

**V. Rohatgi & Co.**  
Chartered Accountants

Office: 317, Ashoka Place  
Exhibition Road, Patna-800001  
Mobile No. 9334101102  
Email Id. [ca.arohatgi@gmail.com](mailto:ca.arohatgi@gmail.com)

**INDEPENDENT AUDITOR'S REPORT**



To  
The CEO,  
State Society for Ultra Poor & Social Welfare,  
Patna-800001.

**Report on the Financial Statements**

We have audited the accompanying financial statements of **BIHAR INTEGRATED SOCIAL PROTECTION STRENGTHENING PROJECT of STATE SOCIETY FOR ULTRA POOR & SOCIAL WELFARE, BIHAR** financed under World Bank Loan No. 5349-IN, as at 31<sup>st</sup> March 2017 which comprise the Statement of Sources and Applications of Funds and Reconciliation of Claims to Total Applications of Funds for the year ended on that date annexed thereto. These financial statements are the responsibility of the Project's management. Our responsibility is to express an opinion on these financial statements based on our audit.

**Project Management Responsibility for the Financial Statements**

The project management is responsible for the preparation of these financial statements so that these statements give a true and fair view of the financial position and financial performance of the project. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error.



**Auditors' Responsibility**

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis of our audit opinion.

Subject to our following observations and annexure attached herewith:

**Basis for Qualified Opinion**

1. Prior period income has been incorporated in the books of accounts during the period under audit. Bank interest received for the financial year 2015-16 incorporated in books of accounts during the financial year 2016-17.

2. We have not audited the utilisation of fund by Bihar State Building Construction Corporation Limited which was provided to them by the Society for activities as per terms and conditions of the MOU dated 07/11/2013 between the Society and Bihar State Building Construction Corporation Limited as considered in the financial statements. The project financial statement of the Bihar State Building Construction Corporation Limited have been audited by R.N. Mishra & Co., Chartered Accountants and their report thereon dated 23<sup>rd</sup> Sep'2017 have been furnished to us in which they have certified utilisation of fund to the tune of Rs. 17,99,28,357/-, and our opinion in so far as it relates to the amounts and disclosure in respect of utilisation of fund by Corporation, is based solely on the report of Auditors of Bihar State Building Construction Corporation Limited.

Entries outstanding in Bank Reconciliation Statement should be incorporated in Books of Accounts.





**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the financial statements of **BIHAR INTEGRATED SOCIAL PROTECTION STRENGTHENING PROJECT of STATE SOCIETY FOR ULTRA POOR & SOCIAL WELFARE, BIHAR** for the year ended March 31, 2017 are prepared, in all material respects, in accordance with the accounting principles generally accepted in India.

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit.
- b. In our opinion, proper books of account as required by the law have been kept by the society as far as appears from our examination of these books.
- c. In our opinion, the financial statements give a true and fair view of the Sources and Application of Funds and the financial position of Bihar Integrated Social Protection Strengthening Project for the year ended 31<sup>st</sup> March, 2017.


In addition, (a) with respect to IFRs adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred; and (b) expenditures as reported are eligible for financing under the IDA Credit Agreement (World Bank Loan No. 5349-IN). (c) The IFR submitted and procedure and internal controls involved in their preparation can be relied upon to support the withdrawals.

Date : 26/12/2017

Place : PATNA



**FOR V. ROHATGI & CO.**  
**(Chartered Accountants)**  
**Reg No. : 000980C**

  
**ASHISH ROHATGI**  
**(Partner)**  
**M. No. : 401574**

Annexure on sources and application of funds

Name of the Project: Bihar Integrated Social Protection Strengthening Project

Grant No.5349-IN

## Statement of Sources and Applications of Funds

Report for the year ended 31st March'2017

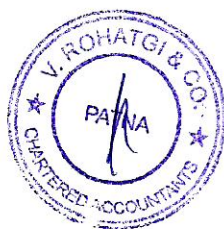
In Rs.

Particulars	Current Year (2016-17)	Project till previous year end 31.03.2016	Project to date
Opening Balance	179894107	205740865	25846758
Receipts			
Funds from Government through Budget (These will include external assistance received by Government for the project.)	878000000	213000000	1069374194
Others (Sale of Bid Document, Bank Interest etc)	13959558	894122	14266643
<b>Total Receipts (A)</b>	<b>891959558</b>	<b>213894122</b>	<b>1083640837</b>
Expenditures by Component			
A. Component 1 Strengthening social protection capacity and systems	113988372	37178386	151166758
B. Component 2 Strengthening Outreach and Social Services	269051540	455544	269507084
C. Project Management.	0	0	0
<b>Total Expenditures (B)</b>	<b>383039912</b>	<b>37633930</b>	<b>420673842</b>
Closing Balance	688813753	382001057	688813753

Note: Bank Interest as earlier shown in IUFR submitted to World Bank was Rs. 1,34,04,549.97 but actual bank interest received is Rs. 1,39,10,258 which is identified during audit and same has been incorporated in above Annexure.

