

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

**CONSOLIDATED REPORT ON ANNUAL STATUTORY AUDIT**

**Expenditure Incurred by Implementing Entities (1.3 institutions/NPIU)**

**Revised Audit Report for Financial Year ended on 31.03.2018**

(Amounts in Rs)

S. No.	Name of SPIU/CFIs/1.3 institutions/NPIU	Expenditure		
		Reported (A)	Disallowed (B)	Net (C = A – B)
1	BMS College of Engineering, Bull Temple Road, Bengaluru - 560019	Rs.75,10,093.00	Nil	Rs.75,10,093.00
	Grand Total	Rs.75,10,093.00	Nil	Rs.75,10,093.00

For BMS College of Engineering

Principal

As per our Revised Report of even date  
For MNS & Co,  
Chartered Accountants

CA Srinivas M  
M. No. 029180

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

**CONSOLIDATED REPORT ON AUDIT**

**Date of Audit Report**

**Audit Report (Revised) for Financial Year 2017-18 ended on 31.03.2018**

<b>S. No.</b>	<b>Name of 1.3 institutions</b>	<b>Date of Revised Report</b>
1	BMS College of Engineering, Bull Temple Road, Bengaluru - 560019	16.10.2018

For BMS College of Engineering

Principal

As per our Revised Report of even date  
For MNS & Co,  
Chartered Accountants

CA Srinivas M  
M. No. 029180

## MANAGEMENT ASSERTION LETTER

To,  
M/s MNS & Co.,  
Chartered Accountants  
No.163, 2<sup>nd</sup> Floor,  
R.V. Road, Minerva Circle  
Bangalore- 560004

Date: 16.10.2018

This assertion letter is provided in connection with your audit of the financial statements of the TEQIP III Project for the year ended 2017-18. 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

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(Nodal Officer, Finance, TEQIP-III, BMSCE)

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(Project Director, Finance, TEQIP-III, BMSCE)

**BMS COLLEGE OF ENGINEERING**

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

**BALANCE SHEET**

**AS AT 31.03.2018**

<b>S. No.</b>	<b>PARTICULARS</b>	<b>CURRENT YEAR Rs.</b>	<b>CURRENT YEAR Rs.</b>	<b>PREVIOUS YEAR Rs.</b>
A	SOURCE OF FUNDS			
	1) Amount received from: CPA-NPIU			
	2) Contribution from:-	-	-	-
	3) Excess of income over Expenditure	-	-	-
	<b>TOTAL</b>	-	-	-
B	APPLICATION OF FUNDS			
	1) Fixed Assets- Equipment	-	-	-
	2) Work in progress –Scheme work under implementation	-	-	-
	3) A. Current Assets, Loans and advances			
	a. Cash Balance	-	-	-
	b. Bank balance	-	-	-
	c. Debits Pending yet to be cleared (Receivable from MHRD)	14,05,456.00		-
	d. Loans and Advances (Net) (Pl. Refer Schedule-2)	7,759.00		-
	B. Less: Current Liabilities (Payable to various beneficiaries on account of debits pending)	14,13,215.00	-	-
	Net Current Assets (A-B)	-	-	-
	(Pl. Refer Notes on accounts- Note 4 for detailed explanation)			
	<b>TOTAL</b>	-	-	-

For BMS College of Engineering

As per our Revised Report of even date  
For MNS & Co,  
Chartered Accountants

Principal

CA Srinivas M  
M. No. 029180

**BMS COLLEGE OF ENGINEERING**

**TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]**

**PHASE – III**

**INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31.03.2018**

EXPENDITURE				INCOME		
Previous Year	Particulars		Amount Rs.	Previous Year	Particulars	Amount Rs.
-	1.3.1.1	Equipment	2,16,530.00	-	Grant Released by NPIU, MHRD	75,10,093.00
-	1.3.2.1	Improve students' learning	8,93,582.00	-		
-	1.3.2.11	Industry-Institute Interaction	3,91,471.00	-		
-	1.3.2.2	Assistantships	27,72,000.00	-		
-	1.3.2.3	Graduates employability	1,16,636.00	-		
-	1.3.2.4	Faculty/staff development and motivation	12,95,120.00	-		
-	1.3.2.5	Research and development	2,35,532.00	-		
-	1.3.2.6	MOOCs and digital learning	1,500.00	-		
-	1.3.2.7	Mentoring/Twinning system	5,04,772.00	-		
-	1.3.2.8	Reforms and governance	2,54,740.00	-		
-	1.3.3.1	Consumables	12,076.00	-		
-	1.3.3.2	Operation & maintenance of equipments	1,453.00	-		
-	1.3.3.3	Office expenses	10,518.00	-		
-	1.3.3.4	Meetings	52,536.00	-		
-	1.3.3.6	Travel cost	2,63,321.00	-		
-	1.3.3.7	Salary	4,88,306.00	-		
<b>TOTAL</b>			<b>75,10,093.00</b>	<b>TOTAL</b>		<b>75,10,093.00</b>

