



MANU BHAI & ASSOCIATES

CHARTERED ACCOUNTANTS

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Independent Auditor's Report

Opinion

We have audited the accompanying financial statements of **Bhopal Municipal Corporation**, Bhopal ("**the Corporation**") which comprises the Balance Sheet as at March 31, 2021, the Statement of Income and Expenditure, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 Municipal Accounting Manual in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Corporation as at March 31, 2021, Income/Expenditure, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) generally accepted in India and in accordance with guidelines provided by the Directorate of Urban Administration & Development GoMP Bhopal. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Financial Statements

The Corporation is responsible with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Corporation in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the Municipal Accounting manual for safeguarding of the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.



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Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Further, we have exercised test of accounting records and other necessary audit practice for the audit of accounts as per general principles and our observations and comments are given in the Annexure -A attached . Subject to those observations and comments, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- a. In our opinion, proper books of account have been kept by the Corporation so far as it appears from our examination of those books .
- b. The Balance Sheet, the Statement of Income and Expenditure, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account .

For Manu Bhai & Associates
Chartered Accountants
Firm Regn.No 011701C


CA Vardhman Jain
Partner

M. No. 410825

Place: Bhopal

Date: 09th November, 2021

UDIN: 21410825AAAAMD6986



Bhopal Municipal Corporation, Bhopal
Financial year 2020-21
Observation and Comments
Annexure-A (Forming part of Audit report)

We conducted our audit in accordance with the Standards on Auditing (SAs) generally accepted in India and in accordance with guidelines provided by the Directorate of Urban Administration & Development GoMP Bhopal .

Further, we have exercised tests of accounting records and other necessary audit practices for the audit of accounts as per the general principles. Our observation and comments of various areas are given hereunder:

1. Audit of Revenue:

- i) Bhopal Municipal Corporation was required to migrate from existing ERP based MAS software to E-Nagar Palika software vide UADD letter No. 6163 UAD/ENP-BMC/2020 dated 30.06.2020 . Further, in compliance to the said letter BMC decided to migrate from existing MAS software to E-Nagar Palika Software in phased manner and from July,20 onwards demand and collection of property tax , water tax and user charges was started in the E Nagar Palika Software after migrating data from the existing MAS software .

Furthermore , except above mentioned modules all other modules i.e payroll (HR), finance, , Procurement, Plant maintenance , lease rent, miscellaneous services, food licence etc were continuing to be maintained in the existing MAS software.

The Property Tax , Water Tax and user Charges for the period from July,2020 have been incorporated in the MAS software on the basis of consolidated information derived from E Nagar Palika Software.

- ii) We have audited the revenues of BMC from various sources (i.e. water tax, property tax, Rent etc) on test basis and found the same in order and as per norms.

Revenues from all the sources have been accounted for in SAP software, except revenue generated by Building Permission department which is directly accounted for in a separate software.

- iii) During the course of our audit, we observed that Income from Spot Fines and a major part of beneficiary Contribution receipt in Housing for All (HFA) are not being accounted for in SAP software and the same has been accounted for at the time of finalization of financial statements.

- iv) We have checked on test basis the revenue receipts from the counterfoils of receipt books and observed that the money received is duly deposited in respective bank accounts.



As each ward and zone have their SAP access ID, the receipt is generated from the SAP after recording details of customer (i.e. Name, address, collection head, amount etc). Hence, the data is saved automatically in SAP server and there is no need to separately recognize the revenue receipts.

- v) BMC has tied up with Kotak Mahindra Bank Pvt. Ltd. to directly collect revenue on daily basis from all Zones & CFC's and deposit the same on very next working day to respective bank accounts. Hence there is no possibility of delay beyond 2 working days in deposition of cash in the bank account.
- vi) As all the receipts are directly recorded in SAP software on real time basis, revenue received is timely recorded. However, initially all the Bank receipts are deposited in the single GL account (Bank account) in the SAP and at the time of finalization of the account the journal entries are passed as per BRS.
- vii) We have verified the Fixed Deposit of BMC and its projects i.e. JNNURM , HFA , Escrow A/c etc and observed that the interest income has not been recorded duly and timely in the SAP Software. It has been observed that the accrued interest on FDR is accounted for at the time of finalization of the Balance Sheet.
- viii) The amount of Rs.41,21,36,000 received as share of Stamp duty on transfer of properties is booked in current year. No information was provided to us regarding the above income whether the same is related to current year or any previous year. Further, no information is provided regarding amount due on account of stamp duty for the FY 2020-21.

2. Audit of Expenditure:

- i) We have audited the expenditures incurred by BMC under all the schemes (i.e. JNNURM ,HFA , Amrut , CM Infra etc) on test basis and found the same in agreement with books of accounts maintained in SAP
- ii) We have also audited the entries in cash book/SAP software and verified them from relevant vouchers on test basis and found the same in agreement with Books of Accounts.
- iii) As the BMC is maintaining its Account Books in SAP software. We have checked the monthly balances and no errors were noticed in the records.
- iv) We have verified the expenditure for particular scheme on test basis and found the same in accordance to the funds allocated for that particular scheme.



- v) We have audited on test basis the financial propriety and observed that all the expenditures are supported by financial and administrative sanctions accorded by competent authority and limited to the administrative and financial limits of the sanctioning authority.
- vi) On our checking on test basis we have not found any case where the appropriate sanctions have not been obtained.
- vii) We have verified scheme and project wise Utilization Certificates (UCs) and found the same tallied with the income & expenditure records and creation of Fixed Assets.
- viii) We have observed that BMC has made the contribution of Rs.302,671,189/- towards SBM Capping Fees for Bhanpur Dumpsite from there own contribution.
- xi) We have noticed that there is an outstanding Employee Provident Fund (EPF) liability as on 31.03.2021 , however proper details of which has not been provided to us.
- x). It is noticed that the Kotak and Axis banks are debiting bank charges (POS Machine) in some of the bank accounts of Zones , however as per agreements with these bank , the same should not be deducted. The concerned officials has assured for the reversal of wrongly debited bank charges, however, the same has been reversed till Balance Sheet date.
- xi) BMC is liable to pay GST on certain services i.e Rental service , supervision charges etc., we have observed that in case of rental services, rent for the whole year is being accounted for in the beginning of the year along with GST i.e demand is raised at the beginning of the year on accrual basis but the GST is paid to the department as and when collected from the party . We suggest that rent should be booked when actually due and the GST should be paid as per GST Act.
- xii) It is noticed that capital expenditure related to JNNURM, HFA and Amrit Schemes are shown as WIP . The completion status of the above mentioned schemes have not been provided . Further, the completed projects should to transferred to Fixed Assets.

3. Audit of Book Keeping:

- i) We have audited all the books of accounts including cash books, Income register, Expenditure register, Cheque issue register and scheme wise register maintained by BMC in SAP software.
- ii) We have verified all the books of account and stores maintained by BMC in SAP in accordance with accounting rules applicable to Urban Local Bodies and found the same are in order.
- BMC is maintaining records of advances remitted and adjusted during the year in SAP software.
- iii) All Bank accounts have been reconciled as on 31.03.2021.



- iv) We have verified receipts and payments of grants and found the same in agreement with books of accounts maintained by BMC in SAP.
- v) Fixed asset register is maintained in MS-Excel software & consolidated entry have passed in SAP.
- vii) We have reconciled the accounts of receipt and payment especially for project fund and found the same in agreement with books of accounts maintained by the BMC.
- viii) JNNURM Security deposit of Rs. 2,30,76,022/- related to previous years (prior to implementation of SAP) refunded during the year, which could not be taken as liability in respective year has now been deducted from Municipal fund in current year.
- ix) Amount of Rs.13.62 crores has been deducted from Compensation in lieu of Octroi (Received from State Government) and the same amount has been paid directly to RAO MPMKVCL(MPEB) against the outstanding bills of BMC.
- x) The corporation maintain GPF fund for its regular employee appointed prior to 2005. Further, BMC provided GPF to its employees at the time of retirement however the same has been booked as expense in the previous year instead to deducting it from the GPF fund . The same has been corrected during this year by giving corresponding effect to the Municipal Fund A/c by Rs.22.41 crores.
- xi) BMC has issued Bonds of Rs. 175 Crores in the FY 2018-19 for utilizing the fund in the AMRUT Scheme . The Bond are to be redeemed in four equal installments from 7th to 10th year and therefore , Bond Sinking fund has been created and equal amount is deposited in Escrow accounts with axis bank. Further, as the Bonds has been raised for incurring capital expenditure AMRUT Scheme , therefore interest charged thereon has been booked as capital expenditure under WIP AMRUT Scheme.
- xii) During the current year net amount of Rs.5.82 crore has been deposited in separate bank account i.e Sanchit Nidhi . The equal amount has been deducted from Municipal fund and has been shown as Sanchit Nidhi under Earmarked Funds.

4. Audit of FDR:

- i) We have verified the Fixed Deposits and Interest earned thereon of BMC and observed that proper record of FDR is maintained is not maintained on regular basis and interest is booked on yearly basis.
- ii) No FDR's have been made or kept on lesser interest rates than prevailing rates.



iii) It is noticed that some of the bank has deducted TDS on Interest on FDRs of the BMC. The Income of the BMC is exempt u/s 10 . Therefore , BMC should inform the banks regarding non deduction of TDS.

