

5DHAWAN & MADAN

CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

*The State Project Director,
Uttar Pradesh Education for All Project Board
State Project Office
Vidya Bhawan, Nishatganj,
Lucknow, Uttar Pradesh*

- 1. We have examined the Balance Sheet of KASTURBA GANDHI AWASIYA BALIKA VIDYALAYA PROJECT, implemented by the Uttar Pradesh Education for All Project Board (hereinafter referred to as "The Project") as at 31st March 2007 and the Income & Expenditure Account and Receipt & Payment Account for the period then ended and annexed thereto. These financial statements are the responsibility of the project management. Our responsibility is to express an opinion on these financial statements based on our audit.*
- 2. We conducted our audit in accordance with auditing standards generally accepted in India. 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.*
- 3. These financial statements incorporate the accounts (Trial Balances) of KGBV's of 52 Districts audited by other auditors and KGBV's of 18 Districts and the state project office audited by us.*

4. Subject to our observations in the annexure to this report:-

- a. *We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.*
- b. *The Balance Sheet and Income and Expenditure Account dealt with by this report are in agreement with the books of accounts produced before us.*
- c. *In our opinion, Proper books of account have been kept by the Project so far, as appears from our examination of the books of account.*
- d. *In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the note thereon, give a true and fair view:*
 - i. ***In the case of Balance Sheet, of the state of affairs of the Project as at 31st March' 2007***
 - ii. ***In the case of the Income and Expenditure Account, of the excess of income over expenditure of the Project for the period ended on that date.***
 - iii. ***In the case of the Receipt and Payments Accounts, of Receipts & Payments of the Project for the period ended on that date.***

DHAWAN & MADAN
Chartered Accountants

Place: Lucknow
Dated:

(P.K DHAWAN)
Partner
M.No.74258

KASTURBA GANDHI AWASIYA BALIKA VIDYALAYA PROJECT,
implemented by the Uttar Pradesh Education for All Project Board

ANNEXURE

*(referred to in para 4 of the Audit Report on the accounts of the
Kasturba Gandhi Awasiya Balika Vidyalaya Project for the period ended
31st March 2007)*

- 1. The financial statements are subject to the approval of the Executive Committee of the Project.*
- 2. The Project has followed cash system of Accounting.*
- 3. Furniture's, Fixtures & Equipments etc have been procured out of the project funds. However, proper records showing full particulars including quantitative details, locations and identification of such assets are yet to be maintained.*
- 4. Payments made to construction agencies for the construction of the school buildings are capitalised at the time of release of payments as against the capitalization of the same after completion of the Construction of School's Buildings. The technical completion reports and Utilisation Certificates should be obtained before capitalisation of the same.*
- 5. Balances with few bank accounts are subject to confirmation and subsequent reconciliations if any.*

KASTURBA GANDHI AWASIYA BALIKA VIDYALAYA PROJECT,
implemented by the Uttar Pradesh Education for All Project Board

(Schedule D of Significant Accounting Policies and Notes on Accounts forming part of the project Financial Statements for the year ended 31st March 2007)

1. *Significant Accounting Policies*

a. *Basis of Accounting:*

The project accounts are prepared on historical cost convention and cash basis of accounting. Income / grant are accounted for when they are actually received and expenses are accounted for when they are actually received and expenses are recognized as and when they are actually paid.

b. *Fixed Assets:*

Fixed assets purchased for Vidyalayas are stated at their cost of acquisition.

c. *School Buildings*

Payments made to construction agencies for the construction of the school buildings are capitalised at the time of release of payments as against the capitalization of the same after completion of the Construction of School's Buildings.

d. *Depreciation:*

No depreciation is charged on fixed assets.

e. *Interest earned on Bank Accounts:*

Interest earned on balances in bank accounts is treated as Income & utilized for the purpose of the project.

2. *Notes on Accounts*

a. *The Kasturba Gandhi Awasiya Balika Vidyalaya Project is being implemented in the state of Uttar Pradesh by the U.P*

EDUCATION FOR ALL PROJECT BOARD, which is a Society, registered under the Societies Registration Act, 1860.

- b. The method of Accounting prescribed by the Manual On Financial Management and Procurement is as follows:*

“Complete accounts in respect of the monetary transaction of the state Implementation Society in the Headquarters Office as well as in the Subordinate Offices shall be maintained in the same manner as required in a State Government Office. The “double entry method based on mercantile system” of accounting shall also be following under SSA.”

AT SPO and some Districts, project is following Double Entry Accounting System on cash basis; however, the other district units of the project are following the single entry cash basis of accounting as in the State Government Office. Project has initiated the system of implementation of Double Entry Accounting Systems at the remaining districts also.