For BMS College of Engineering

As per our Revised Report of even date  
For MNS & Co,  
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**BMS COLLEGE OF ENGINEERING**

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

**RECEIPT AND PAYMENT ACCOUNT  
From 01.04.2017 to 31.03.2018**

RECEIPTS			PAYMENTS		
Sl. No	Particulars	Cumulative Amount Rs.	Sl. No	Particulars	Cumulative Amount Rs.
1	Opening Balance Cash Bank	- -	1	Release to	-
2	Received from NPIU, MHRD	61,04,637.00	2	Payment to Consultants, Seminars & Workshops	53,99,294.00
				1.3.2.1 Improve students' learning	8,49,720.00
				1.3.2.11 Industry-Institute Interaction	3,33,855.00
				1.3.2.2 Assistantships	21,60,000.00
				1.3.2.3 Graduates employability	1,02,188.00
				1.3.2.4 Faculty/staff development and motivation	12,01,077.00
				1.3.2.5 Research and development	2,31,748.00
				1.3.2.6 MOOCs and digital learning	1,500.00
				1.3.2.7 Mentoring/Twinning system	2,76,517.00
				1.3.2.8 Reforms and governance	2,42,689.00
3	Other Receipts, if any	-	3	Procurement of Assets- 1.3.1.1- Equipments	-
			4	Administration Expenditure	7,05,343.00
				1.3.3.1 Consumables	11,014.00
				1.3.3.2 Operation & maintenance of equipments	1,453.00
				1.3.3.3 Office expenses	3,567.00
				1.3.3.4 Meetings	50,732.00
				1.3.3.6 Travel cost	2,17,414.00
				1.3.3.7 Salary	4,21,163.00
			5	Closing balance Cash Bank	Nil Nil
<b>TOTAL</b>		<b>61,04,637.00</b>	<b>TOTAL</b>		<b>61,04,637.00</b>

For BMS College of Engineering

As per our Revised Report of even date  
For MNS & Co,  
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M. No. 029180

**BMS COLLEGE OF ENGINEERING**

**TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]  
PHASE – III  
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS OF TEQIP-III AS AT  
31.03.2018**

**SCHEDULE-1**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**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.

**4. Grant 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.

**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.
4. **Payments worth Rs.14,13,215/- to various beneficiaries have been uploaded by the Institution on 27.03.2018. However, due to a technical glitch on the PFMS portal, these payments were neither cleared nor reversed (as debit failures) but were pending up to 04.05.2018 on which date, they were eventually processed and cleared. Hence, as on 31.03.2018, these payments are outstanding.**  
Further, these payments pertain to 2017-18 with vouchers, expenditure also pertaining to such period.  
Hence, we have classified these payments as a current liability by creating a corresponding asset (receivable to that extent, from MHRD). We further state that this is a reconciliation issue rather than an accrual issue and hence, there is no violation of cash basis of accounting, in case of such treatment.

**BMS COLLEGE OF ENGINEERING**

**TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]  
PHASE – III  
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS OF TEQIP-III AS AT  
31.03.2018**

**SCHEDULE-2**

**SCHEDULE OF ADVANCES**

<b>Previous Year</b>	<b>Particulars</b>	<b>Current Year</b>	
<b>Amount (Rs.)</b>		<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
-	Opening Balance	-	-
-	Add: Advances given, outstanding as at 31.03.2018	8,360.00	
-	Less: Advances due to be settled as at 31.03.2018	601.00	7,759.00
-			
-	<b>Net Balance of Advances as at 31.03.2018</b>		<b>7,759.00</b>



<b>BMS College of Engineering</b>			
<b>Technical Education Quality Improvement Programme [TEQIP] Phase – III</b>			
<b>Credit No. 5874 - IN</b>			
<b>Statement of Sources and Applications of Funds</b>			
<b>Report for the year ended 31.03.2018</b>			
<b>Particulars</b>	<b>Current Year</b>	<b>Amount (Rs. in Lakhs)</b>	
		<b>Previous Year</b>	<b>Project to date</b>
<b>Opening Balance (A)</b>	-	-	-
<b>Receipts</b>			
Funds equivalent to expenditure shown in PFMS (Funds made available by MHRD)	75.10	-	75.10
Less : Debits Pending	(14.13)		(14.13)
Add: Advances (Net)	0.07		0.07
<b>Total Receipts (B)</b>	<b>61.04</b>	<b>-</b>	<b>61.04</b>
<b>Total Sources (C = A + B)</b>	<b>61.04</b>	<b>-</b>	<b>61.04</b>
<b>Expenditures by Component</b>			
A. Capital Expenditure	-	-	-
B Revenue Expenditure (excluding debits pending)	61.04	-	61.04
<b>Total Expenditures (D)</b>	<b>61.04</b>	<b>-</b>	<b>61.04</b>
<b>Closing Balance (C-D)</b>	<b>NIL</b>	<b>-</b>	<b>NIL</b>