5. Audit of Tenders/Bids:

- i) We have checked tenders/bids invited by the BMC on test basis and found that proper tendering procedures are being followed.
- ii) We have also verified on test basis ,the receipt of tender fee/bids, processing fee, performance guarantee both during the construction and maintenance period and found the same satisfactory to the general principles regarding receipt of tender fee applicable to the BMC.
- iii) We have verified bank guarantee obtained by the BMC on test basis and found the same in order.
- iv) We have verified the security deposits received in lieu of processing fee/performance guarantee and found the same authentic.
- v) We have audited contract completion procedures applicable to the BMC and found the same satisfactory.
- vi) We have noticed that competitive tendering procedure has been followed.

6. Audit of Grants and Loans:

- i) We have verified on test basis the grants given by the Central Govt. and its utilization by the BMC and it was informed that grants are utilized for the same purpose for which it is remitted to the BMC.
- ii) We have checked on test basis the grants given by the State Govt. and its utilization by the BMC and it was informed that grants are utilized for the same purpose for which it is remitted to the BMC.
- iii) We have carried out audit of loans provided for physical infrastructure and its utilization and observed that the asset created out of the loans is generating desired revenue.
- iv) During the audit we have not observed any diversion of funds from capital receipts/grants/loans to revenue expenditure.
- v) We have observed that BMC has taken a Loan for CM Infra Phase III of Rs.12 crores in previous year, the interest on loan is not actually been paid. Hence interest payable is recorded on accrual basis under "Interest Payable on Loan".



- vi) BMC has taken a loan from State Govt for Jal Vitaran in previous year, the principal amount on this loan has to be repaid in first 7 years which is directly been deducted from Compensation in lieu of Octroi and the interest which is not required to be paid in beginning principal repayment years are booked on accrual basis under "Interest Payable on Loan" head.

For MANU BHAI & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN.011701C



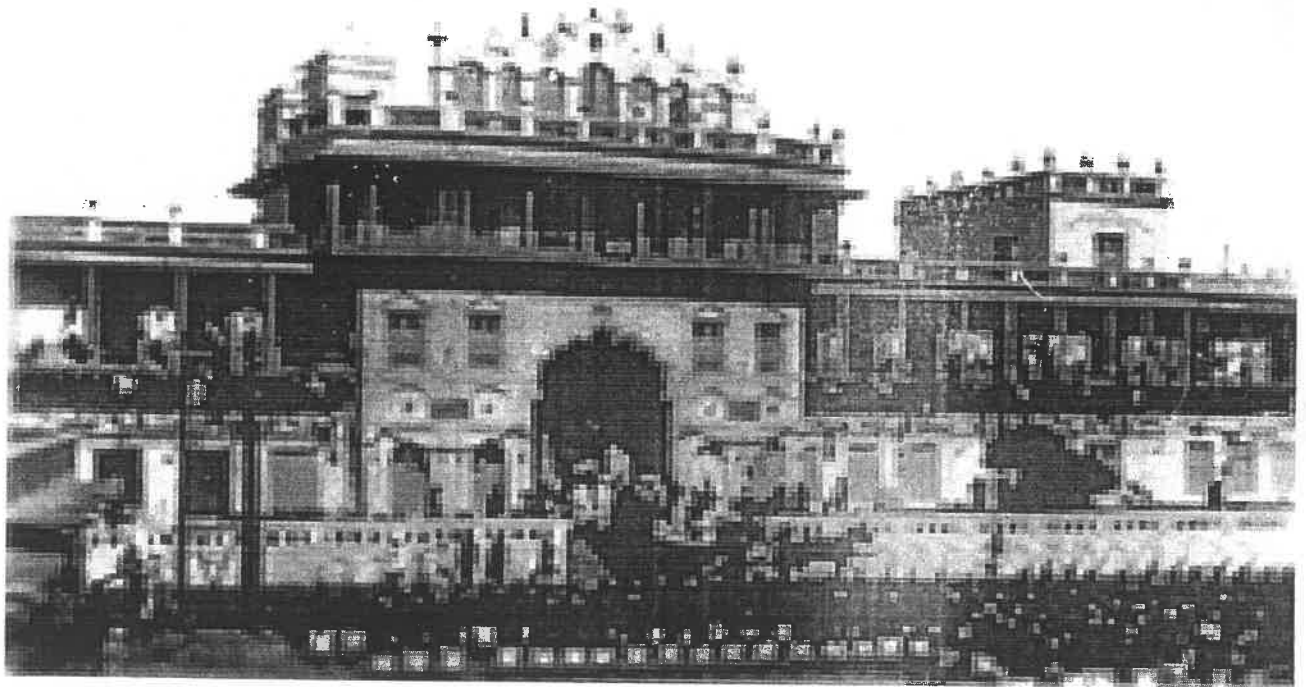
CA VARDHMAN JAIN
(PARTNER)

M No: 410825
Place: BHOPAL
Date: 9th November, 2021





BHOPAL MUNICIPAL CORPORATION, BHOPAL



FINANCIAL STATEMENTS FOR THE YEAR 2020-2021

HANDHOLDING AND CAPACITY BUILDING SUPPORT BY:

MISHRA TIWARI AND ASSOCAITES

CHARTERED ACCOUNTANTS

BHOPAL

Significant Accounting Policies and Principles adopted for preparation of Financial Statements for the year 2020-21

Significant Accounting Policies

1.0 Income

1.1 Property Taxes

- a) Revenue in respect of Property and Other Related Taxes e.g. Integrated tax, sanitation) including surcharge is recognized in the period in which they become due and accounted for in the SAP.
- b) In case of new or changes in assessments, it can be accrued in the month in which the demand is served.

1.2 Water Supply and Sewerage

- a) Revenue in respect of Water Tax, Water Supply Charges, Meter Rent, Sewerage charge, Disposal charges is recognized in the period in which they become due and accounted for in the SAP .
- b) Revenue in respect of Connection Charges for Water Supply is recognized on actual receipt.
- c) Revenue in respect of Water Tanker Charges and Road Damage Recovery Charges, Penalties is recognized on actual receipt basis.
- d) Revenue in respect of Notice Fee, Warrant Fee and Other Fees is recognized when the bills for the same are raised.

1.3 Solid Waste Management Fees

Revenue in respect of Solid Waste management fee and charges, where separately levied by the ULB (and not included under any other tax) is recognized in the period in which they become due, i.e., when the bills for the services are raised.

1.4 Rentals, Fees, and Other Sources of Income

- a) Revenues in respect of rents from municipal properties are accrued based on terms of lease/ rent agreement.
- b) Revenue in respect of renewal Trade License Fees are recognized on due basis. One time Trade License Fees is accounted on actual receipt basis.



- c) Revenues in respect of Profession Tax on Organizations / entities, where levied, recognized on actual receipt basis.
- d) Revenue in respect of advertisement fee is accrued based on terms of lease/ rent agreement.
- e) Other income, in respect of which demand is ascertainable and can be raised in regular course of operations of the ULB, is recognized in the period in which they become due, i.e., when the bills are raised.
- f) The Other Incomes, which are of an uncertain nature or for which the amount is not ascertainable or where demand is not raised in regular course of operations of the ULB, is recognized on actual receipt basis.
- g) Revenue in respect of Property Transfer Charges is recognized on actual receipt basis.
- h) Revenue in respect of collection charges or share in collection made by ULB or by any other agency on behalf of State Government is recognized on actual receipt from the state government.
- i) Revenue in respect of rent of equipment provided to the contractors, deducted from their bills, is recognized as and when the deductions are made.
- j) Revenue in respect of Hospital fees, maternity homes fees, diagnostic centre fees and dispensaries fees, Hospital training fees, Rent and/or hire charges in respect of ambulance, hearse, suction unit, vehicle and road roller, Sale of waste and scrap where applicable is recognized on actual receipt.

1.5 Common Accounting Principles Concerning Income Accounting

The following principals are applied uniformly on income from Property and Other Taxes, Water Supply and Rentals, Fees and Other Sources of Income:-

- a) Interest element and Penalties, if any, in demand is reckoned only on receipt.
- b) Revenue in respect of Notice Fee, Warrant Fee and Other Fees charged is recognized when the bills for the same are raised.
- c) Refunds, remissions of taxes for the current year is adjusted against the income and if pertain to previous years then it is treated as prior period item.
- d) Write-offs of taxes is adjusted against the provisions made and to that extent recoverable gets reduced.
- e) Demands raised with retrospective effect are treated as prior period income to the extent it pertains to earlier years.



