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BIHAR STATE EDUCATIONAL INFRASTRUCTURE
DEVELOPMENT CORPORATION LIMITED

AUDIT REPORT & FINANCIAL STATEMENTS

PROGRAM FUND

FUNDED BY WORLD BANK

PERIOD : 01.04.2015 TO 31.03.2016

M.SALAH UDDIN & CO. Chartered Accountants
105, P.V. Complex, 1st floor, West Boring Canal Road, Patna


STATE EDUCATIONAL INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED PATNA

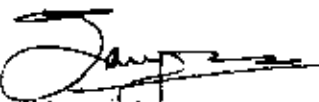
PROJECT FUND FUNDED BY WORLD BANK

PERIOD: 01.04.2015 TO 31.3.2016

MANAGEMENT LETTER FROM AUDITOR

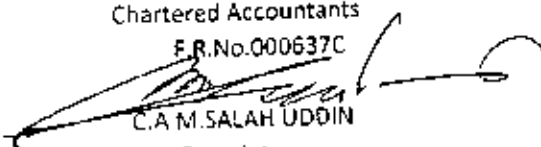
Observations on deficiencies/weakness on the accounting records, systems, and controls that were examined during the course of the audit and management's response to these together with specific recommendations for improvement.	No such deficiency were observed.
(ii) Any identified internal control weakness related to the procurement process such as, over the bidding, evaluation and contract management domains	No any deficiency in the internal control system was observed
(iii) Elaboration of the audit qualifications, if any, 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 BSEIDC	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/ Management Letter and status of any issues which remain to be addressed and any issues which recurred.	This is first year as no such deficiency report.
(viii) Bring to the Management's attention any matter (s) that might have a significant impact on the implementation of the project or that the auditor considers necessary and pertinent.	The project estimated cost should be reviewed periodically.
(ix) Describe the sampling methodology followed in audit.	Test check has been carried out for the audit.


Senior Accounts officer


Managing Director

For M.SALAH UDDIN & CO.
Chartered Accountants

F.R.No.000637C


C.A M.SALAH UDDIN

Proprietor
M.No.070157

M. SALAH UDDIN & CO
Chartered Accountants
105, P.V Complex, 1st Floor
West Boring Canal Road
PATNA-800 001

PATNA
Date : 25.01.2017

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BIHAR STATE EDUCATIONAL INFRASTRUCTURE DEVELOPMENT CORPORATION LTD.

(A Govt. of Bihar Undertaking)

Shiksha 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)

Annex 3: SUGGESTED FORMAT OF A MANAGEMENT ASSERTION LETTER

Date:

To,
M/s M.SALAH UDDIN & Co.
Chartered Accountants
105, P.V. Complex, 1st Floor
Patna-800001

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 31/03/2016 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 program.
- 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

5/16

Checklist 1: Qualitative Aspects of Procurement	Observation
1) 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 for preparation of tenders etc.? If no, how the tenders are prepared?	Banks Standard bidding document are 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 exposure 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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	the agency? If yes, whether bidders are aware of the same?	
	Whether the agency discloses the bid opportunity, put the tender documents and contract award information on its website?	Yes
1	Whether a procurement plan is available? If yes, whether the actual progress is being monitored against the plan? If there are delays, what measures are being taken to cover the delays?	Yes, works are allotted with schedule time. This is monitored in the periodical review meetings.
12	Whether any procurement related irregularities were reported in the previous audit report? If yes, what actions have been taken in this regard?	Not Applicable
13	Whether there is separation of duties between various functions viz. indenting/receiving, procurement and releasing funds?	Yes
14	Feedback from procurement staff and other officials met on how to reduce delays and improve the process	Yes, feedback has been taken from staffs in this procedure.
Checklist : 2 Procurement of Works/Goods		
1	Whether the method of procurement (based on the estimated value) adopted is in accordance with the Project Agreement and are these in line with the approved Procurement plan? If no, list the deviations (major/minor)	Yes, the method of procurement adopted is in accordance with the project Agreement and are these are in line with approved procurement plan.
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)	Yes, bidding document used for this work is according to standard model cleared with the Bank.
2(b)	Are estimated costs for each procurement available. What is the basis for preparation of estimated cost and is market conditions taken into consideration while finalizing the estimated cost.	Yes, estimated cost is available. The estimated cost is based on programme appraisal document schedule rate of BSEIDC/State.
3	Whether price adjustment clause provided in the bid document? (Required when period of completion is more	Yes Price adjustment clause available in the bid documents.



