



# T VAIDYA & ASSOCIATES

CHARTERED ACCOUNTANTS

**CA Ritesh Gupta** (Partner)  
FCA, DISA, FAFD, ADR, CCCA

**Mob.: 9425910666**

e-mail: catvaidya@gmail.com

## AUDIT CERTIFICATE

We have examined the Receipt-Payment Account and the Income and Expenditure Account for the year ending 31<sup>st</sup> March, 2021 and the Balance Sheet as on 31<sup>st</sup> March, 2021 of the **Nagar Parishad Bhaisdehi**.

We have obtained all the information and explanations other than those mentioned in the Report, and taken in view of the accounting policies of the Madhya Pradesh Municipal Accounting Manual as acknowledged by the State Government. Subject to the comments in the appended Audit Report, I certify, as a result of audit, that in my opinion these Accounts and Balance Sheet exhibit a true and fair view of the state of affairs of the **Nagar Parishad Bhaisdehi** according to the best of information and explanations given to us and as shown in the books of the organization.

**For T Vaidya & ASSOCIATES**

Chartered Accountants

(FRN No: 011400C)

*Ritesh Gupta*



**CA. Ritesh Gupta**  
Partner

Membership No: 021447

Date: 30<sup>th</sup> Sep 2021

Place: Indore

UDIN: 21408167AAAABA9636

*Ramesh*  
**C.M.O.**  
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**Bhainsdehi**



Independent Auditors' Report

TO,  
THE CHIEF MUNICIPAL OFFICER,  
BHAISDEHI NAGAR PARISHAD,

TO,  
THE MEMBERS OF NAGAR PALIKA,  
BHAISDEHI NAGAR PARISHAD,

Report on the Financial Statements

We have audited the accompanying Financial Statements of **BHAISDEHI NAGAR PARISHAD** ("the **ULB**"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Income and Expenditure, the Receipt & Payment Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

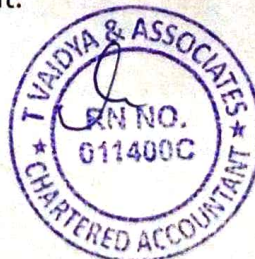
Management's Responsibility for the Financial Statements

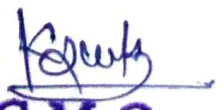
The Management of Municipal Corporation is responsible for the matters in Madhya Pradesh Municipal Accounting Manual ("MPMAM") and The Madhya Pradesh Municipal Corporation Act, 1956 ("the Act") with respect to the preparation of these financial Statements that give a true and fair view of the financial position, financial performance and cash flow of the **ULB** in accordance with the accounting principles, including the Accounting Standards specified under Madhya Pradesh Municipal Accounting Manual. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act and Manual for safeguarding of the assets of the **ULB** and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We have taken into account the provisions of the Act and MPMAM, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Madhya Pradesh Accounts Audit Manual and as per scope of work under assignment.

We conducted our audit in accordance with the Standards on Auditing specified under Madhya Pradesh Accounts Audit Manual. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial Statements are free from material mis-statement.



  
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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the **ULB's** preparation of the Financial Statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes valuating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by **ULB's** Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements, and deviation, if any attached with this report (as per annexure A)

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the MPMAM in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the ULB as at March 31, 2021;
- b) In the case of the Statement of Income & Expenditure Account, of the excess of Income over Expenditure for the year ended on that date; and
- c) In the case of the Receipt & Payment & Bank Reconciliation for the year ended on that date.

### Basis For Qualified Opinion

The detail which form the basis of qualified opinion are reported in annexed with this report as **Annx-A**

### Emphasis of Matters

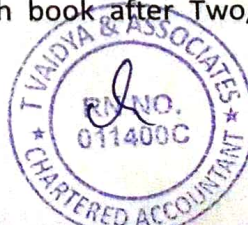
We draw attention to the following matters annexed with this report as **Annexure A**

### Report on other Legal and Regulatory Requirements

As required by Madhya Pradesh Accounts Audit Manual and the letter of Directorate, Urban Administration & Development vide letter no. 10082 dated 23/06/2021, and the records/documents produced before us, our opinion are as under:

#### **1. Audit of Revenue**

- i) We have test checked receipts on random basis with the Receipt Books and found correct, however on an overall basis for the year, Gross receipts taken for all the department do not match with the receipts shown in Income & Expenditure Account. The observation are in Annexure A
- ii) We found that daily collection are deposited on the same day except in the cases of where banks are closed and some collection online by E- Nagar Palika software. Delay beyond two working days should be come into the notice of CMO.
- iii) We found same day collection come in cash book after Two/three Days in software



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generated cash book, ULB have to adopt macenizum for correction in it.