3.2. Capital Grant

- a) Grants received towards capital expenditure (these are generally from State Government) is accounted on actual receipt basis. The amount is initially be credited to a Capital Grant head under 'Liabilities'. Upon acquisition/construction of the asset the value of the amount so spent is debited to the liability head by corresponding credit to 'Capital Contribution from State'.
- b) Capital Grants received as a nodal agency or as implementing agency for an intended purpose, which does not, result in creation of assets with ownership rights for the ULB is treated as a liability till such time it is used for the intended purpose. Upon utilization for the intended purpose, the extent of liability stands reduced with the value of such utilization and no further treatment, as a capital receipt is required.
- c) Grants in the form of non-monetary assets (such as fixed assets given at a concessional rate) are accounted for on the basis of the acquisition cost. In case a non-monetary asset is received free of cost, it is recorded at a nominal value (e.g. Rupee One).
- d) Income on investments made from 'Specific Grants received in advance' is recognized and credited to the Specific Grant, whenever accrued. Profit/loss, if any, arising on disposal of investments made from the 'Specific Grant received in advance' are also recognized and credited/debited to the Specific Grant.

4.0 Assets

4.1. Public Works

- a) The cost of fixed assets include (i) cost incurred/amount spent in acquiring or installing or constructing fixed asset, (ii) interest on borrowings attributable to acquisition or construction of qualifying fixed assets up to the date of commissioning of the assets, and (iii) other incidental expenses incurred up to that date of bringing the asset to use.
- b) Any addition to or improvement to the fixed asset that results in increasing the utility or capacity or useful life of the asset is capitalized and included in the cost of asset. Expenditure in the nature of repairs and maintenance incurred to maintain the asset and sustain its functioning or the benefit of which is less than for a year, is treated as revenue expenditure in the year of incurrence.
- c) Assets in the nature of civil works and equipment/machinery requiring erection/installation are first be accumulated under respective 'capital work-in-progress account' prescribed in the chart of accounts. Upon completion of the civil works and installation of machinery the value are transferred to the respective asset account under fixed assets. If the civil work of machinery installation as at the end of the year were under construction/erection/installation these is considered as "Capital Work-in-Progress". The value of each work-in-progress is include the direct cost on material, labour, stores, and advances to suppliers for material and others. Where an asset is created with borrowed funds the interest paid/accrued as on the day of the



valuation is also be added to arrive at the total value of the work-in-progress.

- d) The Earnest Money Deposit and Security Deposit received if forfeited is recognized as income when the right for claiming refund of deposit has expired.
- e) Deposit received under Deposit works is treated as a liability till such time the projects for which money is received is completed. Upon completion of the projects, the cost incurred against it is reduced from the liability.

4.2 Fixed Assets

Fixed assets include Land including parks; Buildings; Roads and Bridges; Waterworks; Bore Wells; Laboratory Equipment; Sewerage and drainage; Public Lighting; Luminary & Electrical Fittings; Furniture, fixtures, fittings; Electrical appliances; Office & other equipments; Computer Hardware, etc.; Vehicles; Health related assets; Cold Storage Equipment; Medical Equipment.

- a) All Fixed Assets is carried at cost less accumulated depreciation. The cost of fixed assets shall include cost incurred/money spent in acquiring or installing or constructing fixed asset, interest on borrowings directly attributable to acquisition or construction of qualifying fixed assets up to the date of commissioning of the assets and other incidental and indirect expenses incurred up to that month.
- b) Any addition to or improvement to the fixed asset that results in increasing the utility or useful life of the asset is capitalized and included in the cost of fixed asset.
- c) Any Fixed Asset, which has been acquired free of cost or in respect of which no payment has been made, is recorded at nominal value of Re. 1/-.
- d) All assets costing less than Rs.5,000 (Rupees Five thousands) would be expensed/charged to Income & Expenditure Account in the year of purchase.
- e) An increase in net book value arising on revaluation is credited to a reserve account under the Municipal fund as 'Revaluation Reserve Account'. A decrease in net book value arising on revaluation of fixed assets is charged to Income and Expenditure accounts.
- f) Depreciation is provided at Straight Line Method at the prescribed rates.
- g) Depreciation is provided at full rates for assets, which are purchased / constructed before October 1 of an Accounting Year. Depreciation is provided at half the rates for assets, which are purchased / constructed on or after October 1 of an Accounting Year.
- h) Depreciation is provided at full rates for assets, which are disposed on or after October 1 of an Accounting Year. Depreciation is provided at half the rates for assets, which are disposed before October 1 of an Accounting Year
- i) Assets recorded in the register but not physically available is written off after a period of five years.



- j) Expenditure in the nature of repairs and maintenance incurred to maintain the asset and sustain its functioning or the benefit of which is for less than a year, is charged off as Revenue Expenditure
- k) Valuation of land is follow the following guidelines:
- Land acquired through purchase is recorded on the basis of aggregate of purchase price paid/ payable and other costs incidental to acquisition.
 - Leasehold lands acquired by the ULB are taken as a part of the municipal asset at a total value payable as lease charges over the entire lease period and amortized equally over the lease period.
 - Lands that are acquired free of cost from the government or provided by individuals or institutions under endowment for specific purposes are priced at Re. One. Where the ownership of the lands has not been transferred in favor of the ULB, but the land is in the permissive possession of the ULB, such lands are included in the Register of Land with Re One as its value. However their should be a clear mention in the Register that in case the Government takes back the land at any point of time in future, reversal of entry is made in the Register of Lands. Cost of developing such vested lands, if any, should be booked under the subhead 'land'.
 - Cost of land improvements such as levelling, filling or any other developmental activity is capitalised as a part of the cost of land.
- l) All lands that are under encroachment and belonging to the ULB and where it is not possible to have the land evacuated, the Council decides about the percentage of provision to be made on the cost of land. If the encroachment is for more than two years, provision equal to ninety percent (90%) of the carrying amount would be made.
- m) Parks and Playgrounds should be capitalized under two categories: (i) Land pertaining to Parks and Playgrounds including the cost of development of land that should be booked under 'Land', and (ii) other amenities to Parks and Playgrounds that should be capitalized under the sub-head 'Parks and Playgrounds'.
- n) However, any building /structures/ plant and machinery etc. constructed/ installed in the Parks and Playgrounds and used for other purposes should not be booked under the sub-head 'Parks and Playgrounds'. The same should be booked under the appropriate heads/ sub-heads of assets
- o) Revaluation of assets is recommended only on an exceptional case. If and when revaluation of asset is carried out the value assigned upon revaluation of a class of assets shall not result in the net book value of that class being greater than the recoverable amount of the assets of that class. Revaluation reserve is reduced by transfer of equivalent amount of depreciation charged on the revalued portion of the cost of the fixed assets.



- p) Statues and Heritage Assets - Statues and valuable works of art are valued at the original cost and no depreciation is charged thereon. In case, however, the original cost is not available or the items have been gifted to the ULB by some other person/ authorities, the value should be taken at Rs. One. Heritage buildings declared through Gazette Notification should be booked under this head and should be valued at book value/cost of the material date. No depreciation should be charged on such buildings. However, in case of capital improvements after the building has been so notified, depreciation at the normal rate of buildings is charged. In case, however the book value /cost of the material date is not available or the items have been gifted to the ULB by some other person/ authorities, the value should be taken at Rs. One. Material date in this case would be the date of Gazette Notification.
- q) Intangible assets include computer software, which is valued at cost plus cost of staff time and consultants costs incurred, in implementing the software, if any. It is capitalized, only when the intangible asset is developed, and which can be used by ULB over a period of time to derive economic benefits from it. In case it is not so, the entire amount are charged to revenue, in the year in which it is incurred. The intangible assets acquired are depreciated over a period of five years or useful life, whichever is earlier.
- r) Where ULB has taken a loan, or other borrowings for the construction of an asset or a group of assets, then the interest would be capitalised to that particular asset or the group of assets. If a particular loan cannot be identified for a specific asset, then capitalisation would be made at weighted average rate. The weighted average rate are applicable after taking into consideration the period of completion/ building of assets and the amount invested in relation thereto.
- s) Depreciation on assets on which government grant has been received, is calculated on the gross value of fixed asset i.e. without deducting the grant amount from asset value. The grant so received is charged to the income and expenditure statement in the same proportion as the depreciation charged on such assets.

5.0 Stores

- a) Expenditure in respect of material, equipment, etc., procured is recognised on accrual basis, i.e., on admission of bill by the ULB in relation to materials, equipment, etc., delivered. The cost of inventories shall include the purchase price including the expenditure incurred to bring the inventories to its present location and condition i.e. freight inward, duties and taxes, etc.
- b) Accounting of 'goods received and accepted' where bills are received after the balance sheet date is accounted based on the value as stated in the invoice. However, where the bills are not received upto the cut off date the value used are as stated in the purchase order.



- c) The stock as at the close of the year is valued at cost following the popularly known valuation method - FIFO 'First in first out'.
- d) Value of store, material disposed off/ sold is recognised on actual receipt basis. Inventories of consumable supplies such as stationery, fuel is treated as expenditure and charged to revenue at the time of purchase.