- c. The Project has followed the Manual on Financial Management and Procurement issued by the Department of elementary Education and Literacy, Ministry of Human Resource Development, Government of India.*
- d. Balances with few bank accounts are subject to reconciliations and subsequent adjustments if any.*

(Senior Accounts Officer)

(Finance Controller)

(State Project Director)

**Utilisation Certificate under Kasturba Gandhi Awasiya Balika
Vidyalaya Project for the period ended 31st March'2007**

Name of the State : Uttar Pradesh

<i>Sl. No.</i>	<i>Sanction Letter No. & Date</i>	<i>Amount (Rs.)</i>
Government Of India		
1.	<i>F-21-1-(UP-19)/2005-EE.8 dt. 31.3.2006</i>	<i>490,00,000.00</i>
2.	<i>F.21-5-(UP-19)/2006-EE.8 dt. 23.3.2006</i>	<i>31,59,68,000.00</i>
3.	<i>F-21-7-(UP-19)2006-EE.8 dt. 16.01.2007</i>	<i>16,08,75,000.00</i>
	TOTAL	52,58,43,000.00
Government of Uttar Pradesh		
1.	<i>1048/79-5-2006 dt. 4.4.2006</i>	<i>37,50,000.00</i>
2.	<i>1737/79-5-2006-288/2006 TC dt. 4.07.06</i>	<i>1,12,50,000.00</i>
3.	<i>1737/79-5-2006-288/2003 TC dt. 30.08.06</i>	<i>10,53,23,000.00</i>
4.	<i>2663/79-5-2006-288/2003 TC dt.16.10.06</i>	<i>13,33,000.00</i>
	TOTAL	12,16,56,000.00

1. Certified that out of Rs. 64,74,99,000.00 (Rupees Sixty Four Crores Seventy Four Lacs and Ninety Nine thousands only) of Grant-in-Aid sanctioned during the year 2006-2007 in favour of U.P. Education for All Project Board, vide Ministry of Human Resource Development, Department of Elementary Education and Literacy, & Govt. of UP, letter nos. noted against each and Rs. 89,30,221.46 (Rupees Eighty Nine Lacs Thirty Thousands and Two Hundred Twenty One and Forty Six Paisa only) on account of interest and miscellaneous income earned during the year 2006-2007 and a sum of Rs. 6,10,36,744.00 (Rupees Six Crores ten lacs thirty six thousands seven hundred and fourty four only) on account of unspent balance of the previous year, a sum of Rs.15,45,12,115.67 (Rupees Fifteen Crores Forty Five Lacs Twelve Thousand One Hundred Fifteen and Sixty Seven Paisa only) has been utilized for the purpose for which it was sanctioned and that the balance of Rs. 56,29,53,849.79 (Rupees

Fifty Six Crores Twenty Nine Lacs Fifty Three Thousands Eight Hundred Forty Nine and Seventy Nine Paise only) remained unutilized at the end of the year and will be adjusted towards the Grants-In-Aid payable during the year 2007-2008.

2. *Certified that I have satisfied myself that the conditions on which the Grants-In-Aids was sanctioned have been fully fulfilled and that I have exercised the following checks to see that the money was actually utilized for the purpose for which it was sanctioned.*

Kinds of checks exercised :-

1. *Audited Statements of Accounts (copy enclosed)*
2. *Utilisation Certificate*
3. *Progress Report (copy enclosed)*

State Project Director

U.P. Sabhi Ke Liye Shiksha

Pariyojna Parishad

Dated :

AUDITOR'S CERTIFICATE

We have verified the above statement with the books of and records produced before us for our verification and found the same has been drawn in accordance therewith.

DHAWAN & MADAN
Chartered Accountants

Place: Lucknow

Dated:

(P.K DHAWAN)

Partner

M.No.74258

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CHARTERED ACCOUNTANTS

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*The State Project Director,
Uttar Pradesh Education for All Project Board
State Project Office
Vidya Bhawan, Nishatganj,
Lucknow, Uttar Pradesh*

*Sub : Procurement under Kasturba Gandhi Awasiya Balika
Vidyalaya Project*

Dear Sir,

We have conducted the audit of Balance Sheet as at 31st March'2007, Income & Expenditure Accounts and Receipts and Payments Accounts for the year then ended of KASTURBA GANDHI AWASIYA BALIKA VIDYALAYA PROJECT, implemented by the Uttar Pradesh Education for All Project Board. These financial statements incorporate the accounts (Trial Balances) of KGBV's of 52 Districts audited by other auditors and KGBV's of 18 Districts and the state project office audited by us.

Based on our audit and records made available to us and subject to our audit reports, we have verified on a test basis, whether goods, works and the services financed have been procured in accordance with relevant provisions of the procurement procedure prescribed for the purpose.

Thanking you

DHAWAN & MADAN
Chartered Accountants

(P.K DHAWAN)
Partner
M.No.74258
Place: Lucknow
Dated: