



S K Patodia & Associates **CHARTERED ACCOUNTANTS**

AUDIT REPORT

To
The Head
State Project Facilitation Unit
Mumbai

Report on Project Financial Statement

We have audited the accompanying financial statement of Technical Education Quality Improvement Programme – II (TEQIP-II) of GOVERNMENT COLLEGE OF ENGINEERING, KARAD, which comprises the Statement of Sources and Application of Funds. These Statements are the responsibility of the Project's management. Our responsibility is to express an opinion on the accompanying 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion

In our opinion, the financial statements are present fairly, in all material respects, the sources and applications of funds of Technical Education Quality Improvement Programme – II (TEQIP-II) Project for the year ended 31st March 2014 in accordance with accounting principles generally accepted in India.



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In addition, in our opinion, (a) with respect to FMRs, adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred; and (b) except for ineligible expenditures as detailed in the audit observations, if any, appended to this audit report, expenditures are eligible for financing under the Credit Agreement. During the course of the audit, FMRs (From 1st April 2013 to 31st March 2014) and the connected documents were examined and these can be relied upon to support reimbursement under the Loan/Credit Agreement. Subject to, where we found variance between FMR & Audited report, as mentioned in the reconciliation statement, it is recommended to adopt audited report instead of FMR.

For S.K.Patodia & Associates

Chartered Accounts

FRN: 112723W

*Arun
Poddar*

Arun Poddar

(Partner)

Mem.No. 134572



Place: - Mumbai

Date:- **24/09/2014**

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]
PHASE-II

GOVERNMENT COLLEGE OF ENGINEERING, KARAD
BALANCE SHEET
AS AT 31st MARCH, 2014

(Amount in Rs.)

S.No.	PARTICULARS	S.N.	2013-14	2012-13
A	SOURCE OF FUNDS			
	1) Amount received from:			
	SPFU		2,40,00,000	2,00,00,000
	Add: Balance brought forward		1,94,30,604	-
	2) Institute's Own Contribution		-	-
	3) Excess of Expenditure over Income		(60,64,280)	(5,69,396)
	TOTAL		3,73,66,324	1,94,30,604
B	APPLICATION OF FUNDS			
	1) Fixed Assets		2,95,70,719	20,000
	2) Work in progress -Scheme work under implementation		-	-
	3) A. Current Assets, Loans and Advances			
	a. Cash Balance		-	-
	b. Bank balance		18,66,448	17,38,966
	c. FDR		50,00,000	1,75,00,000
	d. Loans and Advances	1	9,29,157	1,72,638
			77,95,605	1,94,11,604
	B. Less: Current Liabilities	2	-	1,000
	Net Current Assets (A-B)		77,95,605	1,94,10,604
C	TOTAL		3,73,66,324	1,94,30,604

For S. K. Patodia & Associates

Chartered Accountants

FRN : 112723W

Arun Poddar

Arun Poddar
(Partner)
M.No. 134572



Place : Mumbai
Date : 24/09/2014

For Government College Of Engineering, Karad

Project Institute

TEQIP-II

[Signature]

Head Of Project Institution

Place : Mumbai
Date : 24/09/2014

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

**GOVERNMENT COLLEGE OF ENGINEERING, KARAD
INCOME AND EXPENDITURE ACCOUNT
For the year ended on 31st March, 2014**

(Amount in Rs.)

EXPENDITURE			INCOME		
Particulars	2013-14	2012-13	Particulars	2013-14	2012-13
To Procurement of Goods	-	-	By Grant Received From		
To Teaching & Research Assistantships	7,84,000	-	MHRD	-	-
To Enhancement of R & D and Institutional	1,48,564	-	State Govt.	-	-
Cosultancy activities					
To Faculty and staff development for improved competence	26,39,614	5,49,080			
To Enhanced interaction with industry	2,07,946	48,279			
To Institutional management capacity	7,20,046	58,832	By Institutes' Own Contribution	-	-
enhancement					
To Implementation of Institutional academic reforms	-	25,000	By Interest Income	12,77,036	2,70,061
To Academic support for weak students	15,70,448	-			
To Incremental operating Cost	12,70,698	1,58,266	By Other Misc. Income	-	-
To Excess of Income over Expenditure	(60,64,280)	(5,69,396)	By Excess of Expenditure over Income		-
Total	12,77,036	2,70,061	Total	12,77,036	2,70,061