6.0 Other Expenditures

6.1. Employees Related Transactions

- a) Expenses on Salaries and other allowances are recognised as and when they are due for payment (i.e. at the month end).
- b) Statutory deductions from salaries including those for income tax, profession tax, Provident fund contribution, etc., is recognised as liability in the same period in which the corresponding salary is recognised as expense.
- c) Gratuity is calculated upon retirement of the employee and is due then.
- d) Leave encashment are recognised on actual payment basis.
- e) Pension is recognised on actual payment basis where Actuarial valuation is not adopted.
- f) Interest receivable on loans given to employees is recognised as revenue at the end of the period in which these have accrued.
- g) In respect of loans to employees, penal interest leviable on default in repayment of principal or payment towards interest is recognized on accrual basis.
- h) Bonus, ex-gratia, overtime allowance, other allowances and reimbursements to the employees is recognised as an expense as and when they are due for payment.
- i) Separate Funds may be formed for meeting the pension and other retirement benefits including Gratuity and Leave encashment. State Governments is decide on this and define the modus operandi.
- j) Contribution due towards Pension and other retirement benefit funds is recognised as an expense and a liability. State Government is define the rate of contribution. One basis for such rate could be at the rate generally prescribed for state government employees on deputation
- k) Actuarial valuation for liability of pensions may be considered by the ULBs. In that case it is guided by the applicable state laws.



- l) Where applicable, formation of Trusts is considered for management of Provident Funds. In that case it is the responsibility of the ULB to form the trusts and meet the shortfall of the fund if any. Provident Funds money is invested as per the guidelines applicable to any Employee Provident Fund. Employer's contribution to Contributory Provident Fund is recognised on due basis.

6.2. Other Revenue Expenditures

- a) Other Revenue Expenditures is treated as expenditures in the period in which they are incurred.
- b) Provisions are made at the year-end for all bills received upto a cut off date (30th April of next financial year).
- c) Any expenditure for which the payment has been made in the current period but the benefit and/or service is likely to arise in a future period is treated as expenditure for the period in which its benefit arises and/or services are received.
- d) The expenditure for the current period shall include the proportionate value of the benefits and/or services arising in the current period even if the payment therefore has been made in the previous period
- e) BMC has given total contribution of Rs.30,26,71,189/- towards SBM Capping Fees for Bhanpur Dumpsite. The same is given in Schedule IE-16: Revenue Grants, Contributions & Subsidies in Annexure-AH.
- f) BMC has written off/ reversed Property tax of Rs.19,31,801/- under "Prior Period Items" under Schedule:IE-9.

7.0 Borrowings or Loans received

- a) Interest expenditure on loan is recognised on accrual basis.
- b) Interest on borrowings directly attributable to acquisition or construction of qualifying fixed assets up to the date of commissioning of the assets is capitalised.
- c) A provision is made for the interest accrued between the date of last payment of interest and the date of financial statements and is charged to the current period's Income and Expenditure Statement.
- d) *[Where applicable]* The expenses incurred while issuing debentures or Bonds (Issue Expenses) is deferred and amortised in equal instalments over a period of 5 years or the tenure of the loan whichever is earlier. In case, the debentures and bonds are prematurely redeemed, the amount of issue expenses outstanding during the year is written-off and charged to the Income and Expenditure Statement as expense of the year when this happens. However, all other expenses in respect of raising loans other than those considered, as issue expenses is expensed off in the year in which they are incurred.



- e) BMC has issued Bonds of Rs. 175 Crores in the FY 2018-19 for utilizing the fund in the AMRUT Scheme . The Bond are to be repaid in 7th to 10th year and interest is to be repaid in every 6 month.
- f) BMC has taken a Loan for CM Infra Phase III of Rs.12 crores in previous year, the interest on loan is not actually been paid. Hence an interest payable is recorded on accrual basis under "Interest Payable on Loan" head.
- g) BMC has taken a loan from State Govt for Jal Vitaran, the principal amount of this loan has to be repaid in first 7 years and the same has directly been deducted from Compensation in lieu of Octroi . Further, the interest (which is not required to be paid in beginning till principal repayment in full) is booked on accrual basis under "Interest Payable on Loan" head.

8.0 Investments

- a) *Investment* is recognised at cost of investment. The cost of investment shall include cost incurred in acquiring investment and other incidental expenses incurred for its acquisition e.g. brokerage.
- b) All long-term investments is carried / stated in the books of accounts at their cost.
- c) Short-term investments are carried at their cost or market value (if quoted) whichever is lower.
- d) Interest on investments is recognised as and when due. At period-ends, interest is accrued proportionately.
- e) Dividend on investments is recognised on actual receipt.
- f) Profit/loss, if any, arising on disposal of investment (net of selling expense such as commission, brokerage, etc) from the Municipal Fund is recognized in the year when such disposal takes place.
- g) Income on investments made from Special Fund and Grants under specific Scheme is recognised and credited to Special Fund and Grants under Specific Scheme respectively, whenever accrued. Profit/loss, if any, arising on disposal of investments (net of selling expense such as commission, brokerage, etc) made from the Special Fund and Grants under specific Scheme is recognised and credited/debited to Special Fund Account and Grant under specific scheme Account respectively.



9.0 Special Funds

- a) Special Funds is treated as a liability on their creation.
- b) Income on investments made from Special Fund is recognised and credited to Special Fund, whenever accrued. Profit/loss, if any, arising on disposal of investments made from the Special Fund is recognised and credited/debited to Special Fund Account.
- c) Any expenditure of a revenue nature, which is incurred specifically on scheme/project for which a Special Fund has been created, is charged to that Special Fund.

On completion of the construction of a fixed asset and/or on acquisition of a fixed asset out of a Special Fund, the amount equivalent to the cost of such fixed asset is transferred from the respective Special Fund to the Grant against Asset Account. Amount proportionate to depreciation of the asset is credited to the Income and Expenditure Account every year. Depreciation on assets on which government grant has been received, is calculated on the gross value of fixed asset i.e. without deducting the grant amount from asset value. The grant so received is charged to the income and expenditure statement in the same proportion as the depreciation charged on such assets.

10.0 Lease and Hire Purchase

- 10.1 Leases can be of two types – finance lease and operating lease. In a finance lease, the lessor transfers substantially all the risks and rewards incident to ownership of an asset. An operating lease is a lease other than a finance lease.
- 10.2 When an ULB (as a lessee) have obtained an asset on lease, effecting the lease agreement as a finance lease, then it have assumed all the risks and rewards incident to ownership.
 - a) In case of finance leases, the ULB would recognize the lease both as an asset and a liability.
 - b) The lease item would be recognised as an asset at the cost value of the lease as per agreement or at any value as agreed between the lessor and the lessee.
 - c) The principal amount payable on the lease, equivalent to the asset value only would be shown as a liability.
 - d) Amount of lease payments would be apportioned between the finance charge and the principal repayment.
 - e) The principal repayment would reduce the lease liability and the finance charges would be considered as an expense.
 - f) The leased asset would be subject to normal depreciation like that considered for other assets in the same category, when they are not leased.



- 10.3.** When an ULB (as a lessor) have granted an asset on lease, effecting the lease agreement as a finance lease, then it have relinquished all the risks and rewards incident to ownership.
- a) The ULB as a lessor would consider the lease in the balance sheet as receivable at the agreed value and recognise the transaction of relinquishing the rights as a disposal of asset, so held or as a sale of properties.
 - b) Of the lease payments received, the ULB should recognise the finance income on a systematic and rational basis and recognise the same as an income for the year.
 - c) No depreciation can be provided by the ULB (as a lessor) when the lease is of a finance lease.
- 10.4.** When an ULB (as a lessee) have obtained an asset on lease, effecting the lease agreement as a operating lease, then it have not assumed all the risks and rewards incident to ownership, as all such risks are still with the lessor.
- a) All lease payments should be recognised as an expense.
 - b) No distinction between principal repayment and finance charges to be made.
 - c) No depreciation to be provided on assets held under operating leases.
- 10.5.** When an ULB (as a lessor) have granted an asset on lease, effecting the lease agreement as a operating lease, then it have not relinquished all the risks and rewards incident to ownership.
- a) All leased assets under an operating lease would be recognised as an asset, still owned by the ULB, under the group fixed assets, but need to be separately disclosed.
 - b) Lease Income should be recognised in the statement of Income & Expenditure on accrual basis.
 - c) Depreciation to be provided on the leased assets in the same manner as provided for any asset of that class under direct control of the ULB.
- 10.6.** Hire purchase in the books of ULB (when a buyer)
- a) The purchase price is capitalized as the cost of fixed assets.
 - b) Hire Purchase (HP) instalments are apportioned between the finance charge and the reduction of the principal outstanding. The finance charge is allocated so as to produce a constant periodic rate of interest on the remaining balance of the liability.



- c) The total amount of interest portion out of the 'HP Payable' is accounted by debiting to a control account under current assets. The principal repayment would reduce the lease liability and the finance charges would be considered as an expense.
- d) The leased asset would be subject to normal depreciation like that considered for other assets in the same category, when they are not leased.