(an 12 months)

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	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? (No exemption should be permitted to any bidder or any class of bidders)	Yes
6	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)	Yes
12	Whether bids were evaluated as per the criteria given in the bid document?	Yes, bids were evaluated as per the criteria given in the given in the bid 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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	efore holding negotiations and when? If Bank's clearance was not obtained why? (Bank does not favor any negotiations.)	
	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
15(iii)	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	Yes
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



Checklist 3: Selection of Consultants

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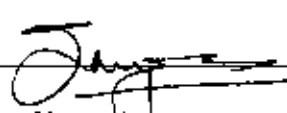
	Whether the method of selection adopted is in accordance with the Project Agreement / approved procurement plan	Yes
	Whether the terms of reference include the following?	
(i)	Concise statement of objectives	Yes
(ii)	Outline of tasks to be carried out	Yes
(iii)	Schedule for completion of tasks	Yes
(iv)	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.)	Yes
5	Whether a short list of the consultants/ consultant firms has been drawn? (The short list should have 6 consultants)	Yes
	Whether the draft letter of Invitation with draft or contract according to the Bank's standard document? If not/reasons thereof.	Yes
	Whether the minimum time was provided for submission of proposals	Yes
	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



	Whether the financial negotiations were held with the highest ranked firm (financial negotiations are not allowed if price is a factor for selection)	Not Applicable	(57)
	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 invoice has been verified in all respects as per agreement, completion on schedule & verification of concern engineer 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.	

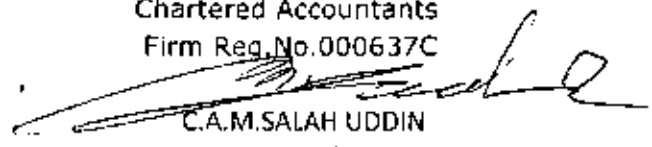


Senior Accounts officer



Managing Director

For M.SALAH UDDIN & CO.
Chartered Accountants
Firm Reg.No.000637C



C.A.M.SALAH UDDIN
Proprietor
Membership No.070157

M. SALAH UDDIN & CO
Chartered Accountants
108, 7th Floor
West End Road.

PATNA
Date : 25.01.2017

M.SALAH UDDIN & CO.

CHARTERED ACCOUNTANTS

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

email: salahuddin_ca@yahoo.com

AUDITOR'S REPORT

We have audited the enclosed project financial statement of Bihar State Educational Infrastructure Development Corporation Limited Patna pertaining to World Bank funded program fund expenditure for the period ending on 31st March, 2016 and we report that :

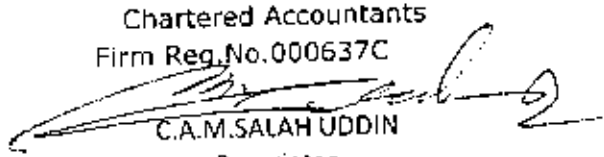
1. Program expenditure during the period under audit has been correctly reported in the project financial statement.
2. Program funds were utilized for the purposes for which they were intended.
3. Program expenditures were exclusively financed through the program funds and no other sources of funds 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
7. Procurements made by BSEIDC under the program had been undertaken in accordance with agreed procedures.