- iv) We have checked the entries of Manual Cash Book with the entries in tally software, and found it correct but we have checked Manual cash book from E- Nagar Palika software data then we found only contractor & Expenses payment entries reflected in software and both the side (Receipt & Payment ) not matched.
- v) We have not been provided with monthly/quarterly targets of revenues receipts, however we have compared Annual Budgeted Targets v/s Actual receipts for the year under audit. The observation are in **Annexure A**
- vi) We checked the Vouchers and duly verified from the Entries in Cash Books as well as in Tally Software and found it correct and but we have checked Tally cash book, bank book, Day Book & Trial Balance from E- Nagar Palika software data then we didn't found Opening carry forward balance, All Grant Receipts (PMAY,SWM etc ) and Interest Receipts entries.
- vii) The Auditor shall specifically mention in the report the revenue recovery against the quarterly and monthly target any lapses in lapses in revenue recovery shall be a part of the report.
- Details with respect to quarterly and monthly target set for the FY 2020-21 and revenue recovery against such target were made available to us. It was not possible to report revenue recovery quarterly and monthly target and any lapses there to.
- However, on verification of revenue register we observed huge recovery from past several years, below mentioned are few cases.

#### In case of Property Tax

Ward No	Property ID	Name	Total Due (In Rs.)
4	7000968142	NATTHU , पिता MAROTI ,	5693
5	7000972648	AKHILESH NAWANGE , पिता GUNVANTRAO NAWANGE ,	36170
5	7000973412	PUSHPLATA,DINESH BAI KANATHE , पति MAHADEV ,	10529
5	7000970399	BALRAM MAHALE , पति BABURAO ,	8410
6	7000968154	KALA BAI RATHORE , पति CHIRONJI RATHORE ,	5659
6	7000969651	SUNIL,ANIL,SANDEEP,SACHIN JAN , पति PUNYA ,	5550
6	7000969648	ANUSAIYA BAI , पिता MAHADEV ,	5185
6	7000968411	MUNNALAL RATHOR , पति MANGAL RATHOR ,	5134
8	7000969664	GULABRAO , पिता MOUJIBHAI ,	11771
8	7000971311	BHARAT DUR SANCHAR	8294
8	7000970479	VIJAY MALVIYA RADHELAL	7466
8	7000969665	NATHAN BAI , पति GULABRAO ,	7080
8	7000970473	RAVINDRA KUMAR	6792
9	7000969371	JANPAT PANCHAYAT , . BHAINSDEHI ,	17130
10	7000971361	LAKSHMI BAI ASWAR , S/O NARAYANRAO ,	7729
10	7000974778	NEMICHANDRA	6018



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12	1003993783	राजा ठाकुर पिता/पति NA ,	16627
12	7000969801	SANDEEP , पिता PARASRAM RATHOR ,	8755
12	7000972358	NAMDEVRAO DHULE , पिता NARAYANRAO DHULE ,	7896
12	7000969436	ANAND,BALI,PRASRAM,RAMESH,PREM	5739
12	7000976109	SHYAM,SHREEKANT , पिता BASANTRAO ,	5191
12	1003994235	NA पिता/पति NA ,	5103
13	7000970201	KHUSHVANT SINGH , पिता RAMSINGH ,	8990
13	7000969805	SANJU RATHOR , पिता SHANKAR ,	8176
13	7000976177	AMBU BAI , पति CHANNULAL ,	7209
13	7000971473	PARVAT BAI, RAJU ,ASHOK,MAHESH MALVIYA	6614
13	7000970170	MO IKBAL,MO ASLAM,MO AHMAD	6360
13	7000968285	DINESH,SHAILENDRA , पिता NAHNURAM ,	6300
13	7000972408	BUDDHULAL MALVIYA , पिता DHONDHYA DHONDHYA ,	6184
13	7000971901	LALEETA BAI , पति GULABRAO ,	6058
14	7000970640	SUKHDEV	8745
15	7000970681	SANTOSH	6288
15	7000969515	AH HAKEEM	6240
15	7000970680	HEMANT, AND RAHUL , पिता HARIBHAU ,	5786
15	7000971561	BABURAO , पिता GOMA ,	5696
15	7000972507	NIRMALA , पिता LAKHAN RATHOR ,	5344

#### In case of Water Tax

Total Number od connection	Mobile Number Linked	Mobile Number Not Linked	Email Id Linked	Remarks
1551	888	663	92	Usage Type Missing, Connection Size Missing and Property Id Missing