10.7. Hire purchase in the books of the ULB (when a seller)

- a) The sale price (including the interest portion) is accounted as receivable from HP agreement;
- b) HP instalments is apportioned between the interest income and the reduction of the principal amount receivable (the finance income to be allocated so as to produce a constant periodic rate of interest on the remaining balance of the receivable);

The total amount of interest portion out of the 'HP Receivable' is accounted by crediting to a control account under current assets. This amount are adjusted while accounting for finance charge

Notes on account

1. Municipal (General) Fund

Municipal (General) Fund of Bhopal Municipal Corporation (BMC) consists of opening balance as on 01st April 2021, addition of surplus during the year and Deduction which are mentioned hereunder:

Municipal (General) Fund of Bhopal Municipal Corporation (BMC) consists of opening balance as on 01st April 2020 and addition of surplus, and adjustments which are mentioned hereunder:

The value of Municipal Fund as on 01st April 2020 ₹ Rs. 13,595,106,626.06

Additions:

- 1. Surplus during the year 2020-21 ₹ Rs. 828,238,589.81
- 2. Payment of GPF to Employees Booked as Expense in previous years ₹ Rs. 224,136,408.00

Deductions:

- 1. JNNURM Previous years Security deposit Refund during the year ₹ Rs. 23,076,022.00



2. Net Amount transfer to Sanchit Nidhi	₹	Rs. 5,82,79,532.00
3. Amount transfer to Bond Sinking Fund	₹	Rs. 246,808,234.00

After all the above adjustments the value of "Municipal (General) Fund" as on 31st March 2021 (Schedule B-1) is as under;
Total Municipal Fund is ₹ Rs. 14,319,317,835.87

Earmarked Fund:

- i) GPF Payable: Amount of GPF deducted from employees salary has been shown as in Earmarked fund.
- ii) During the current year net amount of Rs.5.82 crore has been deposited in separate bank account i.e Sanchit Nidhi . The equal amount has been deducted from Municipal fund and has been shown as Sanchit Nidhi under Earmarked Funds.

Closing balance of Sanchit Nidhi is Rs.75,177,375/-.

- iii) Bond sinking Fund of Rs. 1,015,686,568/- created for interest & principal repayment of Bond.

2. Reserves

The amount shown in Reserve is net off Fixed Assets acquired/Capital Work In Progress against Grants and depreciation charged on assets acquired out of grant fund is deducted from the capital reserve.

The deduction in reserves includes Rs. 54,25,00,000/- as other grant depreciation on assets, which are made from grant fund and Rs.17,32,39,487 as capital contribution towards CM Urban Infra Dev Govt Grant.

3. Grants for Specific Purpose

Capital Grants received as a nodal agency or as implementing agency for an intended purpose, which does not, result in creation of assets with ownership rights has been treated as a liability till such time it is used for the intended purpose. Upon utilization for the intended purpose, the extent of liability is reduced with the value of such utilization. Income on investments made from 'Specific Grants received in advance has been recognized and credited to the Specific Grant, whenever accrued. Profit/loss, if any, arising on disposal of investments made from the 'Specific Grant received in advance' is recognized and credited/debited to the Specific Grant.



Some of the Specific Grants have debit balances as shown in Annexure I, Schedule B4. Such debit balances are due to the reason that the expenditure incurred by the BMC is in excess of the grant receipts. Such excess expenditure have been transferred to the income and expenditure account for those grants are not likely to received in future.

4. Loans

HUDCO Loan: BMC has not taken any new loan from HUDCO during the year.

BMC has taken a loan from State Govt for Jal Vitaran, the principal amount on this loan has to be repaid in first 7 years which is directly been deducted from Compensation in lieu of Octroi and the interest which is not required to be paid in beginning principal repayment years, those are booked on accrual basis under "Interest Payable on Loan" head.

BMC has issued Bonds of Rs. 175 Crores in the FY 2018-19 for utilizing the fund in the AMRUT Scheme . The Bond are to be repaid in 7th to 10th year and interest is to be repaid in every 6 month.

5. Fixed Assets

- a) Fixed assets include Land; Parks; Buildings; Roads and Bridges; Waterworks; Bore Wells; Laboratory Equipment; Sewerage and drainage; Public Lighting; Luminary & Electrical Fittings; Furniture, fixtures, fittings; Electrical appliances; Office & other equipments; Computer Hardware, etc.; Vehicles; Health related assets; Cold Storage Equipment; Medical Equipment etc.
- b) Categorization and grouping of fixed assets has been done as provided in the MPMAM
- c) Fixed Assets are considered at cost less accumulated depreciation. The cost of fixed assets include cost incurred/money spent in acquiring or installing or constructing fixed asset, interest on borrowings directly attributable to acquisition or construction of qualifying fixed assets up to the date of commissioning of the assets and other incidental and indirect expenses incurred up to that month
- d) Any Fixed Asset, which has been acquired free of cost or in respect of which no payment has been made, has been accounted for at nominal value of Re. 1/-
- e) All assets costing less than ₹ Rs. 5, 000. (Rupees Five thousands) purchased / acquired up to 31.03.2021 have not been considered and are expensed/charged in the year of purchase.
- f) Assets, which have been completed during the year, have been transferred from WIP to fixed assets on the basis of details made available by the BMC.



6. Depreciation

- a) Depreciation is provided at Straight Line Method at the rates prescribed in MPMAM.
- b) Depreciation is provided at full rates for assets, which are purchased / constructed before October 1, 2020 and at half the rates which are purchased / constructed on or after October 1, 2020 of the Accounting Year.
- c) Depreciation on assets created out of the government grant has been received, has been calculated on the gross value of fixed asset i.e. without deducting the grant amount from asset value. The grant so received is charged to the income and expenditure statement in the same proportion as the depreciation charged on such assets.

7. Capital Work in Progress

Assets in the nature of civil works and equipment/machinery requiring erection/installation are accounted for as 'Capital Work-In-Progress'. Upon completion of the civil works and installation of machinery the value is transferred to the respective asset account under fixed assets. The value of work-in-progress includes the direct cost on material, labour, stores, and advances to suppliers for material and others. Where an asset is created with borrowed funds the interest paid/accrued as on the day of the valuation is added to the total value of the work-in-progress. The amount of CWIP has been provided by the BMC. It also includes amount of share of BMC, ADB & GoMP for Project Uday. Further details of WIP have been worked on the basis of details provided by the BMC.

9. Investment

- 9.1 **Investment - General Fund:** FDR with the banks has been shown under Investment - General Fund. The amounts of FDRs have been taken on the basis of records as available. The amount includes principal and interest accrued thereon till 31.03.2021.
- 9.2 **Investment - Other Fund:** FDR from the GPF, CPF etc along with interest accrued thereon have been shown under Investment - Other Fund.

10. Current Assets:

Current Assets include the items prescribed in the MPMAM

10.1 Inventories

- a) Valuation of Inventory has been done on the last purchase price;
- b) Stationery and other Miscellaneous items are treated as expenditure, at the time of purchase and do not form part of Inventories. Inventories have been taken in the balance sheet on the basis of information furnished by the concerned department.



10.2 Sundry Debtors

- a) The amount of Property Tax, Water Tax and other receivable as on 31-03-2021 has been taken on the details provided by the Zones. In absence of proper and authentic verification of previous period arrears of property tax, and other related receivables, the figures are subject to reconciliation and confirmation. In the absence of age wise details, no provision for doubtful debts has been made.
- b) Balances of advances, recoverable etc., are subject to confirmation / reconciliation and consequential adjustments if any.
- c) From mid July,2020, BMC has migrated its Property tax, Water tax, User charges and miscellaneous receipts to E-Nagar Palika Software, the balances in Sundry debtors are after considering the written balance confirmation from E-Nagar Palika officials.

10.3 Bank balances

Bank accounts have been reconciled. Few bank account balances are in minus (or Debit balance), it is due to various payment entries which are being passed before 31st march but the actual payment is made after march month and the balance in bank was not sufficient to make those payments as on 31st March 2021.

10.4 Cash Balances

There is no cash in Hand as on 31.3.2021.

10.5 Advances to Staff

The advances not adjusted till 31.3.2021 has been taken as current asset. However, these are subject to reconciliation.

11. Current Liabilities

11.1 Earnest Money & Security deposits Received:

The amount is subject to reconciliation and confirmation.

11.2 Outstanding Liability

This has been worked out based on the lists of amounts admitted during 2020-21 but paid after 31.03.2021.



11.3 Other Liabilities -

In the few accounts under the head Other Liabilities debit balances are appearing in the books of accounts of the BMC.

12. Contingent Liability

These have not been provided as information required to ascertain values such as suspended employees/other legal cases on account of unsettled claims have not been maintained by the BMC.



