

AUDIT REPORT

To

**The Director
Punjab Engineering College
(Deemed to be University)
Sector 12, Chandigarh**

SUB: Audit Report of PEC UNIVERSITY OF TECHNOLOGY (TEQIP-III) SECTOR-12, CHD on Financial Statements for the year ended 31.03.2018.

We have audited the accompanying financial statements of the **PEC UNIVERSITY OF TECHNOLOGY (TEQIP-II) SECTOR-12, CHD**, project financed under World Bank Credit No. **TEQIP-III- IDA -5874-0 IN** which comprises the Statement of Sources and Applications of funds and the Reconciliation of Claims to Total Applications of funds for the year ended 31.03.2018. 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 present fairly, in all material respects, the sources and applications of funds of **PEC UNIVERSITY OF TECHNOLOGY (TEQIP-II) SECTOR-12, CHD**, for the year ended 31.03.2018, 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 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 and the connected documents were examined and these can be relied upon to support reimbursement under the Loan/Credit Agreement.

Date: 17/04/2018
Place: Chandigarh

Kakkar Navneet & Associates
SCO 145, Above ICICI Bank
Sector 28 D, Chandigarh-160028



UTILIZATION CERTIFICATE

a)	Opening Balance as on 1st April	Nil
b)	Funds received (as per expenditure in PFMS)	Rs 38,39,543.00
c)	Other Income	Rs 1,440.00
e)	Less : Expenditure	Rs 19,48,337.00
	Unspent Balance	Rs. 18,92,646.00

It is also certified that an amount of Rs 19, 48,337/- (Rupee Nineteen Lac forty eight thousand three hundred thirty seven) has been utilized by the Institution for the purpose for which it was sanctioned. It is further certified that an unspent balance of Rs. 18, 92,646/- (Rupee Eighteen Lac ninety two thousand six forty six) 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.

Date: 17/10/2018
Place: Chandigarh

Kakkar Navneet & Associates
SCO 145, Above ICICI Bank
Sector 28 D, Chandigarh-160028



TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]
PHASE – III

MANAGEMENT LETTER

To
The Director/Principal
Punjab Engineering College
(Deemed to be University)

Sector 12, Chandigarh

Sub.: Management Letter

Dear Sir,

We have audited the financial statements of Punjab Engineering College for the year ending 31st March, 2018 and have issued our report dated 11 /10/2018.

Our observations are as follows:-

1. Voucher No. 29 dated 06/12/2017 Rs. 5,000 paid to Mr. Ashish Rawat as imprest advance but this advance is standing for more than 90 days and no expenditure done out of such advance till 31/03/2018.

Management Comments: Expenditure made against Imprest advances are adjusted on 12/07/2018.

It is advised to adjust the advances with 30 days of disbursement.

Date: 17/10/2018
Place: Chandigarh

Kakkar Navneet & Associates
SCO 145, Above ICICI Bank
Sector 28 D, Chandigarh-160028



**PEC UNIVERSITY OF TECHNOLOGY (TEQIP-III) SECTOR-12, CHD
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP III]**

Balance Sheet
AS ON 31.03.2018

S. No.	PARTICULARS	SCHEDULE NO.	Current Year (31.3.2018) Rs.	Previous Year (31.3.2017) Rs.
A	SOURCE OF FUNDS 1) Amount received from: 2) Contribution from: 3) Excess of income over Expenditure(O/s Advances)	-	1892646.00	-
	TOTAL		1892646.00	
B	APPLICATION OF FUNDS 1) Fixed Assets 2) Work in progress -Scheme work under implementation 3) A. Current Assets, Loans and advances a. Cash Balance b. Bank balance c. Advance for Capital goods d. Loans and Advances B. Less: Current Liabilities Net Current Assets (A-B)	Schedule No. 1	607901.00 1284745.00	-
	TOTAL		1892646.00	

Abraham
AC (F&A)
✓

W.S. Suri
17/3/18
Coordinator TEQIP-III

Chandigarh
Director 17/10
Punjab Engineering College
(Deemed to be University)
Chandigarh

