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BIHAR STATE EDUCATIONAL INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

AUDIT REPORT & FINANCIAL STATEMENTS PROGRAM FUND

FUNDED BY WORLD BANK

PERIOD: 01.04.2014 TO 31.03.2015

EEDUCATIONAL INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED PATNA FUND FUNDED BY WORLD BANK

01.04.2014 TO 31.3.2015

JEMENT LETTER FROM AUDITOR

JEMENT LETTER FROM ADDITOR	<u> </u>	
ervations on deficiencies/weakness on the		
unting records, systems, and controls that	No such deficiency were observed	
e examined during the course of the audit		
id management's response to these together		
with specific recommendations for improvement.		
†		
(ii) Any identified internal control weakness related		
to the procurement process such as, over the bidding,	No any difficency in the internal control system	
evaluation and contract management domains	was observed	
(iii) Elaboration of the audit qualifications, if any,	<u> </u>	
made in the audit report;	NIL	
(iv) Degree of compliance of the financial covenants		
in the financial agreements.	Financial agreements with contractors is made as per CPWD guidelines	
(v) Report of the status of the financial management		
action plan(if any) agreed with BSIEDC	Financial management and action plan are in agreement with BSEIDC policy	
(vi) Adequacy of FM staffing.	Adequate	
(vii) Adequacy of compliance with previous audit		
findings/recommendations in the Audit Report/	This is first year as no such deficiency report.	
Management Letter and status of any issues which		
remain to be addressed and any issues which recurred.		
(viii) Bring to the Management's attention any matter (s)		
that might have a significant impact on the implementation	The project estimated cost should be reviewed	
of the project or that the auditor considers necessary and pertinent.	periodically.	
(ix) Describe the sampling methodology followed in audit.	Test check has been carried out for the audit.	
<u> </u>		
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Senior Adcounts officer

Managing Directòc

PATNA

Date: 25.01.2017

For M.SALAH UDDIN & CO.

Chartered Accountants

F.R.No.000637C

C.A.M.SALAH UDDIN

Proprietor

M.No.070157

M. SALAHUDƏNI & CO.

Charles glax, 1st Floor West Boring Canal Road.

PATCIS-800 001.



(A Govt. of Bihar Undertaking)

niksha Bhawan, Bihar Rastrabhasa Parishad Campus, Acharya Shiv Pujan sahay Path. Saidpur, Patna-800004

e-mail:bseidc1@gmail.com,Website:WWW.BSEIDC.in,Phone:0612-2910314,Fax:0612-2660256 (CIN-U80301BR2010SGC015859)

1°o. M/s M.SALAH UDDIN & Co. Chartered Accountants 105.P.V.Complex.12 Floor Patna-800001

Date:.....

This representation letter is provided in connection with your audit of the Program Financial Statement (PFS) of Enhancing Teacher Effectiveness in Bihar Operation under Credit No. 5578-IN implemented through Bihar State Educational Infrastructure Development Corporation (BSEIDC) for the year ended on 31/03/2015 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the sources and uses of funds and of the expenditure for the year then ended. We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the basis of accounting followed by us, and we confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

- The program financial statements are free of material misstatements, including omissions.
- The proceeds of the Credit provided by the World Bank have been used only for the purposes for which they were granted, with due attention to considerations of economy and efficiency and without regard to political or other non-economic influences or considerations.
- Program expenditures are eligible for financing under the Financing 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 program financial statements.
- Procurement has been done as per the agreed procedures.
- We have made available to you all books of account and supporting documentation relating to the
- We have made available to you all procurement documents relating to the program.
- All complaints received and subsequent correspondence thereof has been made available.
- <<Any other significant and material matter>>
- The program has complied with the conditions of all relevant legal documents of the World Bank. including the Financing Agreement, Implementing Entity Agreement, the Minutes of Negotiations and Disbursement Letter and also the Project Appraisal Document.