S.No.	Consumer ID	Name	Amount	Remarks
1	1000590110	Shivshakti Chouhan	16310.00	ULB is not taken any action of Recovery
2	1000585771	Shvaksh Singh Chouhan	12795.00	ULB is not taken any action of Recovery
3	1000589652	Subhash Sarvan	12584.00	ULB is not taken any action of Recovery
4	1000589388	Chandrbhan singh	12160.00	ULB is not taken any action of Recovery
5	1000588879	Darshan Singh Chouhan	11335.00	ULB is not taken any action of Recovery
6	1000588871	Raju	10858.00	ULB is not taken any action of Recovery

#### In case of Shop Rent

No Record were made available to us for verification, therefore cannot comment upon recovery made and GST were deducted properly or not.



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## 2. Audit of Expenditure

- i) We have performed the test check because of limitation of time and found them correct except in the cases where we specifically given annexure to the report.

- We found in case of payment proper bill is not placed by the contractor as essential of the bill is not made Instance for the same below in table-

Date	Voucher Number	Contractor/supplier	Amount	Remarks
05.03.2021	981	Sai Electricals	2,50,230.00	Bill No is not mentioned
22.02.2021	924	Malhar Enterprises	94290.00	Bill No is not mentioned

- Quotation and documents are generally not annexed with vouchers, so cannot comment on it.
  - ULB are in practice of deducting TDS on every Payment of Rs. 5000/- and above without actual following the prescribed Limit after which same to be deducted for respective section of TDS.
  - ULB deducted TDS on Purchase they were made, However this is not a correct Practice.
- ii) We checked the Vouchers and duly verified from the Entries in Cash Books as well as in Tally Software and found it correct and but we have checked Tally cash book, bank book, Day Book & Trial Balance from E- Nagar Palika software data then we didn't found sanchit nidhi Transfer, taxes payment entry & Bank Charges entries and All Grant Expenditure (PMAY, SWM etc ) proper Accounting entries.
- iii) We verified the grant register maintained by ULB and found that the expenditures under the schemes are limited to the funds allocated for that particular schemes. PMAY Grant is running in ULB but All the instalment BLC and AHP accounting is not proper Accounting entries.
- iv) We verified the expenditure and found that they are generally in accordance with the guidelines, directives, acts and rules issued by Government of India / State Government.
- viii) No such case is noticed where the fund of the ULB has been mis-utilised, moreover on random check we did not noticed any mis-utilisation of financial limits of the sanctioning authority.
- ix) We verified scheme and project wise Utilization certificates and found it Fund Received and total expenditure, As per Scheme Revenue nature in Income and Expenditure and capital nature creation of fixed assets.
- x) We have seen the budget variances in respect of Expenditure/Asset creation also and found substantial variances. (Refer Annexure A) .



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### 3. Audit of Book Keeping

- i) We checked the Books of Accounts and Stores Register and found it in accordance with Annual Financial Statements.
- ii) We verified that all the Books of Accounts and Stores Register are maintained as per applicable Accounting rules.
- iii) We verified the Bank Reconciliation Statement and found it in accordance with records and bank statements of ULB.
- iv) We checked the grant register and found it in accordance with receipts and payments of particular grant.
- v) We checked the Fixed Assets Register as part of balance sheet but ULB is not maintain any manual register.
- vi) We found some figures in cash book mentioned by using pencil, It's very unrealistic practice adopted by ULB, it should be strictly closed and mention all the figures properly through official ink.

### 4. Audit of Fixed Deposit Receipts

We have found ULB carried FDR balance in books with interest but not maintain Investment register which is required to check interest for which period. We have checked all Fixed Deposit and term deposit maintained by ULB as with the provided documents details are given below-

S.N.	Bank Name	FDR No.	Investment Date	Maturity Date	Rate of Interest	Investment Amount	Interest Amount	Maturity Amount
1	State Bank of India	36179149510	14.01.2021	14.02.2022	5.11%	66,03,667.00	3,65,833.00	69,69,500.00
2	State Bank of India	361791049532	14.01.2021	14.02.2022	5.11%	66,03,667.00	3,65,833.00	69,69,500.00
3	Co operative Bank	Not Provided	14.01.2021	31.03.2023	7.75%	34,48,000.00	2,67,220.00	37,15,220.00
Total						1,66,55,334.00	9,98,886.00	1,76,54,220.00

### i) Audit of Tenders/ Bids

- i) We have test checked the tender/bids files and found that the process have been properly followed and was as per the rules.
- ii) We have test checked the Contractor's files and found that the tender fee / bid processing



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fee are received and security deposit is deducted from the running bills during construction and maintenance period.