**BHOPAL MUNICIPAL CORPORATION, BHOPAL M.P.
BALANCE SHEET**

	Particulars	Schedule No.	Amount in " ₹ "	Amount As on 31st March 2021	Amount in " ₹ "	Amount As on 31st March 2020
A	<u>SOURCES OF FUNDS</u>					
A-1	Reserves and Surplus					
	Municipal (General) Fund	B-1	14,31,93,17,835.87		13,59,51,08,626.06	
	<u>Earmarked Funds</u>	B-2	1,55,58,97,645.00		1,36,76,05,289.00	
	Reserves	B-3	6,36,03,62,602.21	22,23,55,78,083.08	7,07,61,02,089.21	22,03,88,14,004.27
A-2	Grants, Contributions for Specific Purpose	B-4		22,86,50,30,583.97		20,06,12,09,218.93
A-3	Loans					
	Secured loans	B-5		3,14,69,20,709.00		3,36,55,89,575.00
	TOTAL SOURCES OF FUNDS [A1-A3]			48,24,75,29,376.05		45,46,56,12,798.20
B	<u>APPLICATION OF FUNDS</u>					
B1	Fixed Assets	B-14				
	Gross Block		24,02,47,76,566.28		23,69,60,04,796.66	
	Less: Accumulated Depreciation		9,31,80,48,106.66		8,16,56,59,378.81	
	Net Block		14,70,67,28,459.62		15,53,03,45,417.85	
	Capital work-in-progress		23,06,34,89,581.05	37,77,02,18,040.67	19,89,82,82,539.05	35,42,86,27,956.90
B-2	Investments					
	Investment - General Fund	B-15	1,93,46,66,204.21		1,70,54,61,797.23	
	Investment - Other Funds	B-16	1,33,65,09,477.75	3,27,11,75,681.97	1,22,47,91,203.82	2,93,02,53,001.05
B-3	Current assets, loans & advances					
	Stock in hand (Inventories)	B-10	3,51,19,920.69		5,82,27,522.47	
	Sundry Debtors (Receivables)	B-11	8,58,71,37,887.97		7,61,41,61,097.67	
	Cash and Bank Balances	B-12	3,78,82,06,245.78		3,64,28,17,116.11	
	Loans, advances and deposits	B-13	3,25,49,09,387.98	15,66,53,73,442.42	3,09,24,71,051.68	14,40,76,76,787.93
B-4	Current Liabilities and Provisions					
	Deposits received	B-6	1,80,43,86,647.91		1,78,80,74,330.69	
	Deposit works	B-7	27,15,95,618.44		25,64,84,878.02	
	Other liabilities	B-8	4,58,45,29,251.77		3,71,20,00,196.17	
	Provisions	B-9	1,79,87,28,270.89	8,45,92,37,789.01	1,54,43,85,542.81	7,30,09,44,947.69
B-5	Net Current Assets (B3-B4)			7,20,61,35,653.41		7,10,67,31,840.24
	TOTAL APPLICATION OF FUNDS [B1+B2+B5]			48,24,75,29,376.05		45,46,56,12,798.20

*Figures have been regrouped, where ever applicable.

Notes to the Balance Sheet - Attached
As per the notes on accounts attached
For Bhopal Municipal Corporation

As Per Our Audit Report of Even Date
For Manu Bhai & Associates
Chartered Accountants
FRN: 0117010

Commissioner

COMMISSIONER

Place: Bhopal
Date: 09.11.2021

Additional Commissioner
Finance

Additional Commissioner
Municipal Corporation, Bhopal

Addl. Commissioner(Finance)
Municipal Corporation, Bhopal

CA Vardhman Jain
Partner
M.No 410825



BHOPAL MUNICIPAL CORPORATION, BHOPAL M.P

INCOME AND EXPENDITURE ACCOUNT
For the Year Ending on 31st March 2021

Amount in " ₹ "

Item/ Head of Account	Schedule No	For the year 2020-21	For the year 2019-20
A INCOME			
Tax Revenue	IE-1	3,26,65,46,778.38	3,02,88,17,163.21
Assigned Revenues & Compensation	IE-2	3,00,54,48,338.00	3,15,52,77,005.00
Rental Income from Municipal Properties	IE-3	42,26,32,490.49	19,53,12,048.70
Fees & User Charges	IE-4	52,60,59,343.94	40,65,53,564.72
Sale & Hire Charges	IE-5	2,40,21,959.00	1,86,54,985.00
Revenue Grants, Contributions & Subsidies	IE-6	2,41,74,60,000.00	2,62,01,84,000.00
Income from Investment-Fund	IE-7	16,28,26,366.10	14,14,79,383.04
Interest Earned	IE-8	10,23,15,410.21	12,74,69,241.73
Other Income	IE-9	3,45,44,276.62	3,46,65,813.86
Prior Period Income	IE-10	-	14,92,86,543.00
Total - INCOME		9,96,18,54,962.74	9,87,76,99,748.26
B EXPENDITURE			
Establishment Expenses	IE-11	3,58,01,81,201.00	3,39,93,78,532.00
Administrative Expenses	IE-12	82,78,97,679.00	75,27,44,957.99
Operations & Maintenance	IE-13	3,00,49,77,529.60	2,69,92,43,520.59
Interest & Finance Expenses	IE-14	12,99,61,297.80	13,25,20,887.47
Programme Expenses	IE-15	7,33,24,812.00	6,89,16,964.42
Revenue Grants, Contributions & subsidies	IE-16	31,88,80,195.42	2,23,42,998.00
Provisions & Write off	IE-17	2,68,09,412.26	1,30,28,890.10
Miscellaneous Expenses	IE-18	1,72,63,717.00	1,63,45,919.00
Depreciation	B-14	1,15,23,88,727.85	1,32,23,12,813.64
Prior Period Items	IE-19	19,31,801.00	12,67,80,030.97
Total - EXPENDITURE		9,13,36,16,372.93	8,55,36,15,514.18
C Gross surplus/ (deficit) of income over expenditure transferred to General Fund (A-B)		82,82,38,589.81	1,32,40,84,234.08

*Figures have been regrouped, where ever applicable.

As per the notes on accounts attached
For Bhopal Municipal Corporation

As Per Our Audit Report of Even Date
For Manu Bhai & Associates
Chartered Accountants
FRN: 011701C

Commissioner

Additional Commissioner
Finance

CA Vardhman Jain
Partner
M.No 410825

Place: Bhopal
Date: 09.11.2021

Addl. Commissioner (Finance)
Municipal Corporation, Bhopal



Schedule B-1: Municipal (General) Fund

Amount in " ₹ "

Account Code	Particulars		Amount As on 31st March 2021
	Opening Balance (As on 1st April 2020)	A)	13,59,51,06,626.06
	Additions during the year		
1	Excess of Income over Expenditure		82,82,38,589.81
2	Payment of GPF to employees booked as Expense in PY's		22,41,36,408.00
		B)	1,05,23,74,997.81
	Deduction during the year		
1	JNNURM Previous Years Security Deposit Refund during the year(Before incorporation of SAP)		2,30,76,022.00
2	Net Amount Transferred to Sanchit Nidhi		5,82,79,532.00
3	Transfer to Bond Sinking Fund		24,68,08,234.00
		C)	32,81,63,788.00
	Closing Balance (As on 31st March 2021)	A+B-C	14,31,93,17,835.87



Schedule B-2: Earmarked Funds
(Special Funds/Sinking Fund/Trust or Agency Fund)

Particulars	311700101	311701010	311500000	Total
	GPF	SANCHIT NIDHI	BOND SINKING FUND, DSRA, ESCROW Etc.	
(a) Opening Balance	58,38,24,455.00	1,49,02,500.00	76,88,78,334.00	1,36,76,05,289.00
(b) Addition During the Year	31,48,26,321.00	6,02,74,875.00	24,68,08,234.00	62,19,09,430.00
(c) Utilized During the Year	43,36,17,074.00	-	-	43,36,17,074.00
(d) Closing Balance	46,50,33,702.00	7,51,77,375.00	1,01,56,86,568.00	1,55,58,97,645.00



Schedule B-3: Reserves

Account Code	Particulars	Opening balance (Rs.)	Additions during the year (Rs.)	Total (Rs.)	Deductions during the year (Rs.)	Balance at the end of current year (Rs.)
		1-	2-	3(1+2)	4-	5(3-4)
312110010	Capital Contribution	7,07,61,02,089.21	-	7,07,61,02,089.21	71,57,39,487.00	6,36,03,62,602.21
	Total Reserve funds	7,07,61,02,089.21	-	7,07,61,02,089.21	71,57,39,487.00	6,36,03,62,602.21

Schedule B-4: Grants & Contribution for Specific Purposes

Account Code	Particulars	Grants from Central Government	Grants from State Government	Grants from Other Government Agencies	Grants from Others	Total
		Annex-H 320-10-00	Annexure-I 320-20-00	Annexure-J 320-30-00	Annexure-K 320-80-00	
	Unutilized Grants					
	(a) Opening Balance	17,17,09,25,881.89	93,81,05,953.78	11,33,25,788.00	1,83,88,51,595.26	20,06,12,09,218.93
	(b) Additions to the Grants *	2,29,86,97,308.94	78,82,59,619.15	36,69,998.00	1,75,06,96,000.64	4,84,13,22,926.73
	Total (b)	2,29,86,97,308.94	78,82,59,619.15	36,69,998.00	1,75,06,96,000.64	4,84,13,22,926.73
	(c) Payments out of funds	67,60,99,512.06	79,71,01,252.78	3,32,90,008.51	53,10,10,788.34	2,03,75,01,561.69
	(d) Adjustment	-	-	-	-	-
	Total (c)	67,60,99,512.06	79,71,01,252.78	3,32,90,008.51	53,10,10,788.34	2,03,75,01,561.69
	Net Balance at The End of the Year	18,79,35,23,678.77	92,92,64,320.15	8,37,05,777.49	3,05,85,36,807.56	22,86,50,30,583.97