Senior Accounts Officer

Managing Director

nar State Educational Infrastructure Development Corporation Limited Patna

Program Fund for the period from 01.04.2014 to 31.03.2015

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_	Checklist 1: Qualitative Aspects of Procurement	Observation
7.	Checklist 1: Qualitative Aspects of Francisco	
) (e	Please review and comment on the record keeping system? Is retrieval of documents time consuming or are documents readily available?	Record Keeping of books account is proper on timely basis.
(b)	Whether any manual on procurement procedure have been prepared and are available on the website? If no, how the procurement procedure is guided?	Procurement has been published through newspaper and available on website of the company.
(c)	Are approved procurement plans available?	Yes
2	Whether the Bank's standard bidding documents are used	Banks Standard bidding document are
-	for preparation of tenders etc.? If no, how the tenders are prepared?	used in the preparation of tenders for project & for the programme According to approved Procurement policy of State/BSEIDC.
3	Whether dedicated procurement staffs are in place? If no, Who handles the procurement?	Yes
4	Whether the staffs handling the procurement have exposur training related to the procurement?	Yes
5	Whether complete list of contracts issued is available? Whether these data are computerized?	Yes
6	Whether the procurement related documents are available systematically?	Yes
7	Whether internal approvals are taken for inviting quotations/placing orders?	All quotation and price order have been taken after the approval of respective person.
8	Whether financial negotiations are conducted frequently? If yes, under what circumstances and with whom (with all or lowest bidder)?	Yes, Financial negotiations are conducted frequently as per plan approved procurement plan of the company but negotiation not exercised since rates are below schedule rate.
9	Is there a procurement related compliant handling system	Yes



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	in the agency? If yes, whether bidders are aware of the	₹41.
ĺ	same?	<u> </u>
_	Whether the agency discloses the bid opportunity, put the	Yes
	tender documents and contract award information on its website?	
11	Whether a procurement plan is available? If yes, whether th	Yes, works are allotted with schedule
İ	actual progress is being monitored against the plan? If	time. This is monitored in the periodical review meetings.
	there are delays, what measures are being taken to cover the	
	delays?	
12	Whether any procurement related irregularities were	Not Applicable
	reported in the previous audit report? If yes, what actions	
	have been taken in this regard?	
13	Whether there is separation of duties between various	Yes
	functions viz. indenting/receiving, procurement and	
1.0	releasing funds? Feedback from procurement staff and other officials met or	Yes , feedback has been taken from staffs
14	how to reduce delays and improve the process	in this procedure.
	now to reduce delays and improve the process	
:	Checklist : 2 Procurement of Works/Goods	
	Whether the method of procurement (based on the	Yes, the method of procurement adopted
_	estimated value) adopted is in accordance with the	is in accordance with the project Agreement and are these are in line with
	Project	approved procurement plan.
	Agreement and are these in line with the approved	
	Procurement plan? If no, list the deviations (major/minor)	
		Yes, bidding document used for this work
2(a)	Whether bidding document used for this work is according to the standard model cleared with the Bank? If no, list	
	the deviations from standards (major/minor)	with the Bank.
2(b)	Are estimated costs for each procurement available.	Yes, estimated cost is available. The estimated cost is based on programme
	What is the basis for preparation of estimated cost and is market conditions taken into consideration while finalizing	appraisal document schedule rate of
	the estimated cost.	BSEIDC/State.
3	Whether price adjustment clause provided in the bid	Yes Price adjustment clause available in the bid documents.
	document? (Required when period of completion is more	

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	than 12 months)	(52)
-	Whether bill of quantities provides schedule of quantity for each slice separately and also one schedule for the combined work/goods?	Not Applicable
5	Whether the guidelines have been followed in fixing the Bid Security? If not, why?	Yes
	(No exemption should be permitted to any bidder or any class of bidders)	
5	Whether any preference on price or other conditions allowed in the bidding document/award for any bidder or class of bidders? If yes, list the preferences.	No, This type of preference has not been allowed.
7	Whether the Cost of bidding documents is reasonable?	Yes
8	Whether the Notice Inviting tender (NIT) published in National newspapers?	Yes
9	Whether minimum 30 days provided for sale of bid documents or from date of publication of NIT whichever is later?	Yes
10	If pre-bid conference was held, whether the minutes were prepared and circulated to all the prospective bidders?	Yes, Minutes follows corrigendum.
11	Whether the last date of receipt of bids and the date of opening of bids are different (Both should be the same)	
12	Whether bids were evaluated as per the criteria given in the bid document?	document.
13	Has award been made to the lowest responsive bidder? (Award should be made to the lowest responsive bidder.) If no, the reasons for ignoring lower offers	Yes after considering all aspect of technical and financial contract has to be awarded.
14	Were any negotiations held with the bidders after opening of bids? If yes, whether Bank's clearance was obtained	Not Applicable