- iii) We have test checked the Contractor's Files and found that the Bank Guarantee received from the Contractors are not duly verified with the issuing Banker, moreover in the cases where contract period is extended no steps is taken towards extension of Bank Guarantee from the contractors and Issuing Banker.
- iv) We found that ULB is not taking strict action against delay in completion of work or slow process in work.

#### 5. Audit of Grants and Loans

- i) We have checked and verified the Grants received from Central Government and its Utilization Certificate issued by ULB and found to be correct but we found PMAY Grant distribution detailed records not maintained by ULB (Beneficiary wise). Some Grant is not matched with utilization certificates.(Annexure-A)
- ii) We have Found that ULB is taken Loan from HUDCO for CM Infrastructure work details given below-

S.N.	Loan Amount	Principal	Interest	Remaining	Remarks
1	1,27,40,000.00	11,38,000.00	13,43,567.00	1,16,02,000.00	ULB should maintain Loan Register and update in every quarter at the time of Repayment.

- iii) We have checked and verified the Grants received from State Government and its Utilization Certificate issued by ULB and found to be correct but we found not ULB maintain Grant Register but not update regular basis.
- iv) We have checked and verified that no capital receipts / grants etc. are diverted to any revenue expenditure.

#### For T Vaidya & ASSOCIATES

Chartered Accountants  
(FRN No: 011400C)

*Ritesh Gupta*

CA. Ritesh Gupta  
Partner

Membership No: 021447

Date: 30<sup>th</sup> Sep 2021

Place: Indore

UDIN: 21408167AAAABA9636



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**ANNEXURE – A**  
**(Part of Annexed Audit Report)**  
**Emphasis of Matters**

1. We found that ULB is violating TDS rules of the Income Tax Act regarding deducting TDS at higher rate due to non-availability of PAN No. Of the contractors, non-compliance of such provisions may attract following consequences
  - a) Person responsible for non-compliance shall be punishable with rigorous imprisonment for a term which shall be between 3 months and 7 years, along with fine.
  - b) ULB shall be liable to pay, by way of penalty, a sum equal to the amount of tax which ULB is failed to collect as aforesaid.
  - c) ULB Deposit Fund in one A/C and Made FDR in other A/C and Deducted in TDS in first A/C and ULB didn't take in Books.
  - d) ULB is not collecting GST on Rent Income but deducting GST TDS 2% on any transaction more Two lakh fifty thousand. GSTR-7 monthly deposit and timely filling return is required as per Goods and services rules regulation.
2. We have test checked receipts on random basis with the Receipt Books and found correct, however on an overall basis for the year, Gross receipts taken for all the department do not match with the receipts shown in Income & Expenditure Account. The observations are as follows:-

S. No	Particulars	Actual Receipts as per Cashier Cash Book	As per Department Records	Differences
1	Property Tax	1208529.00	1194130.00	14399.00
2	Samekit Kar	269165.00	279386.00	-10221.00
3	Urban Development Cess	325355.00	323767.00	1588.00
4	Education Cess	330603.00	335052.00	-4449.00
5	Rent	353236.00	353237.00	-1.00
6	Water Tax	1105215.00	1246567.00	-141352.00
<b>Total</b>		<b>3592103.00</b>	<b>3732139.00</b>	<b>-140036.00</b>

3. We have verified the dates of the Quarterly TDS Returns from the website of TDS TRACES and found it filled within the due dates and same day deducted and deposit in bank.



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4. On checking we found that TDS has not been deducted on payment of hiring of vehicles.
5. Meter reading are not mentioned in the Vehicle Log Book moreover No average is set for any of the vehicle and in some places diesel usage is also not entered in the Vehicle Log Book.
6. We found that ULB has not any FDR's during the year 2020-21 and we observed that ULB had huge Balances in saving accounts.
7. We have gone through Contractor's file on random basis and observed the following:-
  - (a) That majority of works contract are not completed within stipulated time.
  - (b) No approval for extension of time period is obtained from the authority.
  - (c) No penalty or Compensation is charged from contractors for delay in the work.
  - (d) No completion certificates are issued by the Engineers to any contractor.
  - (e) Final bill payments are still due in every file which we checked.
  - (f) Documents regarding Provident Fund Registration is not available on records.
  - (g) Documents regarding Labour Act Registration is not available on records.
  - (h) Labour Report is not available.
  - (i) Royalty Certificate is also not available.
  - (j) Photographs of Work Completed are also not available in Contractor's File for specific work.
  - (k) No Register is maintained for amount deducted as Performance Guarantee from bills of Contractors.
  - (l) Contractor EMD in from of FD Kept in PWD section in file but actually is the part of Accounts.
8. We found in case of Grants that ULB is spending excess amount than the amount actually received in specific grants by paying from the Municipal Funds and As per utilization certificate not matched.