Ad. Interim
Director (Ad. Interim)
Punjab Engineering College
(Deemed to be University)
Chandigarh



PEC UNIVERSITY OF TECHNOLOGY (TEQIP-III) SECTOR-12, CHD
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]
RECEIPT AND PAYMENT ACCOUNT
FOR THE YEAR ENDING 31.3.2018

RECEIPTS				PAYMENTS			
Sl. No	Particulars	Current Year (31.3.2018) Rs.	Previous Year (31.3.2017) Rs.	Sl. No	Particulars	Current Year (31.3.2018) Rs.	Previous Year (31.3.2017) Rs.
1	Opening Balance a) Cash b) Bank	-	-	1	Release to		-
2	Received from(Fund allocated)	3839543.00		2	Procurement of Assets		-
3	Other Receipts, if any	-	-	3	KA2 Improvement of Teaching, Learning and Research Co.	1730858.00	-
	a) Bank Interest	1440.00		4	KA 3 Incremental Operating Cost	217479.00	-
				5	Closing balance a) Cash b) Bank	607901.00	-
				6	Loan and Advances (Schedule No.1)	1284745.00	-
TOTAL		3840983.00		TOTAL		3840983.00	

Sarita
AC (F&A)
✓

Wali
Coordinator TEQIP-III

Umrash
Director 17/10
Punjab Engineering College
(Deemed to be University)
Chandigarh
Director *(A.O.-Head)*
Punjab Engineering College
(Deemed to be University)
Chandigarh



PEC UNIVERSITY OF TECHNOLOGY (TEQIP-III) SEC-12, CHD
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]
INCOME AND EXPENDITURE ACCOUNT
For the year ended 31.03.2018

Particulars	Current Year (31.3.2018) Rs.	Previous Year (31.3.2017) Rs.	Particulars	INCOME	
				Current Year (31.3.2018) Rs.	Previous Year (31.3.2017) Rs.
A. KA 2 Improvement of Teaching Learning and	1730858.00	-	Fund allocated	3839543.00	-
B. Incremental Operating Cost	217479.00	-	Bank Interest	1440.00	
E. Excess Income over expenditure (O/s advances)	1892646.00	-			
Total	3840983.00		Total	3840983.00	



Coordinator TEQIP-III



AC (F&A)



Director

Punjab Engineering College
(Deemed to be University)

Chandigarh

Director (Ad - Interim)
Punjab Engineering College
(Deemed to be University)
Chandigarh



**PEC UNIVERSITY OF TECHNOLOGY (TEQIP-III) SECTOR-12, CHD
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]**

Statement of Sources and Applications of Funds

For the year ended 31.03.2018

Particulars	Current Year (31.3.2018) Rs.	Previous Year (31.3.2017) Rs.	Project to date
Opening Balance (A)			
Receipts			
Funds equivalent to expenditure shown in PFMS (Funds made available by MHRD)(Fund allocated)	3839543.00	-	3839543.00
Bank Interest	1440.00		1440.00
Less : Debit failures	0.00	-	0.00
Total Receipts (B)	3840983.00	-	3840983.00
Total Sources (C = A + B)	3840983.00	-	3840983.00
Expenditures by Component		-	
KA 2 Improvement of in Teaching, Learning and Research Co.	1730858.00	-	1730858.00
KA 3 Incremental Operating Cost	217479.00	-	217479.00
Total Expenditures (D)	1948337.00	-	1948337.00
Closing Balance, (C-D)	1892646.00	-	1892646.00

Chairman
AC (F&A)
↓

Present 31/03/18
Coordinator TEQIP-III

Umar Sattar
Director

Punjab Engineering College
(Deemed to be University)

Chandigarh
Director (AD-Interim)
Punjab Engineering College
(Deemed to be University)
Chandigarh



PEC UNIVERSITY OF TECHNOLOGY (TEQIP-III) SECTOR-12, CHD
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP]
RECONCILIATION OF CLAIMS TO TOTAL APPLICATIONS OF FUNDS
For the year ended 31.03.2018

