



**PRIYA KAUSHIK & CO.**  
**Chartered Accountants**

**Bhopal , 25<sup>th</sup> Feb. 2021**

**To**  
**The Joint Director**  
**Finance and Accounts**  
**M P Urban Admin. & Development**  
**Madhya Pradesh , Bhopal**

**Dear Sir**

**Subject: - Submission of Reports of Nagar Palika Machalpur of Rajgarh District.**

**With reference to the captioned subject , Find enclosed herewith the reports as discussed with the competent authorities and duly discussed with them , hope you will find the same in order.**

**Thanking You**

**For Priya Kaushik and Co.**  
**Chartered Accountant**

**CA Prateek Kaushik**  
**Partner**  
**M.no.401728**

**C/c :**

**CMO , Nagar Palika Nigam , Machalpur for necessary action**



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**INDEPENDENT AUDITORS REPORT**

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To,

The Chief Municipal Officer,

Nagar Palika Parishad Machalpur,

District – Rajgarh (M.P.)

**Report on Financial Statement:**

1. We have audited the Income and Expenditure Accounts with books of accounts and relevant records of “**Nagar Palika Parishad, Machalpur**” which comprise the cash book, vouchers, Receipts book/ Katta, Receipts Register cashier cash book, Cheque issue register for the period 01.04.2019 to 31.03.2020.

**Management's Responsibility for the Financial Statements:**

2. Management is responsible for the preparation of these financial statement that give true and fair view of the financial position and financial performance of “**Nagar Palika Parishad, Machalpur**” in accordance with the guidelines of The Directorate, Urban and Administration & Development, M.P., Bhopal and their laws. This responsibility includes the design, implementation and maintenance of internal control relevant, whether due to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors Responsibility:**

3. Our responsibility is to express an opinion on these financials statement based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatement. The object of our is to express an opinion on the financial statements and not to identify fraud or diversion or siphoning or end use of funds therefore we are unable to comment on the same.

*Signature*

*Signature*



**PRIYA KAUSHIK & CO.**  
**Chartered Accountants**

4. An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depend on the auditors judgment, including the assessment of the risk of the material misstatement of the financial statement, whether due to fraud or error. In making those risks assessment, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion on the basis of the data produced before us.

**Opinion :**

6. In our Opinion and to the best of our information and according to the explanation given to us, the financial statement give a true and fair view in conformity with the accounting principles generally accepted in India.

a) In case of Income and Expenditure Account of the Excess of Income over Expenditure of the year ended on that date for the period from 01/04/2019 to 31/03/2020.

**Report on Other Legal and Regulatory Requirements:**

7. The Income and Expenditure Account have been drawn up in accordance with the general Accounting Policies accepted in India.

8. We report that (Subject to Audit Comments/ qualification : As per schedule A attached herewith)

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

b) Income and expenditure Account dealt with by this report are in agreement with the books of Account

**For Priya Kaushik and Co.**  
**Chartered Accountant**

  
**CA Prateek Kaushik**  
**Partner**

**M.no.401728**

HIG- 510, BDA COMPLEX, 7 NO. STOP, SHIVAJI NAGAR BHOPAL

Mb. No 9981502022, 9893330515

Email Id:- [kaushikprateekca@gmail.com](mailto:kaushikprateekca@gmail.com)

**NAGAR PALIKA PARISHAD MACHALPUR (M.P.)**  
**Receipt & Payment Account**  
**For the Year ended on 31/03/2020**

Receipt	Amount	Payment	Amount
<b><u>Opening Balance</u></b>		<b><u>Establishment Expenses</u></b>	
Cash in hand	0	Salaries, Wages and Bonus	10857672
Cash at bank	43494235	Benefits and Allowances (LIC+NPS)	116138
		Leave incashment	532376
<b><u>Tax Revenue</u></b>		Professional Tax	15764
Property Tax	325798	GPF	624348
Water Tax	1074157	Council Honourarium	260000
Consolidated Tax	228540	Temporary Establishments	2712329
Education Cess	181424		
Development Cess	75457	<b><u>Administrative Expenses</u></b>	
		Printing and Stationary	208589
<b><u>Assigned Revenue and Compensation</u></b>		Election 2019	208262
Compensation in lieu of Commercial Tax	1574000	Web and Internet Exp.	24850
Compensation in lieu of Octroi	6998820	News Paper Exp.	46976
Compensation in lieu of Pilgrim Tax	366000	Legal Fees	31500
Compensation in lieu of Export Tax	99000	Office Maintenance	158160
		Cultural Exp.	635330
<b><u>Rental Income From Municipal Properties</u></b>		Advertisement Exp.	197279
Rent from Market	231737	Travelling Exp.	95760
Rent from Manglik Bhawan	27378	Bank Charges	23524
Rent from Shopping Complex	417832		
Lease Rent From Shop & Land	199658		
		<b><u>Operation and Maintenance</u></b>	
<b><u>Fees &amp; Charges</u></b>		Power and Fuel	2004491
Registration Charges	50200	Hire Charges- Others	461210
Conversion/ Namantaran Fees	139970		
Certificate Abstract fees	25330	<b><u>Water Supply Department</u></b>	
Water Connection Charges	531370	Purchase	1006232
Road Cutting Charges	1293794	Repaire and Maintenance - Pump	188125
Application Fees	12230		
Mics. Fees	92881	<b><u>Electricity Department</u></b>	
Bus Stand Fees	108550	Material Purchase	991019
		Repaire and Maintenance - Electricity	19530
<b><u>Sale &amp; Hire Charges</u></b>			
Sale of Forms and Publications	2000	<b><u>Sanitation Department</u></b>	
Hire Charges for Vehicle	13200	Sanitaion Material	1354669
		Repaire and Maintenance - Vehicle	117987
<b><u>Revenue Grants, Contributions and Subsidies</u></b>			
Stamp (Mudrank) Fees	307000	<b><u>Construction and Rep. &amp; Maintenance</u></b>	