Name of Grant	As Per Record	As Utilization	Difference
Road Development Grant	14,83,102.00	13,01,000.00	1,82,102.00
State Finance Commission	31,90,604.00	27,97,000.00	3,93,604.00
Basic Amenities	32,16,000.00	28,33,000.00	3,83,000.00

9. We have seen the budget variances in respect of Expenditure/Asset creation also and found substantial variances. ULB has prepared Budget on estimation basis on very higher side but during Audit we found as per Assigned Amount Budget consumption is very leaser, given the observation below-(Refer Annexure A) .



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L Code	GL Code Description	Assigned Budget	Consumed Budget	Available Budget	Percentage(%)
4124031010	Waterways-Water Pipe	1000000.00	934997.26	65002.74	93.5
4124041001	Public-Lighting	1050000.00	720549.34	329450.66	68.62
2305308000	R & M-Fire Tender	500000.00	340504.00	159496.00	68.1
4124031001	Waterways-Bore well	1250000.00	433554.88	816445.12	34.68
2305025000	R & M-Other Waterway	2430000.00	801292.00	1628708.00	32.97
2301001000	Power & Fuel-Water W	10650000.00	6781976.00	3868024.00	63.68
2301002000	Power & Fuel-Street	4820000.00	2190680.00	2629320.00	45.45
4106002000	Computer	510000.00	419491.80	90508.20	82.25
4122001021	CWIP-Building-Public	3500000.00	1144697.96	2355302.04	32.71
4122001041	CWIP-Building-Welcome gate	2500000.00	1662374.82	837625.18	66.49
4105000000	Vehicles	3050000.00	2588134.80	461865.20	84.86
2302041000	Bulk purchase-Electrical	2500000.00	1262059.07	1237940.93	50.48
2302070000	Bulk Purchase-Others	1300000.00	1199007.50	100992.50	92.23
2205221000	Consultancy Fee & Ch	1000000.00	415400.00	584600.00	41.54
2305050000	R & M-Buildings-Sanitation	70000.00	53427.00	16573.00	76.32
2405002000	Interest-Loan from Hudco	2515000.00	2004169.00	510831.00	79.69
4124021002	Sewerage and Drainage	100000.00	99186.96	813.04	99.19
2305305000	R & M-Tanker	500000.00	191633.00	308367.00	38.33
2202101000	Printing Expenses	280000.00	217050.00	62950.00	77.52
2302020000	Bulk Purchase-Sanitation	400000.00	346262.00	53738.00	86.57
2203011000	Fuel, Petrol & Diesel	600000.00	313888.00	286112.00	52.31
4103428000	Carts	600000.00	419364.50	180635.50	69.89
2305502000	R & M-Computer	270000.00	114232.00	155768.00	42.31
2304002000	Hire Charges-Vehicle	300000.00	202160.00	97840.00	67.39
2208051000	Miscellaneous Expense	2260000.00	2182698.00	77302.00	96.58
2206032000	National Festival Celebration	500000.00	269809.00	230191.00	53.96
2206001000	Advertisement Expense	1800000.00	994507.00	805493.00	55.25



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2205101000	Legal Fee	120000.00	68700.00	51300.00	57.25
2205001000	Audit Fee-Local Fund	500000.00	199000.00	301000.00	39.8
2203011000	Fuel, Petrol & Diesel	1600000.00	719888.00	880112.00	44.99
2201201000	Telephone Expense	130000.00	62270.00	67730.00	47.9
2305050000	R & M-Buildings-Sanitation	2000000.00	1657910.80	342089.20	82.9
4124011001	Roads & Bridges-Concrete	150000.00	89411.45	60588.55	59.61
4121001006	Building-Shopping Market	10000000.00	4914297.28	5085702.72	49.14



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**C.M.O.**  
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# Municipal Council Bhainsdehi

