



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 31st March 2019. 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 31st March 2019, 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


PARTNER

Date: 15.05.2019
Place: Hyderabad

JNTU INSTITUTE OF SCIENCE & TECHNOLOGY, HYDERABAD
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME (TEQIP)
PHASE - III (SC-1.3)
RECEIPT & PAYMENT ACCOUNT
FOR THE YEAR ENDED 31-03-2019

SL.NO.	PARTICULARS	2018-19	2017-18	PARTICULARS	2018-19	2017-18
1	Opening Balance 1.1. Cash 1.2. Bank	- -	- -	Release to Advances	74,000	86,000
2	Received from Grant Received from NPIU	32,250,966	1,866,376	Payment to Consultants, Seminars & Workshop	5,376,166	1,125,303
3	Advance form University Advance form Institute	10,000,000 500,000		Procurement of Assets	25,159,164	-
4				Administrative Expenditure	1,641,636	655,073
5				Closing Balance a) Cash b) Bank	10,500,000	-
		42,750,966	1,866,376		42,750,966	1,866,376

For SAGAR & ASSOCIATES

Chartered Accountant

F.No. 0035108 ASSOCIATES

Hyderabad

Chartered Accountants

Partner

Place: Hyderabad

Date: 15-05-2019

For Jntu Institute Of Science & Technology, Hyderabad



B.V. Vijay
Principal

JNTU INSTITUTE OF SCIENCE & TECHNOLOGY, HYDERABAD
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME (TEQIP)
PHASE - III (SC-1.3)
INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31-03-2019

SL NO.	PARTICULARS	2018-19	2017-18	SL NO.	PARTICULARS	2018-19	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	23,181,455 109,951 1,576,848 290,910	- - - -		Excess of Expenditure Over Income	32,176,966	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	276,653 738,000 66,586 2,277,366 1,001,429 2,400 561,068 172,272 137,022 143,370	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	58,908 251,346 66,999 371,585 15,185 33,446 844,167	29,295 26,504 249,080 3,114 347,080				
		32,176,966	1,780,376			32,176,966	1,780,376

For Jntu Institute Of Science & Technology, Hyderabad



[Signature]
Principal

For SAGAR & ASSOCIATES

Chartered Accountant

F.No. 0055108



[Signature]
Partner

Place: Hyderabad
Date: 15-05-2019

JNTU INSTITUTE OF SCIENCE & TECHNOLOGY, HYDERABAD
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME (TEQIP)
PHASE - III (SC-1.3)
BALANCE SHEET
AS AT 31-03-2019

SNO	PARTICULARS	Schedule Ref.	2018-19	2017-18
A	SOURCE OF FUNDS 2) Amount Received from NPIU 3) Contribution from: College 4) Excess of Income over Expenditure Current Year Previous Year TOTAL		34,117,342 -32,176,966 -1,780,376 160,000	1,866,376 - -1,780,376 86,000
B	APPLICATION OF FUNDS 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 B. Less: Current Liabilities Net Current Assets (A-B) TOTAL	1 2	 160,000	 86,000 86,000

As per Report of Even Date

For SAGAR & ASSOCIATES


Chartered Accountant

F.No. 0035/10S

Hyderabad
 Place: Hyderabad
 Date: 15-05-2019

For Jntu Institute Of Science & Technology, Hyderabad


Principal



SCHEDULE TO BALANCE SHEET AS AT 31-03-2019

PARTICULARS	31.03.2019	31.03.2018
SCHEDULE NO. 1		
Current Liabilities		
Dr.B.Venkateswara Rao	30,000	
Dr.M.Anji Reddy	30,000	
Dr.M.V.S.S.Giridhar	30,000	
Dr.Ch.Shilpa Chakra	60,000	
T. Vijaya Lakshmi		36,000
M.V.S.S Gridhar		40,000
IST Maintenance	10,000	10,000
TOTAL	160,000	86,000

PARTICULARS	31.03.2019	31.03.2018
SCHEDULE NO. 2		
Advances		
Director IST General Fund Account	10,500,000	
TOTAL	10,500,000	-



JNTU INSTITUTE OF SCIENCE & TECHNOLOGY, HYDERABAD
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME (TEQIP)
PHASE - III (SC-1.3)

Credit No.5874 IN

Statement of Source and Application of Funds
 Report for the year ended 31-03-2019

Particulars	2018-19	2017-18
Opening Balance (A)	86,000	-
Receipts		
Funds equivalent to expenditure shown in PFMS (Funds made available by MHRD)	32,250,966	1,866,376
Less: Debit Failuers		
TOTAL RECEIPTS (B)	32,250,966	1,866,376
TOTAL SOURCE (C=A+B)	32,336,966	1,866,376
Expenditure by Component		
a. Improvement in teaching, training and learning facilities	25,159,164	-
b. Academic Process	5,376,166	1,125,303
c. Incremental Operating Cost	1,641,636	655,073
TOTAL EXPENDITURE (D)	32,176,966	1,780,376
Closing Balance (C-D)	160,000	86,000