Rajya Vitta Aayog	1612000	Rep. & Maintanance - Road	517829
Sadak Marammat	613000	Rep. & Maintanance - Community Hall	50341
14th Finance	1344000	Rep. & Maintanance - Computer	12230
Other Grants (Sambal YAS/ Special Development)	6662000	Rep. & Maintanance - Misc.	214814
EMD	309750	Construction - Tubewell (Vidhayak Nidhi)	2788622
Interest From Investment	1471337	Construction - Road	2949054
GST Received on Shop Lease Rent	86622	Construction - CM Infrastructure Fund	5346137
		Construction - Trenching Ground	934697
		Construction - Nali	136601
		<b><u>Deposit Return</u></b>	
		EMD	759261
		Royalty	195314
		TDS Contractor	235994
		Labour Tax (Karmakar)	116761
		GST Contractor	600212
		TDS Purchase	107450
		GST Purchase	139267
		Other Exp.	44728
		Drainage repairing katotra	60000
		CC Road Cutting Machine	46980
		Assistance	38896
		CM Sambal Yojana	1225000
		CM Drinking Water Scheme Loan installment	172000
		Assets	298694
		<b><u>Closing Balance</u></b>	
		Cash in Hand	0
		Cash in Bank	30086268
	<b>69969270</b>		<b>69969270</b>

Date - 30.11.2020

Place - Bhopal



For Priya Kaushik and Co.  
Chartered Accountant

  
CA Prateek Kaushik  
Partner  
M.no.401728

**NAGAR PALIKA PARISHAD MACHALPUR (M.P.)**  
**Income & Expenditure Account**  
**For the year ended on 31/03/2020**

<b>Expenditure</b>	<b>Amount</b>	<b>Income</b>	<b>Amount</b>
<b><u>Establishment Expenses</u></b>		<b><u>Tax Revenue</u></b>	
Salaries, Wages and Bonus	10857672	Property Tax	325798
Benefits and Allowances (LIC+NPS)	116138	Water Tax	1074157
Leave incashment	532376	Consolidated Tax	228540
Professional Tax	15764	Education Cess	181424
GPF	624348	Development Cess	75457
Council Honourarium	260000		
Temporary Establishments		<b><u>Assigned Revenue and Compensation</u></b>	
	2712329	Compensation in lieu of Commercial Tax	1574000
		Compensation in lieu of Octroi	6998820
<b><u>Administrative Expenses</u></b>		Compensation in lieu of Pilgrim Tax	366000
Printing and Stationary	208589	Compensation in lieu of Export Tax	99000
Election 2019	208262		
Web and Internet Exp.	24850		
News Paper Exp.	46976		
		<b><u>Rental Income From Municipal Properties</u></b>	
Legal Fees	31500	Rent from Market	231737
Office Maintenance	158160	Rent from Manglik Bhawan	27378
Cultural Exp.	635330	Rent from Shopping Complex	417832
Advertisement Exp.	197279	Lease Rent From Shop & Land	199658
Travelling Exp.	95760		
Bank Charges	23524		
<b><u>Operation and Maintenance</u></b>		<b><u>Fees &amp; Charges</u></b>	
Power and Fuel	2004491	Registration Charges	50200
Hire Charges- Others	461210	Conversion/ Namantaran Fees	139970
		Certificate Abstract fees	25330
<b><u>Water Supply Department</u></b>		Water Connection Charges	531370
Purchase	1006232	Road Cutting Charges	1293794
Repaire and Maintenance - Pump	188125	Application Fees	12230
		Mics. Fees	92881
<b><u>Electricity Department</u></b>		Bus Stand Fees	108550
Material Purchase	991019		
Repaire and Maintenance - Electricity	19530	<b><u>Sale &amp; Hire Charges</u></b>	
		Sale of Forms and Publications	2000
<b><u>Sanitation Department</u></b>		Hire Charges for Vehicle	13200
Sanitaion Material	1354669		
Repaire and Maintenance - Vehicle	117987		
		<b><u>Revenue Grants, Contributions and Subsidies</u></b>	
<b><u>Construction and Rep. &amp; Maintenance</u></b>		Stamp (Mudrank) Fees	307000
Rep. & Maintenance - Road	517829	Rajya Vitta Aayog	1612000
Rep. & Maintenance - Community Hall	50341		
Rep. & Maintenance - Computer	12230		