	Schedules Rs.	Current Year (31.3.2018) Rs.	Previous Year (31.3.2017) Rs.	Project to date Rs.
Bank Funds claimed during the year (A)		3839543.00	-	3839543.00
Total Expenditure made during the year (B)		1948337.00	-	1948337.00
Less: Outstanding bills (C)		-	-	
Ineligible expenditures (D)		-	-	
Expenditures not claimed (E)		-	-	
Total Eligible Expenditures Claimed (F)=(B)-(C)-(D)-(E)		1948337.00	-	1948337.00
World Bank Share @ 100% of (F) above (G)		1948337.00	-	1948337.00

Amanpreet Singh
AC (F&A)

Mandeep Kaur
Coordinator TEQIP-III

Umesh Kumar
Director
Punjab Engineering College
(Deemed to be University)



Chandigarh
Director (Ad - Interim)
Punjab Engineering College
(Deemed to be University)
Chandigarh

**PEC UNIVERSITY OF TECHNOLOGY (TEQIP-III) SECTOR-12, CHD
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP-III]**

**TRIAL BALANCE
AS ON 31.03.2018**

S. No.	L.F. No.	HEAD OF ACCOUNT		DEBIT Rs.	CREDIT Rs.
		Account Code *	Description		
1			Loan and advances (Schedule No. 1)	1284745.00	
2			Fund allocated		3839543.00
3			KA 2 Improvement in Teaching, Learning and Research Co.	1730858.00	
4			KA 3 Incremental Operating cost	217479.00	
5			PNB Bank A/C 19886	607901.00	
6			Bank Interest		1440.00
			TOTAL	3840983.00	3840983.00

[Signature]
AC (F&A)
[Signature]

[Signature]
Coordinator TEQIP-III

Umer Rath
Director
Punjab Engineering College
(Deemed to be University)
Chandigarh
Director (Ad - Interim)
Punjab Engineering College
(Deemed to be University)
Chandigarh



PEC UNIVERSITY OF TECHNOLOGY (TEQIP-III) SECTOR-12, CHD
TECHNICAL EDUCATION QUALITY IMPROVEMENT PROGRAMME [TEQIP-III]
AS ON 31.03.2018

Schedule No. 1	
Loans & Advances (Asset)	
Staff Advances	
Particulars	
Anil Kumar	63000.00
Ashish Rawat	5000.00
Karanvir singh Bains	198800.00
Kuldeep Singh	200000.00
Naresh Chawla	14500.00
Naveen kumar	409480.00
Prof. Tushar	250000.00
Sanjeev Kumar	18965.00
Vinod Kumar	125000.00
Grand Total	1284745.00

S. Dinesh
AC (F&A)
21

W. S. Kaur
Coordinator TEQIP-III

Umer Sabir
Director
Punjab Engineering College
(Deemed to be University)
Chandigarh

Director (Ad - Interim)
Punjab Engineering College
(Deemed to be University)
Chandigarh



Report-1: PFMS RECONCILIATION STATEMENT			
FINANCIAL YEAR 2017-18			
Sl. No	Statement to expenditure	Amount Rs.	Remarks
A	Expenditure as per PFMS Statement (According to M-32 Report)	1921985	
B	Less/Add: Debit failures (Payment not made by PFMS shown in the expenditure)- [Report EP-04]	26352	1. 26352 (TDS pending for F.Y 2017-18)
C	Expenditure as per books of accounts (A-B)	1948337	

Report-2: STATUS OF ADVANCES			
FINANCIAL YEAR 2017-18			
Sl. No	Date	Amount Rs.	Amount Rs.
A	Opening Balance as on first day of the year		0
B	Plus: Advances paid in the quarter		2360550
C	Less: Adjustment/ Settlement of Advances		1075805
D	Balance as on Last date of year		1284745

Arman
AC (F&A)
dr

Wazir
Coordinator TEQIP-III

Chandigarh
Director
Punjab Engineering College
(Deemed to be University)

Chandigarh
Director (AG- Interim)
Punjab Engineering College
(Deemed to be University)
Chandigarh



PEC UNIVERSITY OF TECHNOLOGY, SECTOR 12, CHANDIGARH

Accounting Policies

General

The Financial Statement of Accounts is prepared in three parts i.e. receipts and payments of accounts, Income and expenditure account along with other statements as per requirement of NPIU.