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,	before holding negotiations and when? If Bank's clearance	489
i	was not obtained why? (Bank does not favor any	
	negotiations.)	
15	Whether the award was made within the original bid validity?	Yes
15(i)	if no, what are the reasons for delay?	No delay found in this respect.
15(ii)	If extension of bid validity was sought, was that from all bidders and not from the lowest alone?	Not Applicable
	Was the period of extension exceeded 8 weeks?	Not Applicable
15(iv)	If affirmative, was Bank's clearance obtained?	Not Applicable
16(a)	Has the contract award been published / disclosed? Were any complaints received?	No complain received after contract awarded or disclosed.
16(b)	Has the successful bidder furnished performance security in accordance with the conditions of contract?	Yes
17(a)	In case of works were the site handed over in time. Have the works or goods delivered within the time period indicated in the contract? If there has been delay has liquidated damages been deducted as per the provisions of the contract	
17(b)	Whether Items received/work completed as per the schedule indicated in the contract document?	Yes
18	Whether payment released timely and as per the terms given in the contract?	Yes
19	Whether the assets procured are being utilized for the intended purpose?	Yes
20	Whether all the documents/records related to the contract were available?	Yes

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	Checklist 3: Selection of Consultants	
_	Whether the method of selection adopted is in accordance with the Project Agreement / approved procurement plan	Yes
2	Whether the terms of reference include the following?	
(i)	Concise statement of objectives	Yes
ii)	Outline of tasks to be carried out	Yes
(iii)	Schedule for completion of tasks	Yes
(iv)	Support/ inputs to be provided by the employer	Yes
(v)	Final outputs required from the consultant	Yes
(vi)	Review procedures	Yes
3	Whether the terms of reference have been reviewed and cleared with the Bank?	Not Applicable
4	Whether the cost estimate has been prepared (Cost estimate, or budget, should be based on borrower's perception of the assignment requirements in terms of level and type of personnel, period to be spent in the field and in the home office, physical inputs and other items required for the services.)	
5	Whether a short list of the consultants/ consultant firms has been drawn? (The short list should have 6 consultants)	Yes
5	Whether the draft letter of Invitation with draft or contract according to the Bank's standard document? If not/reasons thereof.	Yes
7	Whether the minimum time was provided for submission of proposals	Yes
3	Whether the proposals were evaluated as per criteria set out in the Letter of invitation.	Yes
-	Whether the financial proposals opened in presence of technically qualified consultants?	Yes

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	Whether the financial negotiations were held with the highest ranked firm (financial negotiations are not allowed if price is a factor for selection)	1 11
11	Whether proposals were evaluated as per the criteria given in the RFP document?	Yes, proposals were evaluated as per the criteria given in the RFP
12	Has award been made to the highest ranked consultant? (Award should be made to the consultant scoring highest rank based on evaluation of technical and financial proposals)? If no, the reasons for ignoring the highest ranked proposal?	Yes
13	Has the contract award been published / disclosed and were any complaints received?	No complain has been received.
14	Whether the award was made within the original proposal validity? If no, what are the reasons for delay?	Yes the award was made within the original proposal validity.
15	Whether the assignment completed as per the schedule indicated in the contract document?	Yes
16	What controls are present for verification of invoices before releasing payment? (For e.g. in case of time based contract how are the man days, reimbursable expenses etc verified?)	Before releasing payment to vender, all involce has been verified in all respects as per agreement, completion on schedule & verification of concernengineer report etc.
17	Whether payment released timely and as per the terms given in the contract?	Yes, Payment released as per timely.
18	Whether all the documents/records related to the contract were available?	Yes all the documents /Records related to contract were available.

Senior Accounts officer

Managing Director Chartered Accountants
Firm Reg No.000637C

PATNA

Date: 25.01.2017

C.A.M.SALAH UDDIN Proprietor

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(35%)

M.SALAH UDDIN & CO.

CHARTERED ACCOUNTANTS

105,P.V.Complex, 1st floor West Boring Canal Road Patna – 800 001 Mob No.9334118125

email: <u>şalahuddin | ça@yahoo.com</u>

AUDITOR'S REPORT

We have audited the enclosed project financial statement of Bihar State Education Infrastructure Development Corporation Limited Patna pertaining to World Bank funded program fund expenditure for the period ending on 31st March 2015 and we report that:

- 1. Program expenditure during the period under audit has been correctly reported in the project financial statement.
- Program funds were utilized for the purposes for which they were intended;
- Program expenditures were exclusively financed through the program funds and no other sources of funds have been received for incurring these expenditures;
- 4. Proper books of accounts have been maintained and the program financial statements are in agreement with the books of account;
- 5. Program financial statement has been prepared in accordance with the accounting policies disclosed in the audited annual financial statements of BSEIDC;
- 6. The accounting, and internal control systems underlying the program and oversight over the program funds were adequate and maintained throughout the audit period; and
- Procurements made by BSEIDC under the program had been undertaken in accordance with agreed procedures.