## BALANCE SHEET

As on 31 March 2021

S.No.	Particulars		Current Year Rs)	Previous Year (Rs)
<b>M</b>	<b>SOURCES OF FUNDS</b>			
<b>A1</b>	<b>Reserves and Surplus</b>			
	Municipal (General) Fund		6,169,348.70	10,229,267.30
	Earmarked Funds		8,812,219.00	8,307,912.00
	Reserves		94,579,734.11	93,771,213.55
	<b>Total Reserves and Surplus</b>		<b>109,561,301.81</b>	<b>112,308,392.85</b>
<b>A2</b>	<b>Grants, Contributions for Specific Purpose</b>		33,892,550.19	51,221,697.19
	<b>Loans</b>			
	Secured loans		11,602,000.00	11,829,600.00
	Unsecured loans		-	-
<b>A3</b>	<b>Total Loans</b>		<b>45,494,550.19</b>	<b>63,051,297.19</b>
	<b>TOTAL SOURCES OF FUNDS [A1-A3]</b>		<b>155,055,852.00</b>	<b>175,359,690.04</b>
<b>B</b>	<b>APPLICATION OF FUNDS</b>			
<b>B1</b>	<b>Fixed Assets</b>			
	Gross Block		217,117,828.45	200,409,790.93
	Less: Accumulated Depreciation		122,538,094.34	106,638,577.38
	Net Block		<b>94,579,734.11</b>	<b>93,771,213.55</b>
	Capital work-in-progress		6,221,147.00	4,086,306.52
	<b>Total Fixed Assets</b>		<b>100,800,881.11</b>	<b>97,857,520.07</b>
<b>B2</b>	<b>Investments</b>			
	Investment - General Fund		-	-
	Investment - Other Funds		15,547,596.00	21,721,394.00
	<b>Total Investment</b>		<b>15,547,596.00</b>	<b>21,721,394.00</b>
<b>B3</b>	<b>Current assets, loans &amp; advances</b>			
	Stock in hand (Inventories)		-	-
	Sundry Debtors (Receivables)	0	6,619,027.00	4,033,658.00
	Gross amount outstanding			
	Less: Accumulated provision against bad and			
	Prepaid expenses		59,109.24	24,587.91
	Cash and Bank Balances		43,816,380.25	62,542,108.66
	Loans, advances and deposits		1,189,816.98	959,982.98
	<b>Total Current Assets</b>		<b>51,684,333.47</b>	<b>67,560,337.55</b>
<b>B4</b>	<b>Current Liabilities and Provisions</b>			
	Deposits received		10,426,808.58	10,130,946.58
	Deposit works		-	-
	Other liabilities (Sundry Creditors)		1,614,280.00	1,003,255.00
	Provisions		935,870.00	645,360.00
	<b>Total Current Liabilities</b>		<b>12,976,958.58</b>	<b>11,779,561.58</b>
<b>B5</b>	<b>Net Current Assets (B3-B4)</b>		<b>38,707,374.89</b>	<b>55,780,775.97</b>
<b>C</b>	<b>Other Assets</b>		-	-
<b>D</b>	<b>Miscellaneous Expenditure (to the extent not</b>			
	<b>TOTAL APPLICATION OF FUNDS</b>		<b>155,055,852.00</b>	<b>175,359,690.04</b>
	<i>Notes to the Balance Sheet - Attached</i>			



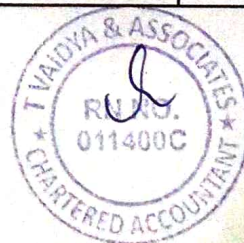
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**Bhainsdehi**

# Municipal Council Bhainsdehi

## INCOME AND EXPENDITURE STATEMENT

For the period from 1 April 2020 to 31 March 2021

	Item/ Head of Account	Current Year (Rs)	Previous Year (Rs)
<b>A</b>	<b>INCOME</b>		
	Tax Revenue	5,322,461	4,063,165
	Assigned Revenues & Compensation	19,794,002	20,608,638
	Rental Income from Municipal Properties	632,813	481,550
	Fees & User Charges	934,548	511,621
	Sale & Hire Charges	958,607	73,242
	Revenue Grants, Contributions &	34,793,626	62,067,873
	Income from Investments	1,428,755	-
	Interest Earned	889,468	1,473,668
	Other Income	53,278	286,764
	<b>Total - INCOME</b>	<b>64,807,558</b>	<b>89,566,521</b>
<b>B</b>	<b>EXPENDITURE</b>		
	Establishment Expenses	21,866,933	22,115,308
	Administrative Expenses	2,077,868	1,699,187
	Operations & Maintenance	20,796,523	16,896,935
	Interest & Finance Expenses	249,789	273,941
	Programme Expenses	7,318,540	22,027,008
	Revenue Grants, Contributions &	154,000	1,650,004
	Provisions & Write off	-	-
	Miscellaneous Expenses	-	-
	Depreciation	15,899,517	16,776,399
	<b>Total - EXPENDITURE</b>	<b>68,363,170</b>	<b>81,438,782</b>
<b>C</b>	<i>Gross surplus/ (deficit) of income over expenditure before Prior Period Items (A-B)</i>	(3,555,612)	8,127,739
<b>D</b>	Add/ Less: Prior period Items (Net)	-	-
<b>E</b>	<i>Gross surplus/ (deficit) of income over expenditure after Prior Period Items (C-D)</i>	(3,555,612)	8,127,739
<b>F</b>	Less: Transfer to Reserve Funds	504,307	810,865
<b>G</b>	<i>Net balance being surplus/ deficit carried over to Municipal Fund (E-F)</i>	<b>(4,059,919)</b>	<b>7,316,874</b>