The Annual Accounts of TEQIP-III are prepared as the format prescribed in Financial Management Manual of NPIU of TEQIP-III

1. Significant Accounting Policies

The significant Accounting policies adopted in the preparation of Annual Accounts of the Institute are as follows:

- i. The Annual Accounts are prepared under double entry system of book keeping on cash basis.
- ii. The quarterly action plan prepared by the Institute has been uploaded in the PFMS by NPIU for expenditure after taking its approval of MHRD for the expenditure to be incurred by the Institute. The Ministry of Finance, under Department of expenditure, Govt of India has developed Direct Transfer of fund to the beneficiaries in the PFMS.

2. Fixed assets and Depreciation

- i. The assets has been created out of project are accounting for at cost.
- ii. No depreciation has been provided on Fixed Assets required under the project as per the provision contained in Financial Management Manual Of TEQIP-III (reference clause no 6.3(v)

3. Purchase Procedure

The procurement under the project has been made as per procedure laid down in the Procurement Manual of TEQIP-III and material purchased have been charged off to the relevant project expenditure head at the time of purchase itself.



4. Project Payments

All Payments have been charged off to the relevant project activity account head at the time of making the payments except advance payments.

5. Advance Payments

The advance payments to staff have been charged off to the relevant project activity account head on its adjustment only.



PEC UNIVERSITY OF TECHNOLOGY, SECTOR 12, CHANDIGARH

NOTES ON THE ACCOUNTS

- 1.** The Receipts and Payments Accounts carry the figure of allocation of funds and actual payments of the project during the F.Y. 2017-18.
- 2.** The Income & Expenditure and Balance Sheet have been drawn from Receipts of payments Account duly accounting for all known advances as at the end of the accounting year.

3. Receipts/Income

The Institute has a budget allocation of Rs. 7 crore during the project life.

4. Payment/Expenditure

Total expenditure during the Financial Year 2017-18 was Rs 19,48,337/- divided into two major heads Improvement in Teaching, Learning and Research and Operating Cost as prescribed by NPIU.

- 5.** Schedule and Receipts and Payments Accounts form an integral part of accounts and have been duly authenticated.





Punjab Engineering College (Deemed to be University)
Sector-12, Chandigarh
Technical Education Quality Improvement Program - III

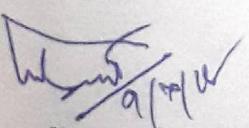
MANAGEMENT ASSERTION LETTER

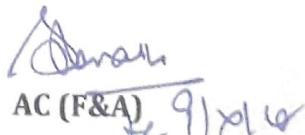
M/s Kakkar Naveen & Associates
Chartered Accountant
SCO-145, Sector 28-D,
Above ICICI Bank, Chandigarh

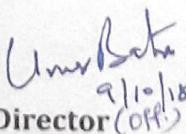
This assertion letter is provided in connection with our audit of the financial statements of the **Punjab Engineering Collage (Deemed to be University)** TEQIP-III Project for the year ended 31.03.2018.

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 our audit:

1. The Project Financial Statements are free of material misstatements, including omissions.
2. Project Funds have been used for the purposes for which they were provided.
3. Project Expenditures are eligible for financing under the Credit agreement.
4. 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.
5. We have made available to you all books of account and supporting documentation relating to the Project.
6. 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.


Coordinator (TEQIP-III)


AC (F&A)
+ 91 91 01 45


9/10/18
Director (O.P.)
Director
Punjab Engineering College
(Deemed to be University)
Chandigarh