PATNA

Date :

20 JAN 2017

For M.SALAH UDDIN & CO.
Chartered Accountants
Firm Reg.No.000637C


C.A.M.SALAH UDDIN

Proprietor

Membership No.070157

M. SALAH UDDIN & CO.
105 P V Complex, 1st floor
West Boring Canal Road,
Patna - 800 001.

BIHAR STATE EDUCATIONAL INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED
CIN : UB0301BR2010SGC015859

Annex 2 : INDICATIVE FORMAT FOR PROGRAM FINANCIAL STATEMENTS

Enhancing Teacher Effectiveness in Bihar Operation

Credit No : 5578 IN


World Bank : Programme Fund

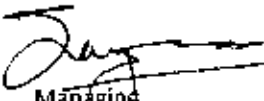
Statement of Sources and Uses of Funds

Year : 01.04.2015 to 31.03.2016

(Rs.in Crore)

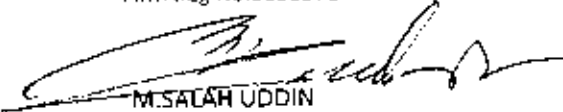
S.No.	Particulars	Note No.	Figures as at the end of the current reporting period	Figures as at the end of the previous reporting period
A	Sources of Funds		31.03.2016	31.03.2015
(i)	Funds received from Government of Bihar (net)	1	216.60	52.23
(ii)	Long term liabilities	2	---	---
(iii)	Current liabilities	3	24.46	10.26
	Total Rs.		241.06	62.49
B	Uses of Funds			
(i)	Long term advances	4	---	---
(ii)	Current assets :			
	(a) Short term advance	5	1.54	2.19
	(b) Cash & Cash Equivalents	6	239.52	60.30
	Total Rs.		241.06	62.49


 Senior Accounts officer


 Managing Director

Signed for identification only.
 For M.SALAH UDDIN & Co.
 Chartered Accountants
 Firm Reg No.000637C

Patna
 Date :


 M.SALAH UDDIN
 Proprietor
 M.No.070157

25 JAN 2017

M. SALAH UDDIN & CO
 Chartered Accountants
 108, T. Narayan, Patna 800 001
 108, T. Narayan, Patna 800 001.

BIHAR STATE EDUCATIONAL INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

CIN : U80301BR2010SGC015859

Enhancing Teacher Effectiveness in Bihar Operation

Credit No : 5578 IN

World Bank : Programme Fund

Statement of Sources and Uses of Funds

Year : 01.04.2015 to 31.03.2016

Notes Forming Part of the Statement of Sources and Uses of Funds


(Rs.in Crore)

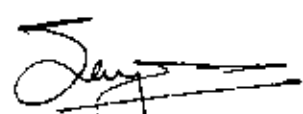
Particulars	Figures as at the end of the current reporting period 31.03.2016	Figures as at the end of the previous reporting period 31.03.2015
Note 1 : Funds received from Government of Bihar (net)		
Funds received from Government of Bihar		
(i) Opg. Balance	52.23	63.99
(ii) Receipt during the year	320.67	43.24
Add: Bank interest	2.23	4.42
Less : Program expenditure:		
(a) Civil Works	153.93	59.42
(b) ICT	4.60	...
(c) Others (Please specify)		
Total Rs.	216.60	52.23
Note 2 : Long Term Liabilities		
(a) Trade payables(goods, works & services etc.)
(b) Others(retention money, security deposits etc.)
Total Rs.		
Note 3 : Current Liabilities		
(a) Trade payables(goods, works & services etc.)		
(b) Others(retention money, security deposits etc.)	24.46	10.26
Total Rs.	24.46	10.26
Note 4 : Long Term Advances		
Civil Works (mobilization/ secured advance etc.)
Others
Total Rs.