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**Bhainsdehi**



For the period from 1 April 2020 to 31 March 2021

*K. G. G.*  
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Nagar Parishad  
Bhainsdehi

**Municipal Council Bhainsdehi**  
**STATEMENT OF CASHFLOW**  
**(As On 31 March 2021)**

Particulars	(AMOUNT IN RUPEES)	
	Current Year (Rs.) 2020-21	
<b>[A] Cash Flows from Operating Activities</b>		
Gross Surplus Over Expenditure		(4,059,918.60)
<b>Add: Adjustments For</b>		
Depreciation	15,899,516.96	
Interest And Finance Expenses	249,788.91	16,149,305.87
<b>Less: Adjustments For</b>		
Profit On Disposal Of Assets	-	
Net Of Adjustments Made To Municipal Funds	-	
Investment Income	-	
Transfer To Reserves	-	
Interest Income Received	16,711,037.52	
	889,467.50	(17,600,505.02)
<b>Adjusted Income Over Expenditure Before Effecting Changes In Current Assets And Current Liabilities And Extraordinary Items</b>		<b>29,689,892.29</b>
<b>Changes In Current Assets And Current Liabilities</b>		
(Increase)/Decrease In Sundry Debtors	(2,876,090.00)	
(Increase)/Decrease In Stock In Hand	-	
(Increase)/Decrease In Prepaid Expenses	(34,521.33)	
(Increase)/Decrease In Other Current Assets	-	
(Decrease)/Increase In Deposits Received	295,862.00	
(Decrease)/Increase In Deposits Work	-	
(Decrease)/Increase In Other Current Liabilities	611,025.00	
(Decrease)/Increase In Provisions	290,510.00	
Extra ordinary items (please specify)		(1,713,214.33)
Capital contribution		
<b>Net Cash Generated from / (Used in) Operating Activities [A]</b>		<b>27,976,677.96</b>
<b>[B] Cash Flows from Investing Activities</b>		
Purchase Of Fixed Assets And Cwip	31,544,166.52	
(Increase)/Decrease In Special Funds/ Grants	(17,329,147.00)	
(Increase)/Decrease In Earmarked Funds	504,307.00	
(Increase)/Decrease In Reserve ' Grant Against Fixed Asset'	811,520.56	
(Purchase) Of Investments	-	15,547,596.00
<b>Add:</b>		
Proceeds From Disposal Of Assets		
Proceeds From Disposal Of Investments		
Investment Income Received		
Interest Income Received	889,467.50	889,467.50
<b>Net cash generated from/(used in) investing activities [B]</b>		<b>16,437,063.50</b>
<b>[C] Cash flows from Financing Activities</b>		
<b>Add:</b>		
Loans From Banks/Others Received		
<b>Less:</b>		
Interest & Finance Expenses	(249,788.91)	(249,788.91)
<b>Net Cash Generated From/(Used In) Financing Activities [C]</b>		<b>(249,788.91)</b>
<b>Net Increase /(Decrease) In Cash And Cash Equivalents (A+B+C)</b>		<b>44,163,952.55</b>
<b>Cash And Cash Equivalent At Beginning Of The Period</b>		<b>62,542,109</b>
<b>Cash and cash equivalent at end of the period</b>		<b>43,816,380</b>
Cash and cash equivalent at the end of the year comprises of the following account balances at the end of the year:		
Cash balances		
Bank balances	43,816,380	43,816,380.25
<b>Total Of The Breakup Of Cash And Cash Equivalents</b>		



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**Bhainsdehi**



**Municipal Council Bhainsdehi**  
**BANK RECONCILIATION STATEMENT SUMMARY**  
**As on 31 March 2021**

No	Bank Name	Account No	Cash Book Balance	Bank Balance
1	State Bank Of India	1124280295	6,238,090.24	6,953,251.32
2	State Bank Of India	1242490010	8,480,851.42	8,723,750.42
3	CBI	22722285854	7,022,617.40	7,169,150.35
4	CBI	2272296106	5,267,973.00	5,347,934.00
5	HDFC	136882752	5,000,000.00	5,603,313.00
6	SBI Swachta Mission	37161574648	1,122,885.17	1,122,885.17
7	SBI PMAY	36501924993	434,474.50	434,474.50
8	SBI PMAY	3685794773	10,127,567.52	10,127,567.52
<b>Total</b>			<b>43,694,459.25</b>	<b>45,482,326.28</b>