Total debits success as per EP04 32,201,273

Amount paid to Bio square Bio technology India Pvt.Ltd. through PFMS but not reflected in EP04.. 49,693

Total Fund Made available to the Institute. 32,250,966

For SAGAR & ASSOCIATES

Chartered Accountant

F.No. 003510S

Partner

Hyderabad

Chartered Accountant

Place: Hyderabad

Date: 15-05-2019

For Jntu Institute Of Science & Technology, Hyderabad



(Handwritten Signature)
 Principal

JNTU INSTITUTE OF SCIENCE & TECHNOLOGY, HYDERABAD

Name of the Project: TEQIP - III SC-1.3
Credit No.5874 IN

Reconciliation of Claims to Total Application of Funds
Report for the year ended 31-03-2019

	Particulars	Schedules	2018-19	2017-18	Project to Date
A.	Bank Funds Claimed during the year	I			
B.	Total Expenditure made during the year	II	32,176,966	1,780,376	33,957,342
	Less:				
C.	Outstanding Bills	III	-	-	-
D.	Ineligible Expenditure	IV	-	-	-
E.	Expenditure not claimed	V	-	-	-
F.	Total Eligible Expenditure Claimed (B-D-E)		32,176,966	1,780,376	33,957,342
G	World Bank Share @ 100% of (F) above		32,176,966	1,780,376	33,957,342

For SAGAR & ASSOCIATES

Chartered Accountant

F.No. 003510S



Partner

Place: Hyderabad

Date: 15-05-2019

For Jntu Institute Of Science & Technology, Hyderabad



Principal

JNTU INSTITUTE OF SCIENCE & TECHNOLOGY, HYDERABAD

UTILISATION CERTIFICATE

a) Opening Balance as on 1 st April, 2018	86,000
b) Funds Received from NPIU	3,22,50,966
c) College Contribution	-
c) Interest earned on grant available for TEQIP	-
d) Other income	-
e) Expenditure	-3,21,76,966
f) Advance	-1,60,000
Unspent Balance as on 31.03.2019	-

Note: There is a difference of Rs.1,40,000/- between Expenditure as per PFMS and books. This is due non-reflection of expenditure on account of settlement of advance. Though advance was showing settled but is not reflecting as expenditure in PFMS. (Voucher No.BP-2018-19-317 dated 05.03.2019 Rs. 1400000)

It is also certified an amount **Rs. 3,23,36,966/-** (Rupees Three crore Twenty Three Lakh Thirty Six Thousands Nine Hundred and Sixty 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. 0/-**(Rupee Zero 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.

A. Le. Nishu
PARTNER
Hyderabad
Chartered Accountants

Date: 15-05-2019
Place: Hyderabad

MANAGEMENT LETTER

Dear Sir,

We have audited the financial statements of **JNTU INSTITUTE OF SCIENCE & TECHNOLOGY, HYDERABAD** for the year ending 31st March 2019 and have issued our report dated 15-05-2019. 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 Grant received from NPIU and books of accounts.

S.No	Grant received from NPIU as per EP 04	As per Books	Difference
1	3,22,01,273	3,22,50,966	49693

Payments are done through PFMS but not reflected in EP04.. Bio square Bio technology India Pvt.Ltd. towards purchase of Micropipette set.

Ref Payment advice No. C071811614677 dt. 27.07.18. Rs. 44724/-
Payment advice No. C071824939305 dt. 06.08.18. Rs. 4969/-

2. Expenditure difference between FMRs & Books

Particulars	As per FMR- M32	As per Books of Accounts	Difference
Total Expenditure 2018-2019	32,036,966	3,21,76,966	1,40,000
Total	32,036,966	3,21,76,966	1,40,000
Less: Non capturing of Rs.1,40,000/- advance settlement in PFMS			1,40,000
Net difference			-



The difference is due to non capturing of Rs.1,40,000/- advance settlement in PFMS.

Date	Voucher No.	Head of Expenditure	Amount
07.03.19	112	Organised workshop Conf./Semi-Faculty	1,40,000
		Total	1,40,000

3. PHYSICAL AND FINANCIAL PROGRESS (PROCUREMENT)

Procurement as per		Difference	Remarks
PFMS	PMSS		
2,51,59,164	2,10,27,868	41,31,296	Procurement completed but details are not updated in PMSS

For

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


PRINCIPAL

Date: 15.05.2019

Place: **HYDERABAD**



For **SAGAR & ASSOCIATES
CHARTERED ACCOUNTANTS**


PARTNER



JNTU INSTITUTE OF SCIENCE & TECHNOLOGY, HYDERABAD

KEY AUDIT OBSERVATION 2018-19

1. Difference between Grant received from NPIU and books of accounts.

S. No	Grant received from NPIU as per EP 04	As per Books	Difference
1	3,22,01,273	3,22,50,966	49693
Payments are made to Bio square Bio technology India Pvt.Ltd. towards purchase of Micropipette set. through PFMS but not reflected in EP04.. Ref Payment advice No. C071811614677 dt. 27.07.18. Rs. 44724/- Payment advice No. C071824939305 dt. 06.08.18. Rs. 4969/-			

2. Advance Adjusted but expenditure not appeared in PFMS

Particulars	As per FMR- M32	As per Books of Accounts	Difference
Total Expenditure 2018-2019	32,036,966	3,21,76,966	1,40,000
Total	32,036,966	3,21,76,966	1,40,000
Less: Non capturing of Rs.1,40,000/- advance settlement in PFMS			
Net difference			1,40,000
			-



Following advance were adjusted against expenditure but not appearing in PFMS (M-32)

Name of the Beneficiary/Vendor	Date of advance taken	Date of adjustment	Voucher No.	Head of Expenditure	Amount
Convener ICHWAM	24.01.2019	07.03.19	112	Organised workshop Conf./Semi-Faculty	1,40,000
				Total	1,40,000

3. PHYSICAL AND FINANCIAL PROGRESS (PROCUREMENT)

Procurement as per		Difference	Remarks
PFMS	PMSS		
2,51,59,164	2,10,27,868	41,31,296	Procurement completed but details are not updated in PMSS

For SAGAR & ASSOCIATES
 CHARTERED ACCOUNTANTS

[Handwritten Signature]

Date: 15.05.2019

Place: Hyderabad



JNTU INSTITUTE OF SCIENCE & TECHNOLOGY, HYDERABAD

Audit disallowance/Outstanding Bills

For the Financial Year 2018-19

1. Outstanding Bills

There are no outstanding bills as per books of accounts.

For SAGAR & ASSOCIATES
CHARTERED ACCOUNTANTS


PARTNER

Date: 15.05.2019

Place: Hyderabad



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:15.05.2019

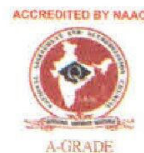
Place: HYDERABAD

For SAGAR & ASSOCIATES
CHARTERED ACCOUNTANTS


PARTNER



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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

15-05-2019

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 31st March 2019. 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


PRINCIPAL

Date: 15.05.2019
Place: HYDERABAD





TEQIP-III Co-ordinator

**TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]
PHASE - III**

Report -1 : PFMS RECONCILIATION STATEMENT

QUARTERLY

Sl. No.	Statement of Expenditure	Amount Rs. 1 st Qrt	Amount Rs. 2 nd Qrt	Amount Rs. 3 rd Qrt	Amount Rs. 4 th Qrt	Total 2018-2019
A	Expenditure as per PFMS Statement (According to M-32 Report)	62,46,695	1,05,79,492	3,31,132	1,48,79,647	3,20,36,966
B	Less: Debit failures (payments not made by PFMS but shown in the expenditure) — [Report EP-04]	0	0	0	0	
C	Expenditure as per books of accounts (A - B)	61,06,695	1,05,79,492	64,74,323	90,16,456	32176966
	Diff.	1,40,000	Nil	-61,40,191	5863191	1,40,000
	Less: Non capturing of Rs.1,40,000/- advance settlement in PFMS.					1,40,000
			Total			Nil

The difference is due to non capturing of Rs.1,40,000/- advance settlement in PFMS.

Date	Voucher No.	Head of Expenditure	Amount
07.03.19	112	Organised workshop Conf./Semi-Faculty	1,40,000
		Total	1,40,000



Report -2 : STATUS OF ADVANCES

QUARTERLY

Sl. No.	Date	Amount Rs. 1 st Qrt	Amount Rs. 2 nd Qrt	Amount Rs. 3 rd Qrt	Amount Rs. 4 th Qrt
A	Opening Balance as on 1 st day of the quarter	86000	130000	340000	454000
B	Plus : Advances paid in the quarter	276600	496400	184000	343936
C	Less : Adjustment/Settlement of Advances	232600	286400	70000	637936
D	Balance as on Last date of Quarter	130000	340000	454000	160000



Report -2 (a) : AGENING OF ADVANCES

Sl. No.	Particulars	Period	Amount (Rs.)	Remarks (Reasons)
1.	Ageing of Advances in Closing Balance	upto 15 days	70000	Due to TEQIP office expenses
		upto 30 days	-	
		more than 30 days	90,000	Paid to faculty for R&D project work it is a long process



Report -3 : PHYSICAL AND FINANCIAL PROGRESS (PROCUREMENT)

QUARTERLY

Name of the Institute: JNTUH Institute of Science and Technology

Period of the Quarter:

Sl. No.	Particulars	Amount Rs. 2018-2019
A	Procurement made during the quarter as per PFMS report	2,51,59,164
B	Procurement made during the quarter as per PMSS	2,10,27,868
C	Variation if any	41,31,296
D	Reasons for the variations	Procurement completed but details are not updated in PMSS