Schedule B-5 : Secured Loans

Account Code	Particulars	Annexure	Amount As on 31st March 2021	Amount As on 31st March 2020
330700001	Loans from banks & other financial institutions	L	12,00,00,000.00	12,00,00,000.00
	Loans from international agencies	M	54,08,91,041.00	61,83,60,692.00
	Loans from banks & other financial institutions	M	73,60,28,668.00	87,72,28,883.00
	Funds Raised by issue of Bonds		1,75,00,00,000.00	1,75,00,00,000.00
	Total		3,14,69,20,709.00	3,36,55,89,575.00



Schedule B-6: Deposits Received

Account Code	Particulars	Annexures	Amount As on 31st March 2021	Amount As on 31st March 2020
340100110	EMD		25,97,05,951.37	29,49,04,762.37
340101110	Security Deposit		1,23,74,97,882.74	1,17,09,38,645.52
340101201	Rain roof Water harvesting		4,48,67,960.00	4,48,97,960.00
340100701	Tap/Water Connection Money		2,09,88,425.00	2,10,75,425.00
340100100	Other EMD		24,01,34,605.80	25,54,79,214.80
350411802	Security Deposit Water Bulk Connection		11,91,823.00	7,78,323.00
	Total deposits received		1,80,43,86,647.91	1,78,80,74,330.69

Schedule B-7: Deposits Works

Account Code	Particulars	Annexures	Amount As on 31st March 2021	Amount As on 31st March 2020
341800000	Civil Works and Others	K1	27,15,95,618.44	25,64,84,878.02
	Total of deposit works		27,15,95,618.44	25,64,84,878.02

Schedule B-8: Other Liabilities

Account Code	Particulars	Annexures	Amount As on 31st March 2021	Amount As on 31st March 2020
350-20,30-00	Other Liabilities	N	4,58,45,29,251.77	3,71,20,00,196.17
	Total		4,58,45,29,251.77	3,71,20,00,196.17

Schedule B-9: Provisions

Account Code	Particulars	Annexures	Amount As on 31st March 2021	Amount As on 31st March 2020
350110100	Other Payables		5,05,95,968.35	3,13,79,982.35
350900300	GR/IR Clearing		1,74,81,30,302.54	1,51,30,05,560.46
	Total		1,79,87,26,270.89	1,54,43,85,542.81

Schedule B-10: Stock in Hand (Inventories)

Account Code	Particulars	Annexures	Amount As on 31st March 2021	Amount As on 31st March 2020
430100400	Stores	L-1	3,51,19,920.69	5,82,27,522.47
	Total Stock in hand		3,51,19,920.69	5,82,27,522.47



Schedule B-11: Sundry Debtors (Receivables)

Account Code	Particulars	Annexures	Amount As on 31st March 2021	Amount As on 31st March 2020
431100100	Receivables of Property Taxes	D	5,05,40,73,487.10	4,46,34,35,311.50
	Receivables of Fees and User Charges	D	1,20,46,34,142.81	1,13,93,70,364.53
	Receivables of Water Tax	D	2,32,84,30,258.06	2,01,13,55,421.64
	Total of Sundry Debtors		8,58,71,37,887.97	7,61,41,61,097.67

Schedule B-12: Cash and Bank Balances

Account Code	Particulars	Annexures	Amount As on 31st March 2021	Amount As on 31st March 2020
	<u>Cash In hand</u>	C	-	6,339.00
	Sub-total		-	6,339.00
	<u>Balance with Bank</u>			
	Nationalised Banks JNNURM		3,43,33,694.47	7,78,09,569.75
	Banks		3,75,38,72,551.31	3,56,50,01,207.36
	Sub-total		3,78,82,06,245.78	3,64,28,10,777.11
	Total Cash and Bank balances		3,78,82,06,245.78	3,64,28,17,116.11

Schedule B-13: Loans, advances, and deposits

Account Code	Particulars	Annexures	Amount As on 31st March 2021	Amount As on 31st March 2020
460103110	Loans and advances to employees	A	6,16,80,767.00	5,90,34,804.00
460200100	Employee Provident Fund Loans		57,24,30,350.00	55,41,46,964.00
460400100	Advance to Suppliers and Contractors	B	2,34,93,93,272.98	1,86,28,84,285.68
460400102	Recoverable BSUP loan UADD		1,66,07,000.00	1,66,07,000.00
460400103	HFA Recoverable(UADD)		25,47,97,998.00	59,97,97,998.00
	TOTAL		3,25,49,09,387.98	3,09,24,71,051.68



Schedule B-14: Fixed Assets

Account Code	Particulars	Gross Block					Account Code	Accumulated Depreciation				Net Block
		Opening Balance	Additions during the period	Transfer From WIP	Deductions during the period	Cost at the end of the year		Opening Balance	Additions during the period	Deductions during the period	Total Accumulated Depreciation	
	Land	24,82,05,196.00			-	24,82,05,196.00						24,82,05,196.00
	Buildings	1,17,69,41,695.18	6,54,50,522.17		-	1,24,22,92,217.35		36,82,58,552.22	3,80,30,169.19	-	40,62,88,721.41	83,50,03,495.94
	Infrastructure Assets											
	• Roads and Bridges	6,77,35,79,844.02	1,41,30,096.65		-	6,78,77,09,940.67		4,60,68,48,932.84	61,08,92,842.79	-	5,21,77,41,775.63	1,56,95,68,165.04
	• Sewerage and Waterways	3,27,26,40,875.95	4,86,95,607.28		-	3,32,15,36,483.23		69,87,84,146.54	7,79,01,749.50	-	77,66,85,896.14	2,54,48,50,587.09
	• Drains & Sewerages	86,09,64,056.24	6,46,86,171.26		-	92,56,50,227.50		32,69,01,324.44	5,84,00,482.00	-	38,33,01,806.44	54,23,48,421.06
	• Public Lighting	27,55,70,675.34	24,87,086.29		-	27,80,57,771.63		16,54,14,759.50	1,42,16,948.00	-	17,96,31,707.50	9,84,26,064.13
	• Plants & Machinery	38,89,41,480.10	3,31,20,066.43		-	42,20,61,546.53		24,72,44,548.00	2,71,85,562.50	-	27,44,30,110.50	14,76,31,436.03
	• Vehicles	65,13,49,115.01	5,37,08,949.60		-	70,50,58,064.61		31,63,33,211.00	5,53,03,938.50	-	37,36,37,149.50	33,14,20,915.11
	• Office & other equipment	13,75,26,208.91	2,61,73,167.98		-	16,36,99,366.89		9,43,52,140.00	96,79,905.00	-	10,40,32,045.00	5,96,67,321.89
	• Furniture, fixtures, fittings and electrical appliances	7,30,56,502.05	4,47,667.99		-	7,35,04,169.04		4,89,12,430.10	42,82,052.70	-	5,11,94,482.80	2,23,09,677.24
	• Other fixed assets	1,78,55,27,376.76	1,96,72,443.97		-	1,80,51,99,820.73		65,10,10,870.72	15,11,08,684.00	-	80,21,19,554.72	1,00,30,80,266.01
	Kolar Assets	46,11,08,354.00				46,11,08,354.00		31,59,96,596.34	2,43,05,373.67		34,03,01,970.01	12,08,06,383.99
	ADB Assets	2,12,58,64,376.00				2,12,58,64,376.00		32,56,01,867.00	8,30,81,020.00		40,86,82,887.00	1,71,71,81,489.00
	Unmum Assets	5,02,72,70,318.10				5,02,72,70,318.10		-	-		-	5,02,72,70,318.10
	• MPUSP Fixed Assets	2,94,25,552.00			-	2,94,25,552.00		-	-		-	2,94,25,552.00
	• MPULIP Fixed Assets	40,81,33,171.00			-	40,81,33,171.00		-	-		-	40,81,33,171.00
	Total	23,69,60,04,796.66	32,87,71,769.52	-	-	24,02,47,76,566.38	-	8,16,56,59,378.81	1,15,23,88,727.85	-	9,31,80,48,106.66	14,70,67,28,459.63

Schedule B-14: Fixed Assets

Account Code	Particulars	Annexures	Amount
	Capital Work in Progress	G	23,06,34,89,581.05
	Total		23,06,34,89,581.05



Schedule IE-1: Tax Revenue

Account Code	Particulars	Annexure	Amount For the year 2020-21	Amount For the year 2019-20
110010100	Property tax	A	2,35,65,25,231.72	2,12,69,24,942.80
110020100	Water tax		81,95,89,929.34	78,11,85,872.41
110100100	Professional Tax		17,30,800.00	8,19,800.00
110110100	Advertisement tax	B	3,39,07,469.32	3,38,98,560.00
	Other taxes	C	5,47,93,348.00	8,59,87,988.00
	Sub-total		3,26,65,46,778.38	3,02,88,17,163.21
	Total tax revenue		3,26,65,46,778.38	3,02,88,17,163.21