For S. K. Patodia & Associates
Chartered Accountants
FRN : 112723W

Arun Poddar
Arun Poddar
(Partner)
M.No. 134572



Place : Mumbai
Date : 24/09/2014

For Government College Of Engineering, Karad
Project Institute
TEQIP-II

[Signature]
Head Of Project Institution

Place : Mumbai
Date : 24/09/2014

**TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME (TEQIP)
PHASE-II**

**GOVERNMENT COLLEGE OF ENGINEERING, KARAD
RECEIPT AND PAYMENT ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2014
(From 1st April, 2013 To 31st March, 2014)**

(Amount in Rs.)

RECEIPTS				PAYMENTS			
S.No.	Particulars	2013-14	2012-13	S.No.	Particulars	2013-14	2012-13
1	Opening Balance			1	Activity/Category of Expenditure		
	a) Cash	-	-		Procurement of Goods	2,95,50,719	20,000
	b) Bank	17,38,966	1,000		Teaching & Research Assistantships	7,84,000	-
	c) FDR	1,75,00,000			Enhancement of R & D and Institutional	1,48,564	-
					Cosultancy activities		
2	Received From:				Faculty and staff development for improved	26,39,614	5,49,080
	MHRD	-	-		competence		
	State Govt.	-	-		Enhanced interaction with industry	2,07,946	48,279
					Institutional management capacity enhancement	7,20,046	58,832
	SPFU	2,40,00,000	2,00,00,000		Implementation of Institutional academic reforms	-	25,000
3	Project implementing authority through external assistance	-	-		Academic support for weak students	15,70,448	-
4	Institute's Own Contribution	-	-	2	Incremental operating Cost	12,70,698	1,58,266
5	Interest Income	12,77,036	2,70,061	3	Loans & Advances	39,50,966	1,72,638
6	Recovery of Loans and Advances	31,94,447		4	Institutes Own Contribution	-	-
7	Other Misc. Receipts	-	-	5	Other Misc. Payments	1,000	-
					Closing Balance		
					Cash	-	-
					FDR/TDR	50,00,000	1,75,00,000
					Bank	18,66,448	17,38,966
	Total	4,77,10,449	2,02,71,061		Total	4,77,10,449	2,02,71,061

For S. K. Patodia & Associates
Chartered Accountants
FRN : 112723W

Arjun Poddar
(Partner)
M.No. 134572

Place : Mumbai
Date : 24/09/2014



For Government College Of Engineering, Karad
Project Institute
TEQIP-II

Head Of Project Institution

Place : Mumbai
Date : 24/09/2014

[Signature]

Significant Accounting Policies

A. Basis of Accounting

The Institute has adopted Double Entry System of book keeping on Cash basis. All payments have been charged off to relevant project activity account heads at the time of making the payments, except advance payments. In case of Advance payments, expenses have been charged to relevant project activity accounts after adjustment. Materials purchased for project activities have been charged off to the relevant Project expenditure head at the time of purchase itself. Release of funds to staff/suppliers have been accounted for as advance in the book of accounts and treated as expenditure only upon submission of expenditure information.

B. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialised.

C. Recognition of Income

Revenue is recognised, only when it actually realised.

D. Fixed Assets

Assets created out of project are accounted at cost. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use.

E. Depreciation

No Depreciation has been provided on Fixed Assets acquired under the project.

Notes to Accounts:-



For S. K. Patodia & Associates

Chartered Accountants

FRN : 112723W

Arun Poddar

Arun Poddar

(Partner)

M.No. 134572



Place : Mumbai

Date : 24/09/2014

For Government College
Of Engineering, Karad

Project Institute

TEQIP-II

[Signature]

Head Of Project
Institution

Place : Mumbai

Date : 24/09/2014

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]
PHASE-II
GOVERNMENT COLLEGE OF ENGINEERING, KARAD
SCHEDULE TO BALANCE SHEET

Schedule 1: Loans and Advances

(Amount in Rs.)

S. No.	Particulars	2013-14	2012-13
2	To Others:		
	Opening Balance	1,72,638	-
	Add: Advances given during the year	39,50,966	1,72,638
	Less: Advances recovered during the year	31,94,447	-
	Total (B)	9,29,157	1,72,638
	Closing Balance	9,29,157	1,72,638

For S. K. Patodia & Associates

Chartered Accountants
FRN : 112723W

Arun Poddar

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(Partner)

M.No. 134572



Place : Mumbai
Date : 24/09/2014

For Government College Of Engineering, Karad

Project Institute
TEQIP-II

[Signature]

Head Of Project Institution

Place : Mumbai
Date : 24/09/2014

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]
PHASE-II
GOVERNMENT COLLEGE OF ENGINEERING, KARAD
Notes To Receipts & Payment Accounts

Note 1: Interest Earned

(Amount in Rs.)

Bank A/c	2013-14	2012-13
Main Account & FDR	12,77,036	-
	-	-
TOTAL	12,77,036	-

Note 2: Other Misc. Receipts

Head	2013-14	2012-13
Loan from COE	-	-
Loan from ICT- General Fund	-	-
	-	-
TOTAL	-	-

Note 3: Fund Received from SPFU

Vide letter No.	Date	2013-14	2012-13
DTE/SPFU/Fund release/2013-14/246	3rd Dec. 2013	2,40,00,000	1,00,00,000
		-	1,00,00,000
Total		2,40,00,000	2,00,00,000

For S. K. Patodia & Associates

Chartered Accountants
FRN : 112723W

Arun Poddar
(Partner)
M.No. 134572



Place : Mumbai
Date : 24/09/2014

For Government College Of Engineering, Karad

Project Institute
TEQIP-II

Head Of Project Institution

Place : Mumbai
Date : 24/09/2014

UTILIZATION CERTIFICATE

Sr. No	Particulars	Amount (Rs.)
a)	Opening Balance as on 1 st April 2013	19410604/-
b)	Funds received from SPFU Vide letter No <u>DTE/SPFU/Fund release/2013-14/246</u> dated <u>3rd Dec. 2013</u>	24000000/-
c)	Interest earned on grant available for TEQIP - II only during the year (31 st March 2014)	1277036/-
d)	Other Income	Nil
e)	Expenditure	36892035/-
f)	Unspent Balance	7795605/-

Certified that a sum of Rs.2,40,00,000/- (Rupees Two Crore Forty Lakhs) only was received by Government College of Engineering, Karad, from State Project Facilitation Unit (SPFU) as per letter number and date mentioned above.

It is also certified that out of the above-mentioned funds of Rs 44687640/- (Rupee Four Crore Forty Six Lakh Eighty Seven Thousand Six Hundred Forty) only (including interest earned during the period), a sum of Rs.3,69,12,035/- (Rupees Three Crore Sixty Nine Lakhs Twelve Thousand Thirty five) 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. 7795605/- (Rupee Seventy Seven Lakh Ninety Five Thousand Six Hundred Five) 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 S. K. Patodia & Associates

Chartered Accountants

FRN : 112723W

Arun Poddar

Arun Poddar
(Partner)

M.No. 134572



Place : Mumbai

Date : 24/09/2014

For Government College
Of Engineering, Karad

Project Institute

TEQIP-II

[Signature]

Head Of Project
Institution

Place : Mumbai

Date : 24/09/2014

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]

PHASE-II

GOVERNMENT COLLEGE OF ENGINEERING, KARAD
STATEMENT OF SOURCES AND APPLICATION OF FUNDS
Report for the year ended on March 31, 2014

(Amount in Rs.)

S.N.	PARTICULARS	2013-14	2012-13	Project to date
SOURCES OF FUND				
A	Opening Balance (A)	1,94,10,604	-	1,94,10,604
B	Receipts			
	A. Funds from Government through Budget (These will include external assistance received by Government for the project.)	2,40,00,000	2,00,00,000	4,40,00,000
	B. Funds received directly by Project Implementing authority through external assistance	-	-	-
	C. Cost share by Private Unaided Institutions for Component 1	-	-	-
	D. Institution's Own Contribution	-	-	-
	E. Interest Earned	12,77,036	2,70,061	15,47,097
C	Total Receipts (B)	2,52,77,036	2,02,70,061	4,55,47,097
D	Total Sources (D = A+B)	4,46,87,640	2,02,70,061	6,49,57,701
USES OF FUND				
E	Expenditures by Component			
	A. Procurement of Goods	2,95,50,719	20,000	2,95,70,719
	B. Teaching & Research Assistantships	7,84,000	-	7,84,000
	C. Enhancement of R & D and Institutional Consultancy activities	1,48,564	-	1,48,564
	D. Faculty and staff development for improved competence	26,39,614	5,49,080	31,88,694
	E. Enhanced interaction with industry	2,07,946	48,279	2,56,225
	F. Institutional management capacity enhancement	7,20,046	58,832	7,78,878
	G. Implementation of Institutional academic reforms	-	25,000	25,000
	H. Academic support for weak students	15,70,448	-	15,70,448
	I. Incremental operating Cost	12,70,698	1,58,266	14,28,964
F	Total Expenditures (D)	3,68,92,035	8,59,457	3,77,51,492
G	Closing Balance (D-F)	77,95,605	1,94,10,604	2,72,06,209

Note: The above figures are based on accounts prepared by the accounts compiling officers duly reconciled.

For S. K. Patodia & Associates

Chartered Accountants

FRN : 112723W

Arun Poddar

(Partner)

M.No. 134572

Place : Mumbai

Date : 24/09/2014



For Government College Of Engineering, Karad

Project Institute

TEQIP-II

Head Of Project Institution

Place : Mumbai

Date : 24/09/2014

ANNEXURE TO RECONCILIATION STATEMENT
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]
PHASE-II

GOVERNMENT COLLEGE OF ENGINEERING, KARAD
RECONCILIATION STATEMENT BETWEEN FMR AND AUDIT REPORT

(Amount in Rs.)

Sr.N.	PARTICULARS	2013-14
A	Expenditure as reported in Financial Monitoring Report (FMR)	3,74,40,203
B	Less:	
	1) Expenditure incurred but not paid, to be considered in subsequent period	-
	2) Difference between expenditure as per books of account and expenditure reported in FMR	5,48,168
	Expenditure to be considered for FMR	3,68,92,035
C	Less:	
	1) Expenditure reported in FMR but not allowable as per TEQIP-II guidelines	-
D	Add:	
	1) Expenditure not reported in FMR but allowable as per TEQIP-II guidelines	-
E	Expenditure as per Audited Report	3,68,92,035

For S. K. Patodia & Associates
Chartered Accountants
FRN : 112723W

Arun Poddar
(Partner)
M.No. 134572



Place : Mumbai
Date : 24/09/2014

For Government College Of Engineering, Karad
Project Institute
TEQIP-II

Head Of Project Institution

Place : Mumbai
Date : 24/09/2014

TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]

PHASE-II

GOVERNMENT COLLEGE OF ENGINEERING, KARAD

Reconciliation of Claims to Total Applications of Funds

Report for the year ended on 31st March, 2014

Particulars	Schedules	Rs. In Lacs		
		Current Year	Previous Year	Project to Date
Bank Funds claimed during the year (A)		221.35	5.16	226.51
Total Expenditure made during the year (B)		368.92	8.59	377.51
Less:				
— Outstanding bills (C)		-	-	-
Ineligible expenditures (D)		-	-	-
Expenditures not claimed (E)		-	-	-
Total Eligible Expenditures Claimed (F)=(B)-(C)-(D)-(E)		368.92	8.59	377.51
World Bank Share @ 60 x% of (F) above (G)		221.35	5.16	226.51

For S. K. Patodia & Associates

Chartered Accountants

FRN : 112723W

Arun Poddar
(Partner)

M.No. 134572

Place : Mumbai

Date : 24/09/2014



For Government College Of Engineering, Karad

Project Institute

TEQIP-II

Head Of Project Institution

Place : Mumbai

Date : 24/09/2014

To
S.K.Patodia & Associates

Date:

This assertion letter is provided in connection with your audit of the financial statements of the Technical Education Quality Improvement Programme (TEQIP-II) of GOVERNMENT COLLEGE OF ENGINEERING, KARAD, for the year ended 31st March 2014. 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.
- Excess Expenses incurred by the institutes more than grants sanctioned, on behalf of TEQIP-II has been reimbursed to them on timely basis.

For Government College
Of Engineering, Karad

Project Institute

TEQIP-II



Head Of Project
Institution

Place : Mumbai

Date :