

## MESCO

### Report on the Budget Proposed

#### F/Y 2019-20

The budget proposed for F/Y 2019-20 has been prepared on the basis of comparison of the current year figures for F/Y 2018-19, historical records, scope for the growth & trends, in consultation with the head of the Institutions & taking into consideration the incidental effects on the cost & infrastructure needs for F/Y 2019-20.

The enclosed format of **Budget proposed for F/Y 2019-20** has been presented in comparison with **Budget approved & Actuals for F/Y 2018-19**.

The income & expenses in the proposed budget represent **Actuals for Apr–Nov 2018 & Estimates for Dec.2018 to Mar 2019**.

The itemized budget representing Income, Expenses, Surplus is hereby enclosed.

The details are as follows:-

#### Income – Budget 2019-20

The budget proposed for F/Y 2019-20 shows an income of Rs.21,00,00,000/- (Rupees Twenty One Crore ) as against the Actual Income of Rs.16,45,55,228/- (Rupees Sixteen Crore Forty Five Lakh Fifty Five Thousand Two Hundred Twenty Eight) which is 22% more than the income of F/Y 2018-19.

The projects contributing to the income during F/Y 2019-20 are as follows:-

(% of the Total Income)

Medical & Diagnostic Services	41%
Educational Institutions – Schools	33%
Educational Institutions – Colleges	17%
Hostel	1%
Donations & Zakat contributions	6%
Books (MESCO ALEEF)	2%

#### Expenses

The budget proposed F/Y 2019-20 shows expenses of Rs.15,90,00,000/- (Rupees Fifteen Crore Ninety Lakh ) as against Actual expenses of Rs.13,11,82,494/- (Rupees Thirteen Crore Eleven Lakh Eighty Two Thousand Four Hundred Ninety Four ) which is 17 % more than the expenses incurred during F/Y 2018-19.

The increase in expenses corresponds to the growth in the income & increasing cost of material & services.

The breakup of the expenses proposed in the budget being 76% of the total income.

The details with reference to the expense category as under:-

Payroll - Salary & Allowances	40%
Administration exp.	15%
Medical & Consumables	7%
Professional Fee & Consultancy	1%
Education Development Fund (Aid & Scholarship)	13%

### **Surplus of Income over Expense**

The budget proposed F/Y 2019-20 shows a surplus (Excess of Income over Expenses) of Rs.5,10,00,000/- (Rupees Five Crore Ten Lakh ), which is 24 % of the income for FY 2019-20 as against the Actual Surplus for FY 2018-19 of Rs 3,33,72,734/- (Rupees Three Crore Thirty Three Lakh Seventy Two Thousand Seven Hundred Thirty Four ), which is 20% of the total income FY 2018-19 .

### **Capital Expenses (Fixed Assets)**

The budget proposed for F/Y 2019-20 provides for the Capital expenses (Acquisition of Fixed Assets) for the existing projects of MESCO, of Rs.4,00,00,000/- (Rupees Four Crore ), the details of allocation as follows:-

The major funds allocation of Rs 2.20 Cr to complete the construction work of the College building (MESCO College of Education, Chilkur,Himayatnagar Vlg, Mandal Moinabad) and balance amount of the proposed surplus has been allocated to meet the infrastructural requirement of various MESCO Projects as per the details below.

**Category wise Fixed Assets**  
**Proposed in budget for FY 2019-20**

<u>S.No.</u>	<u>Asset Category</u>	<u>Amount Rs</u>
1.	Building	3,17,25,000/-
2.	Computer & Printers	11,50,000/-
3.	Furniture & Fixture	12,65,000/-
4.	Laboratory Equipment	18,00,000/-
5.	Office Equipment	26,05,000/-
6.	Science Lab Equipment	2,30,000/-
7.	Vehicle	1,00,000/-
8.	Sports Material	1,35,000/-
9.	Transformer	5,00,000/-
10.	Library Books	<u>4,90,000/-</u>
	<b>Total</b>	<b><u>4,00,00,000/-</u></b>

My appeal to all the Convenors, Directors, Administrators of the MESCO Projects to monitor their financial activity within the purview of the budget sanctioned for the respective project. Further, to ensure that the expenses should be within the budget allocated.

Please try to improve the revenue aspect as much as possible, observe austerity by saving income wherever possible and provide a surplus for the Organisation to ensure progress & stability.

I like to thank the Almighty Allah because of whose Mercy, Guidance and Help we have been able to carry out our mission of service to humanity & pray Allah for the achievement of our targets.

I am thankful to the Hon'ble President, Hon. Secretary, Convenor & Director of various projects, Members of Managing Committee, Members of the General Body for their Co-operation.

Allah Hafiz

Dr. M.A.Nayeem Khan  
Hon. Treasurer  
MESCO

## **MESCO - Budget Proposed 2019-20** **Budget Variance report**

The report covers variance observed between

- 1) Budget approved 2018-19 Vs Actuals 2018-19
- 2) Budget proposed 2019-20 Vs Actuals 2018-19

### **Budget Approved 2018-19 Vs Actuals 2018-19**

#### **Head of Account – Income**

The Budget Approved 2018-19 shows an income of **Rs 18,58,00,000/-** (Rupees Eighteen Crore Fifty Eight Lakh) to be achieved through Medical, Education Stream.

The Actual Income 2018-19 observed a sum of **Rs 16,45,55,228/-** (Rupees Sixteen Crore Forty Five Lakh Fifty Five Thousand Two Hundred & Twenty Eight)

The actual Income variance being less compared to budget approved 2018-19 sum of **Rs 2,12,44,772/-** (Rupees Two Crore Twelve Lakh Forty Four Thousand Seven Hundred Seventy Two).