For M.SALAH UDDIN & CO.

Chartered Accountants

Firm Reg.No<u>.</u>Q0063<u>70</u>

C.A.M.SALAH UDDIN

Proprietor Jombarship No 070

Membership No.070157

M. Styllmondy & CO

Charles - Australia 106, P. V. Complete Est Ploc West Boring's Road Road.

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PATNA Date:

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BIHAR STATE EDUCATIONAL INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

CIN: U80301BR2010SGC015859

Annex 2: INDICATIVE FORMAT FOR PROGRAM FINANCIAL STATEMENTS

Enhancing Teacher Effectiveness in Bihar Operation

Credit No : 5578 IN

World Bank: Programme Fund Statement of Sources and Uses of Funds

Year: 01.04.2014 to 31.03.2015

(Rs.in Crore)

S.Na.	Particulars	Note No.	Firgures as at the end of the current reporting period	Firgures as at the end of the previous reporting period
A	Sources of Funds		31.03.2015	31.03.2014
(1)	Funds received from Government of Bihar (net)	1	52.23	63.99
(ii)	Long term liabilities	2		•
(iii)	Current liabilities	3	10.26	0.29
	Total Rs.		∕62.49	64.28
В	Uses of Funds			
(i)	Long term advances	4	***	
(ii)	Current assets: (a) Short term advance (b) Cash & Cash Equivalents	5	2.19 60.30	 64.28
	Total Rs,	+	62.49	64.28

Senior\Accounts officer

Managing Director

Signed for identification only.

For M, SALAH UDDIN & Co.

Chartered Accountants

Firm Reg No.000637C

Patna

Date:

5 JAN 2017

M.SALAH UDDIN Proprietor

M.No.070157

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BIHAR STATE EDUCATIONAL INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

CIN: U80301BR20105GC015859

Enhancing Teacher Effectiveness in Bihar Operation

Credit No : 5578 IN

World Bank: Programme Fund Statement of Sources and Uses of Funds

Year: 01.04.2014 to 31.03.2015

lotes Forming Part of the Statement of	F Sources and Uses of Funds	(Rs.in Cror
Particulars	Firgures as at the	Firgures as at the
	end of the current	end of the previou
	reporting period	reporting period
	31.03.2015	31.03.2016
Note 1 : Funds received from Governm	ent of Bihar (net)	
unds received from		
Sovernment of Bihar		20.18
i) Opg.Balance	63.99	39.18
ii) Receipt during the year	43.24	29.60
Add: Bank interest	4.42	0.55
Less : Program expenditure:		
(a) Civil Works	59.42	5.34
(b) 1CT	411	***
(c) Others (Please specify)		
Total Rs.	×52.23	63.99
Note 2 : Long Term Liabilities	***	•••
(a) Trade payables(goods,		
works & services etc.)	177	
(b) Others(retention money,	.,,	
security deposits etc.)		
Total Rs.		
Note 3 : Current Liabilities		
(a) Trade payables(goods,		
works & services etc.)		_
(b) Others(retention money,	10.26	0.29
security deposits etc.)		
Total Rs.	10.26	0.29
(Oral us-	1	1
	$\mathcal{L}_{\mathcal{L}} = \mathcal{L}_{\mathcal{L}}$	
Note 4: Long Term Advances		
Civil Works (mobilization/		
secured advance etc.)	•••	
Others	***	
		171

Total Rs.



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Note 5	; Short	Term At	lvances
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Civil Works (mobilization/	2.19	
secured advance etc.)	2.19	
Others		
Total Rs.	2.19	
	1	
Note 6 : Cash and Cash Equivalents		
Cash - in - hand	•••	
Balance with Bank/s	35.87	64.28
Bank Deposits		
PLA	24.43	
Total Rs.	60.30	64.28
10001101	/	/

Senior Accounts

Managing Director

Patna

Date:

2 5 3/1/1 2017

Signed for identification only. For M.SALAH UDDIN & Co.