Schedule IE-2: Assigned Revenues & Compensation

Account Code	Particulars	Annexure	Amount For the year 2020-21	Amount For the year 2019-20
120101100	Stamp Duty on transfer of Properties		41,21,36,000.00	46,55,24,000.00
120200100	Compensation in lieu of Octroi		2,57,79,60,338.00	2,67,05,80,005.00
120202100	Compensation in lieu of Passenger Tax		1,53,52,000.00	1,91,73,000.00
	Total assigned revenues & compensation		3,00,54,48,338.00	3,15,52,77,005.00

Schedule IE-3: Rental income from Municipal Properties

Account Code	Particulars	Annexure	Amount For the year 2020-21	Amount For the year 2019-20
130100000	Rent from Civic Amenities	D	36,28,47,580.74	14,20,38,310.00
130400100	Lease Rental		5,87,75,471.75	5,24,67,475.70
130800500	HR House Rent Recovery		10,09,438.00	8,06,263.00
	Sub-Total		42,26,32,490.49	19,53,12,048.70
	Total Rental Income from Municipal Properties		42,26,32,490.49	19,53,12,048.70

Schedule IE-4: Fees & User Charges - Income head-wise

Account Code	Particulars	Annexure	Amount For the year 2020-21	Amount For the year 2019-20
	Licensing Fees	E	12,27,64,451.40	6,96,55,731.74
	Fees for Grant of Permit	F	6,81,55,581.06	9,83,57,066.00
	Other Fees	G	8,17,33,430.04	5,06,55,963.00
	User Charges	H	18,12,53,751.58	13,60,00,245.70
	Service / Administrative Charges	I	78,236.00	5,40,560.00
	Other Charges	J	47,42,644.00	68,43,784.00
140100300	Supervision Charges		3,44,38,935.00	2,09,39,477.00
140200401	Surcharge user charges		41,79,454.86	96,61,524.78
140200301	Surcharge Lease Rental		44,39,028.00	41,33,976.50
140150200	Regularization Fees (Samjhauta Fees)		2,42,73,832.00	97,65,236.00
	Sub-Total		52,60,59,343.94	40,65,53,564.72
	Total income from Fees & User Charges		52,60,59,343.94	40,65,53,564.72

Schedule IE-5: Sale & Hire Charges

Account Code	Particulars	Annexure	Amount For the year 2020-21	Amount For the year 2019-20
150100500	Sale of Products	K	50,19,833.00	2,43,589.00
150110100	Sale of Forms & Publications	L	1,56,74,640.00	1,73,13,513.00
150120100	Sale of Obsolete Stores		33,27,486.00	10,97,883.00
	Total Income from Sale & Hire charges		2,40,21,959.00	1,86,54,985.00



Schedule IE-6: Revenue Grants, Contributions & Subsidies

Account Code	Particulars	Annexure	Amount For the year 2020-21	Amount For the year 2019-20
160100100	Revenue Grant	M	2,41,74,60,000.00	2,62,01,84,000.00
	Total Revenue Grants, Contributions & Subsidies		2,41,74,60,000.00	2,62,01,84,000.00

Schedule IE-7: Income from Investment- General Fund

Account Code	Particulars	Annexure	Amount For the year 2020-21	Amount For the year 2019-20
170100101	Interest on investments		16,28,26,366.10	14,14,79,383.04
	Total Revenue Grants, Contributions & Subsidies		16,28,26,366.10	14,14,79,383.04

Schedule IE- 8: Interest Earned

Account Code	Particulars	Annexure	Amount For the year 2020-21	Amount For the year 2019-20
171100001	Interest on Bank deposits		10,23,15,410.21	12,74,69,241.73
	Total - Interest Earned		10,23,15,410.21	12,74,69,241.73

Schedule IE- 9: Other Income

Account Code	Particulars	Annexure	Amount For the year 2020-21	Amount For the year 2019-20
	Fine/Recovery	N	2,62,56,556.52	1,17,20,143.88
	Miscellaneous Income	O	82,87,720.10	2,29,45,669.98
	Total Other Income		3,45,44,276.62	3,46,65,813.86

Schedule IE- 10: Prior Period Income

Account Code	Particulars	Annexure	Amount For the year 2020-21	Amount For the year 2019-20
185500101	Advertisement Tax - Land Hoardings		-	2,82,61,833.00
185500101	Compensation in lieu of Octroi		-	12,10,24,710.00
	Total Other Income		-	14,92,86,543.00

Schedule IE-11: Establishment Expenses

Account Code	Particulars	Annexure	Amount For the year 2020-21	Amount For the year 2019-20
210100000	Salaries, Wages and Bonus	P	2,84,85,99,026.00	2,72,88,53,760.00
210200101	Benefits and Allowances	Q	60,29,719.00	85,44,326.00
210300101	Pension/Family Pension		47,20,38,181.00	52,15,38,454.00
210400201	Other Terminal & Retirement Benefits	R	25,35,14,275.00	14,04,41,992.00
	Total establishment expenses		3,58,01,81,201.00	3,39,93,78,532.00



Schedule IE-12: Administrative Expenses

Account Code	Particulars	Annexure	Amount For the year 2020-21	Amount For the year 2019-20
	Rent, Rates and Taxes	S	1,84,77,359.00	1,30,92,179.00
	Communication Expenses	T	92,98,234.00	88,70,734.00
	Books & Periodicals	U	13,13,461.00	34,44,180.90
	Printing and Stationery	V	76,92,314.00	78,32,795.08
	Traveling & Conveyance	W	69,69,39,932.00	50,26,47,724.99
	Legal Expenses	X	25,50,430.00	85,56,081.00
	Professional and other Fees	Y	2,80,77,027.00	9,22,91,717.00
220800101	Other Administrative Expenses	Z	16,89,711.00	25,30,097.32
220400200	Insurance on Vehicles		1,07,39,718.00	80,01,649.00
220600101	Advertisement and Publicity		5,08,69,493.00	5,58,86,718.70
220610101	Membership & subscriptions		2,50,000.00	23,600.00
220520103	Service Tax			4,95,67,481.00
	Total administrative expenses		82,78,97,679.00	75,27,44,957.99

Schedule IE-13: Operations & Maintenance

Account Code	Particulars	Annexure	Amount For the year 2020-21	Amount For the year 2019-20
230100101	Electrical Expenses (Water and Electrical Deppt.)		1,48,57,66,004.00	1,47,01,85,018.00
230300400	Consumables	A1	30,54,56,545.77	23,96,97,371.03
	Repairs & maintenance -Infrastructure Assets	AA	41,12,27,916.00	40,18,27,843.73
	Repairs & maintenance - Civic Amenities	AB	25,59,90,646.00	11,85,25,831.73
230520101	Repairs & maintenance - Buildings	AC	2,49,68,507.00	2,70,79,210.00
	Repairs & maintenance - Others	AD	17,36,16,214.00	14,26,23,258.50
	Other operating & maintenance expenses	AE	34,79,51,696.83	29,93,04,987.60
	Total operations & maintenance		3,00,49,77,529.60	2,69,92,43,520.59

Schedule IE-14: Interest & Finance Charges

Account Code	Particulars	Annexure	Amount For the year 2020-21	Amount For the year 2019-20
240300001	Interest on Loans from Government Bodies &	AF	12,39,72,532.00	11,84,85,567.00
240700001	Bank Charges		3,91,197.80	11,96,286.47
240800100	Discount on early / prompt payments		55,97,568.00	1,28,39,034.00
	Total Interest & Finance Charges		12,99,61,297.80	13,25,20,887.47

Schedule IE-15: Programme Expenses

Account Code	Particulars	Annexure	Amount For the year 2020-21	Amount For the year 2019-20
250100101	Own Programs Expenses		7,33,24,812.00	6,89,16,964.42
	Total Programme Expenses		7,33,24,812.00	6,89,16,964.42



Schedule IE-16: Revenue Grants, Contributions & Subsidies

Account Code	Particulars	Annexure	Amount For the year 2020-21	Amount For the year 2019-20
260100101	Grants	AH	31,88,80,195.42	2,23,42,998.00
	Total Revenue Grants, Contributions & Subsidies		31,88,80,195.42	2,23,42,998.00

Schedule IE-18: Miscellaneous Expenses

Account Code	Particulars	Annexure	Amount For the year 2020-21	Amount For the year 2019-20
251102101	Miscellaneous Expenses	AI	1,72,63,717.00	1,63,45,919.00
	Total Miscellaneous Expenses		1,72,63,717.00	1,63,45,919.00

Schedule IE-17: Provisions & Write Off

Account Code	Particulars	Annexure	Amount For the year 2020-21	Amount For the year 2019-20
270100100	Write Off Property		2,66,84,671.01	79,23,630.38
270100200	Write Off Water		1,24,741.25	51,05,259.72
	Total Provisions & Write off		2,68,09,412.26	1,30,28,890.10

Schedule IE-19: Prior Period Items

Account Code	Particulars	Annexure	Amount For the year 2020-21	Amount For the year 2019-20
285500100	Prior Period Items-Other		19,31,801.00	12,67,80,030.97
	Total		19,31,801.00	12,67,80,030.97