The variance (shortfall) in income compared to budget approved is explained below:-

1. Income from Medical shows a surplus due to addition of  
Kuwait GCC Cases. Rs 99,82,500/-
2. Fee from Schools shows a shortfall of fee due to Rs (1,28,42,075/-)  
Less admissions & no admission fee was collected to  
Improve strength.
3. Fee from Colleges shows a shortfall of fee due to Rs (1,87,27,069/-)
  - a) B.Ed Course not started as per approved budget
  - b) Vocational courses were budgeted but not started
  - c) B.Pharma students were 60 whereas the budgeted  
income was for 100 students.
4. Rent hostel, Donations & Sale of books Rs 3,41,872/-  
Received more than the budgeted amount.

**Total variance less income from budget A.2018-19 Rs (2,12,44,772/-)**

## **Budget Approved 2018-19 Vs Actuals 2018-19**

### **Head of Account – Expenses**

The actual Expenses variance being less compared to budget approved 2018-19 sum of **Rs 2,16,17,506/-** (Rupees Two Crore Sixteen Lakh Seventeen Thousand Five Hundred & Six).

The variance (less expenses) from the budget approved is explained below:-

1. Payroll exp were less compared to bud. approved 2018-19      Rs 1,10,38,229/-

The staff requirement for B.Ed, & Vocational courses  
Were budgeted but the courses could not start & the B.Pharm.  
Staff requirement was restricted to student strength of 60.

2. Administrative exp were less than the bud approved 2018-19      Rs 48,14,113/-

Due to the saving in exp in the wake of courses not started  
As explained above.

3. Med consumables & Prof fee & Fin.Cha show a saving      Rs 11,71,953/-

From Budget approved 2018-19 due to B.Pharma  
Strength of 100 as budgeted

4. Education Development Fund

The Actual exp incurred for MESCO ALEEF were      Rs 45,93,211/-  
Less than the budget approved due to less number of  
Teachers deputed at various schools.

**Total variance less Exp from budget A. 18-19      Rs 2,16,17,506/-**

**Variance: surplus more than budget A. 2018-19      Rs 3,72,734/-**

## **MESCO - Budget Proposed 2019-20** **Budget Variance report**

The report covers variance observed between

1. Budget approved 2018-19 Vs Actuals 2018-19
2. Budget proposed 2019-20 Vs Actuals 2018-19

### **Budget Proposed 2019-20 Vs Actuals 2018-19**

#### **Head of Account – Income**

The Budget Proposed 2019-20 shows an income of **Rs 21,00,00,000/-** (Rupees Twenty One Crore) to be achieved through Medical, Education Stream.

The Actual Income 2018-19 observed a sum of **Rs 16,45,55,228/-** (Rupees Sixteen Crore Forty Five Lakh Fifty Five Thousand Two Hundred & Twenty Eight)

The actual Income variance being more compared to budget proposed 2019-20 sum of **Rs 4,54,44,772/-** (Rupees Four Crore Fifty Four Lakh Forty Four Thousand Seven Hundred Seventy Two).

The variance in proposed income Budget 2019-20 (Income being more than the Actual 2018-19) is explained below:-

1. Income from Medical shows an increase due to addition of  
Expected UAE Cases & enhancement of medical fee Rs 1,89,72,500/-  
From Rs 4,500/- to Rs 5,000/- per case.
2. Fee from Schools shows an increase due to increase Rs 1,80,35,075/-  
In admissions & fees.
3. Fee from Colleges shows an increase due to Rs 52,42,969/-  
a) Addition of B.Pharmacy batch 2019-20
4. Donation & Voluntary Contribution Rs 31,94,228/-  
More donations are expected from Canada & USA

#### **Total variance Budget Proposed 2019-20**

**Income being more than the actual income 2018-19 Rs 4,54,44,772**

## **Budget Proposed 2018-19 Vs Actuals 2018-19**

### **Head of Account – Expenses**

The actual Expenses variance being more compared to Actuals FY 2018-19 sum of **Rs 2,78,17,506/-** (Rupees Two Crore Seventy Eight Lakh Seventeen Thousand Five Hundred & Six).

The variance (more expenses) from the Actuals for FY 2018-19 is explained below:-

1. Payroll exp being more compared to Actuals 2018-19 Rs 1,13,51,756/-

Due to increase in staff, salary increment/Salary gradation.

Increase in staff MDC in the wake of general medical set up.

2. Administrative exp proposed more than the Actuals 2018-19 Rs 39,68,086/-

The increase in exp corresponds to the increase in Income, as explained above.

3. Med cons. & Prof fee & Fin.Cha proposed in B.2019-20 Rs 44,41,953/-

more than the Actuals 2018-19. The increase in exp corresponds to the increase in income.

4. Education Development Fund

The exp proposed in Budget 2019-20 being more than Rs 80,55,711/-

The Actuals 2018-19 due to the following:-

a) MESCO ALEEF exp provided for new teachers and Training programs, printing of books etc. The budget Approved 2018-19 for ALEEFRs 1.10 Cr. Whereas Only 50% was utilized during 2018-19.

b) Qamar foundation & Shams Trust under the Late Dr.Samsamuddin Mohammed Sahib & Family Education Fund, provided for the budget 19-20 Rs 15L

**Total variance Budget Proposed 2019-20**

**Rs 2,78,17,506/-**

**Exp more than the Actuals 2018-19**

**Variance:surplus B. Proposed 2019-20**

**more than A. 2018-19**

**Rs 1,76,27,266/-**