For BMS College of Engineering

As per our Revised Report of even date  
For MNS & Co,  
Chartered Accountants

Principal

CA Srinivas M  
M. No. 029180

**BMS COLLEGE OF ENGINEERING**

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

**Report -1: PFMS RECONCILIATION STATEMENT**

**PERIOD: ANNUALLY [01.04.2017 TO 31.03.2018]**

<b>Sl. No.</b>	<b>Statement of Expenditure</b>	<b>Amount (Rs.)</b>
A	Expenditure as per PFMS Statement (According to M-32 Report)	<b>75,10,093.00</b>
B	Less: Debits <b>Pending</b> (payments not made by PFMS but shown in the expenditure) – [Report EP-04]	<b>14,13,215.00</b>
C	Add: Advances (Net)	<b>7,759.00</b>
D	Expenditure as per books of accounts (A – B + C)	<b>61,04,637.00</b>

**Report -2: STATUS OF ADVANCES**

**PERIOD: ANNUALLY [01.04.2017 TO 31.03.2018]**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
A	Opening Balance as on 1 <sup>st</sup> day of the quarter	-	-
B	Add : Advances paid in the quarter	1,13,529.00	
C	Less : Adjustment/Settlement of Advances	1,05,169.00	
D	<b>Balance as on Last date of Quarter</b>		<b>8,360.00</b>

**Report -2 (a): AGEING OF ADVANCES****PERIOD: ANNUALLY [01.04.2017 TO 31.03.2018]**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Period</b>	<b>Amount (Rs.)</b>	<b>Remarks (Reasons)</b>
<b>1.</b>	Ageing of Advances in Closing Balance	Up to 15 days	<b>NIL</b>	
		Up to 30 days	<b>NIL</b>	
		more than 30 days	<b>8,360.00</b>	Advance Amount of Rs.8,360.00/- is issued for characterization testing of research samples at M/s. Sophisticated Test & Instrumentation Centre, CBE; it is pending due to the lead time for testing.

**Report -3: PHYSICAL AND FINANCIAL PROGRESS (PROCUREMENT)****NAME OF THE INSTITUTE: BMS COLLEGE OF ENGINEERING****PERIOD: ANNUALLY [01.04.2017 TO 31.03.2018]**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>A</b>	Procurement made during the year as per PFMS report	<b>2,16,530.00</b>
<b>B</b>	Procurement made during the year as per PMSS report	<b>2,16,530.00</b>
<b>C</b>	Variation if any	<b>NIL</b>
<b>D</b>	Reasons for the variations	<b>N/A</b>

**BMS COLLEGE OF ENGINEERING**

**RECONCILIATION OF CLAIMS TO TOTAL APPLICATIONS OF FUNDS**

**Name of the Project: Technical Education Quality Improvement Programme- Phase III**

**Credit No.: 5874-IN**

**Reconciliation of Claims to Total Applications of Funds Report for the year ended 31.03.2018**

Schedules	Amount (Rs. in Lakhs)		
	Current Year	Previous Year	Project to date
<b>Bank Funds claimed during the year (A)</b>	<b>61.04</b>	-	<b>61.04</b>
<b>Total Expenditure made during the year (B)</b>	75.10	-	75.10
<b>Less: Debits Pending [Net of advances] (C)</b>	<b>14.06</b>	-	<b>14.06</b>
<b>Ineligible expenditures (D)</b>	-	-	-
<b>Expenditures not claimed (E)</b>	-	-	-
<b>Total Eligible Expenditures Claimed (F)=(B)-(C)-(D)-(E)</b>	<b>61.04</b>	-	<b>61.04</b>
<b>World Bank Share @ x% of (F) above (G)</b>	-	-	-

\_\_\_\_\_  
CFAO

16.10.2018

\_\_\_\_\_  
Date

\_\_\_\_\_  
Project Director

16.10.2018

\_\_\_\_\_  
Date

As per our Revised Report of even date  
For MNS & Co,  
Chartered Accountants

CA Srinivas M  
M. No. 029180