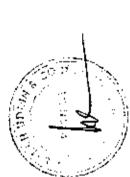
Chartered Accountants

Firm Reg No.000637C

M.SALAH UDDIN Proprietor M.No.070157

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	RIHAR STATE FILICATION		,		
	CALIDINAL INFRASTRUCTURE DEVELOPMENT COURSES.	TRUCTURE DEV	ELOPMENT CODE		•
তা	S.NO.	PTEC	Out of the court	KATION LTD.	
	ı		Expenses including		
	I PYIEC, BUILYA, BHOIPUR	2013-14	2014-15	1	
		,	26.36.06.	Total	
	3/PTEC, MASAUDHI, PATNA		13 470 200	26,254,054,00	
_[4 PTEC, SASARAM, ROHATAS	 	007767476	13,479,206.nn	
			C/ 6750010	8,885,975,00	
Ĺ	6 PTEC. PATAHI, MIZAFEADRID		13 000 74		
	7 PTEC, SORHATHA, VAISHALT		20,702,02	33,989,765.00	
	8 PTEC, PHULWARIYA BHAGALER		10 40 100	39,196,876.00	
	9 PTEC, NAGARPARA BUACE	.	12,481,589	19,481,389,00	
	10 PTEC, SHARPIIR ATTRACTOR	 - 	59,759,965	33,759,965 (11)	
	IT PTEC. BUSHING IN BED.		- I		
L_	12 PTEC BANCE 4 21		 - - - - - -		
L	PAINTED STREET, SARAN	.	8,219,537	0.000	
L	A PERCONNIAN MANITARA, MADILEPINA	<u> </u>	,	0,752,7,00	
	STATEST RAMPUR JALALPUR, SAMASTIPID				
1	Larried, GHOCHARDIFIA, MADININANI		27,707 050		
	INTERCEMENT	 	0 977 700	27,297,959.00	
1	16 PTEC, BARH, PATNA		800,070,00	0,876,608.00	
	17 PTEC, POKHRAIRA	,			
	18 PTEC. SUPRCHAM		, ,		
	19 PTEC. HAWELL RISKS	 			
	20 PTEC STWAN				
	12	+			
	22/BNRT COLLEGE CH. SAMASTIPUR		1		
	COLLIARBAG, PATNA				
	Total:				
		-	2000		
			220,44 L,334	220,441,334	



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MHAR STATE EDUCATIONAL INFRASTRUCTURE DEVELOPMENT CORPORATION LTD.

UDIET M		2013-14 2014-15 Total Expenses		
1 DIET, Nawada	2013-14	2014-15	Total	
2 DIET, Munger, Purabsaray	 -	95,70,056.00		
DIE1, Khagaria Ramooni C	<u> </u>		95,7	
		1,96,28,889.00		
5 DIET, Purnea	-		1,96,28	
6 DIET, West Champaran	-			
7 DIET, Sheohar	· 			
9 Dura year		- <u>-</u>		
8 DIET, Vikram, Pama				
9 DIET, Kilaghar Daghhar	—— <u>-</u> <u> </u>	2,50,72,742.00		
10 DIET, Shahpur, Begusarai	<u> </u>		2,50,72,	
Total:		5,42,71,687.00	/	



R STATE EDUCATIONAL INFRAST		14-15
	DIET	
LIST OF DIET	2014-15	Total
DICT Noorgon Volanda	70,53,774	70,53,774
DIET, Noorsaray, Nalanda DIET, Narar, Madhubani	8.06.28.879	8,06,28,879
3 DIET, Tikapatti, Katihar	1,77,05,344	1,77,05,344
4 DIET, Chatauni, East Champaran	3,96,99,406	3,96,99,406
5 DIET, Sonpur, Saran	2,01,13,351	2.01,13.351
6 DIET, Siwan	4,31,75,419	4,31,75,419
7 DIET, Pusa, Samastipur	1,66,91,981	1,66,91,981
8 DIET, Thawe, Gopalganj		-
9:DIET, Madhepura	1,88,58,639	2.88.58.634
10 DIET. Taran. Aurangabad		-
i) DIET, Dumraon, Buxar	91,42,063	91,42,063
12 DIET, Mohania, Kaimur	1,05,51,320	1,05,51,320
13 DIET, Babutola, Banka		
14 DIET. Farbisganj, Araria	4,58.75,112	4.58.75.113
15 DIET, Kisanganj		-
16 DIET, Lakhisarai		
TOTAL for 16 DIET (A)	25,104,95,288	31,94,95,288

