF SCIENCE & TECHNOLOGY, HYDERABAD**

Name of the Project: TEQIP - III SC-1.3

Credit No. ~~5874~~ **5874 - IN**

Reconciliation of Claims to Total Application of Funds

Report for the year ended 31-03-2018

	Particulars	Schedules	2017-18	Project to Date
A.	Bank Funds Claimed during the year	I		
B.	Total Expenditure made during the year	II	1,780,376	1,780,376
	Less:			
C.	Outstanding Bills	III	-	-
D.	Ineligible Expenditure	IV	-	-
E.	Expenditure not claimed	V	-	-
F.	Total Eligible Expenditure Claimed (B-D-E)		1,780,376	1,780,376
G	World Bank Share @ 100% of (F) above		1,780,376	1,780,376

For Jntu Institute Of Science & Technology, Hyderabad



Principal

Place: Hyderabad

Date: 16-06-2018





### A. Significant Accounting Policies:

1. General:

(a) The accounts are prepared under the historical cost convention following the cash system of accounting

(b) Accounting policies not specially referred to are consistent and in consonance with generally accepted accounting principles.

(c) Expenses and income to the extent paid and received respectively are accounted for on cash basis.

2. Investments: - Investments are valued at cost. However, there are no investments outstanding at the end of the year.

3. Fixed Assets: - Fixed assets are stated at Cost. No accounting is being done for Depreciation on any of Fixed Assets. Fixed Assets purchased are charged to expenditure in the year of purchase.

4. Grand Accounting: - Since the Direct Transfer of Fund to the beneficiary is done through the PFMS, the institutes are not getting any fund directly, therefore, the expenditure incurred as per the PFMS shall be considered as grant received and accounted for accordingly after reconciling the figures.

The grant is transferred to general fund account and same is not as per the Accounting Standard – 12 "Accounting for Government Grants" issued by the Institute of Chartered Accountants.

### B. Notes on Accounts:

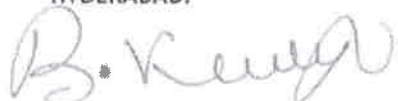
1. There is no contingent liability in respect of claims against the project not acknowledged as debt.

2. Balances of Loans and Advances, Deposits and other Liabilities are subject to confirmation and as certified by the management. The Current assets are stated at an amount, which is in opinion of the management, not in excess of their recoverable value.



3. Previous year figures have been regrouped and rearranged to make them comparable with current year figures wherever considered necessary.

For  
JNTU INSTITUTE OF SCIENCE & TECHNOLOGY,  
HYDERABAD.



**PRINCIPAL**

Date: 18.06.2018

Place: HYDERABAD



For SAGAR & ASSOCIATES  
CHARTERED ACCOUNTANTS



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**INSTITUTE OF SCIENCE AND TECHNOLOGY**  
**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD**  
(Established by Govt. Act No. 30 of 2008)  
Kukatpally, Hyderabad - 500 085, Telangana (India)

**Dr.B.Venkateswara Rao**  
M.Sc., (Tech), Ph.D.  
Professor of Water Resources &  
**DIRECTOR**

**MANAGEMENT ASSERTION LETTER**

To  
M/s Sagar & Associates  
Chartered Accountants  
Hyderabad

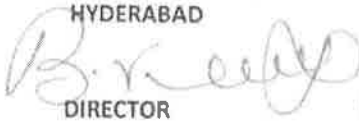
18-06-2018

This assertion letter is provided in connection with your audit of the financial statements of the **JNTU INSTITUTE OF SCIENCE & TECHNOLOGY, HYDERABAD** Project for the year ended 31<sup>st</sup> March 2018. We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the cash basis of accounting followed by the Project, and we confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

- The project financial statements are free of material misstatements, including omissions.
- Project funds have been used for the purposes for which they were provided.
- Project expenditures are eligible for financing under the Credit agreement.
- There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the project financial statements.
- We have made available to you all books of account and supporting documentation relating to the project.
- The project has complied with the conditions of all relevant legal agreements, including the Credit Agreement, the Project Appraisal Document, the Minutes of Negotiations, the Borrower's Project Implementation Plan, and Memorandum of Understanding

For

**JNTU INSTITUTE OF SCIENCE & TECHNOLOGY,  
HYDERABAD**

  
**DIRECTOR**



  
**TEQIP-III Co-ordinator**

Date: 18.06.2018  
Place: HYDERABAD