For V. Rohatgi & Co.  
Chartered Accountants  
(FRN-000980C)

(Ashish Rohatgi)  
Partner  
(M.No-401574)



Financial Management Specialist  
SSUPSW, Bihar, Patna

Sr. Administrative Officer  
SSUPSW, Bihar, Patna

Chief Executive Officer (CEO)  
SSUPSW, Bihar, Patna



Annexure on sources and application of funds

Name of the Project: Bihar Integrated Social Protection Strengthening Project  
Grant No.5349-IN

Component Wise Expenditure Statement  
Report for the year ended 31st March'2017

In Rs.

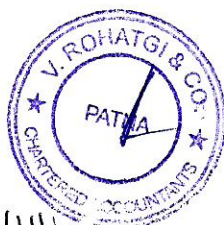
	Component/ Activity	Expenditure Incurred till previous year (A)	Expenditure for the year (B)	Cumulative expenditure (A) + (B)
1	<b>Component 1 Strengthening social protection capacity and systems</b>			
a	Goods	173626	82211071	82384697
b	Consulting Services	11335768	14083902	25419670
c	Salaries	11967152	8766857	20734009
d	Other Operating Cost	13701840	8926542	22628382
	<b>Total</b>	<b>37178386</b>	<b>113988372</b>	<b>151166758</b>
2	<b>Component 2 Piloting innovations in social protection delivery</b>			
Sub Component	Establishment & Strengthening of Social Care Services			
a	Civil Works	0	179928357	179928357
b	Consulting Services	455544	0	455544
c	Goods	0	11392481	11392481
d	Operating Cost	0	7168589	7168589
Sub Component	Pilot Models in Social Protection Delivery			
a	Goods	0	70562113	70562113
	<b>Total</b>	<b>455544</b>	<b>269051540</b>	<b>269507084</b>
	<b>Total(1+2)</b>	<b>37633930</b>	<b>383039912</b>	<b>420673842</b>

## Notes:

- The expenditure as mentioned above should match with the expenditure reported in Annexure 1.

For V. Rohatgi & Co.  
Chartered Accountants  
(FRN-000980C)

*Ashish Rohatgi*  
(Ashish Rohatgi)  
Partner  
(M.No-401574)



*Trana*  
Financial Management Specialist  
SSUPSW, Bihar, Patna

*Wili*  
Sr. Administrative Officer  
SSUPSW, Bihar, Patna

*Sourav*  
Chief Executive Officer (CEO)  
SSUPSW, Bihar, Patna

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Name of the Project: Bihar Integrated Social Protection Strengthening Project

Loan No.-5349-IN

Reconciliation of Claims to Total Applications of Funds

Report for the year ended 31st March'2017

Particulars	Schedules	Amount (Rs.)		
		Current Year	Project till Previous Year Ended 31.03.2016	Project To Date
Banks Fund claimed during the year				
-IUFR 1		43471707	5697331	49169038
-IUFR 2		23457398	4155664	27613062
-IUFR 3		44475953	8079510	52555463
-IUFR 4		160400757	8411246	168812003
Total Bank Funds Claimed (A)		<b>271805815</b>	<b>26343751</b>	<b>298149566</b>
Total Expenditure made during the year (B)		383039912	37633930	420673842
Less: Outstanding AC bills ( C)	II	0	0	0
Ineligible Expenditures (D)	III	0	0	0
Expenditures not claimed (E)	IV	0	0	0
Total Eligible expenditures claimed (F) = (B)-( C)-(D)-(E)		<b>383039912</b>	<b>37633930</b>	<b>420673842</b>
World Bank Share 70% of (F) above (G)		268127938	26343751	294471689
Amount to be claimed/refunded (H)=(A-G)		<b>3677877</b>	<b>0</b>	<b>3677877</b>

Note: Following are the details of Rs. 36,77,877 excess claimed:

- 1)BSBCCL had earlier given Utilisation Certificate for Rs. 18,51,84,788 which has been taken into account while compiling data in IUFR for quarter ended March'17. But at the time of Finalisation of accounts during audit the BSBCCL has revised Utilisation Certificate for Rs. 17,99,28,357. Due to which Rs. 36,79,501 {i.e. 70% of Rs. 52,56,431( 185184788-179928357)} has been excess claimed during quarter 4.
- 2) Bank Charges of Rs. 2320.94 were less debited in books of accounts which were identified during audit hence Rs. 1624.66 (i.e.70% of Rs. 2320.94) has been less claimed during quarter 1.
- 3) The unit is hereby advised to either refund the amount excess claimed or reduce the claim amount in IUFR to be submitted to World Bank.

For V. Rohatgi & Co.  
Chartered Accountants  
(FRN-000980C)



*Ashish Rohatgi*  
(Ashish Rohatgi)  
Partner  
(M.No-401574)

*V. Rohatgi*  
Financial Management Specialist  
SSUPSW, Bihar, Patna

*K. G. Singh*  
Sr. Administrative Officer, Chief Executive Officer (CEO)  
SSUPSW, Bihar, Patna SSUPSW, Bihar, Patna