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Note 5 : Short Term Advances		
Civil Works (mobilization/ secured advance etc.)	1.54	2.19
Others		
Total Rs.	1.54	2.19
Note 6 : Cash and Cash Equivalents		
Cash - in - hand	---	---
Balance with Bank/s	102.28	35.87
Bank Deposits		
PLA	137.24	24.43
Total Rs.	239.52	60.30


Senior Accounts
officer


Managing
Director

Signed for identification only.
For M.SALAH UDDIN & Co.
Chartered Accountants
Firm Reg No.000637C


M.SALAH UDDIN
Proprietor
M.No.070157

Patna
Date : 20/08/2013

M. SALAH UDDIN & CO
Chartered Accountants
106, P. No. 1, 1st Floor
West Building, Patna-800 003
9822244400

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STATE EDUCATIONAL INFRASTRUCTURE DEVELOPMENT CORPORATION LTD.
CTE (Upto 31.03.16)

LIST OF CTE	Expenses including Contage		
	2013-14	2014-15	2015-16
CTE TURKIMUZATARPUR			Total
CTE BHILAGAPUR			3,08,78,828.00
CTE SAMASTIPUR			
CTE SAHARSA			
CTE CHAPRA			
CTE GAYA			
		58,84,135.00	58,84,135.00
		3,67,13,263	3,67,13,263



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BIHAR STATE EDUCATIONAL INFRASTRUCTURE DEVELOPMENT CORPORATION LTD.

DIET(31.03.16)

S.NO.	LIST OF DIET	2015-16	Total
1	DIET, Nawada	4,81,27,016.00	4,81,27,016.00
2	DIET, Munger, Purabsaray		
3	DIET, Khagaria, Ramganj, Sansarpur	7,61,04,830.00	7,61,04,830.00
4	DIET, Seikhpura		
5	DIET, Purnea	8,74,74,549.00	8,74,74,549.00
6	DIET, West Champaran		
7	DIET, Sheohar		
8	DIET, Vikram, Patna	6,00,56,041.00	6,00,56,041.00
9	DIET, Kilaghat, Darbhanga		
10	DIET, Shahpur, Begusarai	7,16,93,496.00	7,16,93,496.00
	Total:	34,34,55,932.00	34,34,55,932.00



(20)

STATE EDUCATIONAL INFRASTRUCTURE DEVELOPMENT CORPORATION LTD.

DIET Upto 31.03.16

LIST OF DIET	2015-16	
	2015-16	Total
1 DIET, Newsaray, Nalanda	2,30,84,076	2,30,84,076
2 DIET, Narar, Madhubani	3,27,86,075	3,27,86,075
3 DIET, Tikapatti, Katihar	6,25,25,060	6,25,25,060
4 DIET, Chatauni, East Champaran	3,37,06,177	3,37,06,177
5 DIET, Soupur, Saran	3,77,50,095	3,77,50,095
6 DIET, Siwan	3,37,92,677	3,37,92,677
7 DIET, Pasa, Samastipur	1,39,66,154	1,39,66,154
8 DIET, Thawe, Gopalganj	3,21,70,021	3,21,70,021
9 DIET, Madhepura	1,72,44,094	1,72,44,094
10 DIET, Tarar, Aurangabad	-	-
11 DIET, Dumraon, Buxar	44,67,655	44,67,655
12 DIET, Mohania, Kaimur	58,87,584	58,87,584
13 DIET, Babutola, Banka	4,08,06,915	4,08,06,915
14 DIET, Farbisganj, Araria	5,67,90,801	5,67,90,801
15 DIET, Kisinganj	3,06,40,147	3,06,40,147
16 DIET, Lakhisarai	-	-
TOTAL for 16 DIET (A)	42,56,17,591	42,56,17,591



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BSEIDCo - (From 1-Apr-2015)			
Rastra Bhasha Parisad Campus			
Saidpur, Patna- 800064			
ICT Maintenance Expenses			
For the period of 1-Apr-2015 to 31-Mar-2016			
Date	Particulars	Vch Type	Debit
28/09/2015	RICOH	Journal	19,415,159.00
30/09/2015	Centage @ 9% (2015-16)	Misc. Journal	1,747,364.21
07/11/2015	RICOH	Journal	15,532,127.60
30/11/2015	Centage @ 9% (2015-16)	Misc. Journal	1,397,891.00
04/01/2016	RICOH	Journal	7,259,581.00
24/01/2016	Centage @ 9% (2015-16)	Misc. Journal	653,362.20
		Total	46,005,484.60