*[Signature]*  
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**Nagar Parishad**  
**Bhainsdehi**

**Abstract Sheet for reporting on Audit Paras for Financial Year 2020-21**

**Name of ULB: Municipal Council Bhainsdehi**  
**Name of Auditor: T. Vaidhya & Associates**

s.no.	Parameters	Description			Observation in Brief	Suggestions
1	Audit of Revenue					
1	Revenue Tax	Receipts(Amt in Lakhs)	Receipts(Amt in Lakhs)	Receipts(Amt in Lakhs)	We observed growth in recovery in comparison to last year Need to improve collection efforts of Previous Years dues	ULB should impose strict penalties and legal action to improve past dues collections
		Year 2019-20	Year 2020-21	% of Growth		
1	Property Tax	9.09	12.09	24.78		
2	Samekit Kar	2.43	2.69	9.72		
3	Urban Development Cess	2.34	3.25	28.08		
4	Education Cess	2.45	3.31	25.89		
	Sub Total	16.31	21.34			
	Non Tax Revenue					
1	Rent	3.82	3.53	-8.07		
2	Water Tax	11.39	11.05	-3.06		
	Sub Total	15.21	14.58			
	Grand Total	31.52	35.92			



*Korwala*  
**C.M.O.**  
**Nagar Parishad**  
**Bhainsdehi**



# Abstract Sheet for reporting on Audit Paras for Financial Year 2020-21

Name of ULB: Municipal Council Bhainsdehi

Name of Auditor: T. Vaidhya & Associates

Sr. No.	Parameters	Description	Observation in Brief	Suggestions
2	Audit of Expenditure	We have performed test check of Payment Vouchers entered in the Main Cash Book and Grant Register.	Observation were listed in brief in point number-2 of Annexure-A of Audit Report is attached	System (E Nagar Palika Software) generated payments from financial reports should be matched with Manual Cash Book.
3	Audit of Book Keeping	We checked all the Books of Accounts prepared by the ULB (Main Cash Book, Cashier Cash Book, Grant Register etc)	Observation were listed in brief in point number-3 of Annexure-A of Audit Report is attached	Require books of Accounts As Per MPAM ULB should maintain manually and update time to time. (like fixed assets register and Loan Register, Investment register)
4	Audit of FDR	we have checked FDR Register and found that although ULB is maintaining fixed Deposit register but it is not updated:	We have found ULB carried FDR balance in books with interest but not maintain All FDR in Investment register which is required to check interest for which period.	ULB should maintain Investment register and update time to time.
5	Audit of Tenders/Bids	i) We have test checked the tender/bid files and found that the process have been properly followed and was as per the rules.	Observation were listed in brief in point number-7 of Audit Report is attached	Procedure for Tender opening and performance Review should be carefully monitored and complied.
6	Audit of Grants & Loans	We have checked and verified the Grants received from Central and State Government.	Observation were listed in brief in point number-8 of Audit Report is attached	Grant register should be update and balance regularly with it's utilization certificate. PMAY Grant, SBM Grant maintain compnent wise in Grant register.
7	Incidences relating to diversion of funds from Capital receipts/Grants/Loans to Revenue Nature Expenditure and from one scheme/project to another	We observed that ULB closed many schemes bank A/C and that fund Transfired into main cash Book.	Observations releted to diversion of fund has been pointed out in point number-8 of Audit Report is attached	



*Kapoor*  
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**Nagar Parishad**  
**Bhainsdehi**

## Abstract Sheet for reporting on Audit Paras for Financial Year 2020-21

Name of ULB: Municipal Council Bhainsdehi

Name of Auditor: T. Vaidhya & Associates

Sr. No.	Parameters	Description	Observation in Brief	Suggestions
8	Any Other			
	a) Percentage of Revenue Expenditure (Establishment, Salary, Operation & Maintenance) with respect to Revenue Receipts (Tax and non tax) excluding Octroi, Entry Tax, Stamp Duty and other grants etc.	52.85%	We Observed that Revenue expenditure is majorly done from grants and revenue income from own resources is very low	We suggest that ULB should take strict action to recover the tax by issuing notice to the public and increase the staff and make the staff more efficient
9	b) Percentage of capital expenditure with respect to Total Expenditure	24.45%	We observed that the major source of capital expenditure is grants due to low recovery of taxes from public.	



*K. G. G. G.*  
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