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Rep. & Maintanance - Misc.	214814	Sadak Maramnat	613600
Construction - Tubewell (Vidhayak Nidhi)	2788622	14th Finance	1344000
Construction - Road	2949054	Other Grants (Sambal YAS/ Special Development)	6662000
Construction CM Infrastructure Fund	5346137		
Construction - Traching Ground	934697	Interest From Investment	1471337
Construction - Nali	136601		
Other Exp.	44728		
Drainage repairing katotra	60000		
CC Road Cutting Machine	46980	<b>Excess of Expenditure</b>	
Assistance	38896	<b>Over Income</b>	11351386
CM Sambal Yojana	1225000		
CM Drinking Water Scheme Loan installment	172000		
	<b>37430049</b>		<b>37430049</b>

Date - 30.11.2020  
Place - Bhopal

For Priya Kaushik and Co.  
Chartered Accountant

CA Prateek Kaushik  
Partner  
M.no.401728

# Abstract Sheet For reporting on Audit Paras For Financial Year 2019-20

Name of ULB – Nagar Palika Parishad Machalpur

Name of Auditor – Priya Kaushik & Co.

Sr. No.	Parameters	Description	Observation in brief	Suggestion
1	Audit of Revenue	We have audited the Revenue of Nagar Parishad From Various sources.	No Observation.	
		<b>Receipt in Rs.</b>		
		Year 2018-19	Year 2019-20	% of Growth
(i)	सम्पत्ति कर	263381	325798	23.70
(ii)	समेकित कर	56692	228540	303.13
(iii)	नगरीय विकास कर	54722	75457	16.59
(iv)	शिक्षा कर	73867	181424	145.61
	कुल योग	458482	811219	
	गैर राजस्व वसूली			
(i)	भवन भूमिकिराया	467099	876605	87.67
(ii)	जलउपभोक्ता प्रभार	907952	1074157	18.31
(iii)	टोस अपशिष्ट प्रबंधन उपभोक्ता प्रभार	0	0	
(iv)	अन्य कर /शुल्क	1550032	2254325	45.44
	कुल योग	2925083	4205087	
	महायोग	3383565	5016306	

31/10/19



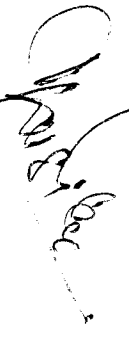
Sr. No.	Parameters	Description	Observation in brief	Suggestion
2.	Audit of Expenditure	We have Performed test check of payment vouchers entered in the main cash book.	We have Found some Expenses Voucher incomplete.	ULB Official should take appropriate Sanction as per delegated authority.
3.	Audit of Book Keeping	We Checked the Books of Accounts (Main Cash Book & Cashier Cash Book)	We Observed that ULB has not maintained Grant register, Fixed Assets Register & not prepared Bank Reconciliation Statement.	ULB should maintain the Fixed Assets Register and also mention the distinct code on Assets.
4.	Audit of FDR	We have Checked FDR.	ULB not maintained the FDR Register.	ULB should maintain the FDR Register.
5.	Audit of Tendor/Bids	We have Checked Tender File on test basis and Found that the process have been properly followed and was as per the rules.	No Observation.	NA
6.	Audit of Grants & Loans	We have Checked and Verified the Grants received from central and state government.	We Observed that ULB has not maintained Grant register properly.	ULB should maintain Records to track the receipts and payments from the grants received.
7.	Incidence relating to diversion of fund from Capital Receipts/Grants/Loans to Revenue nature Expenditure and from one Schemes/Project to another	We did not observe any type of case.	No Observation.	NA
8. a)	a) Percentage of Revenue Expenditure (Establishment, Salary, Operation & Maintenance) with respect to revenue receipt (Tax and non tax) Excluding Octroi, Entry Tax, Stamp duty and other Grants	Revenue Expenses = 2,37,32,062/- and Revenue Receipt = 65,02,843 /- (Revenue Expenses/Revenue Receipt) (2,37,32,062/65,02,843) = 364.95% approx.	No Observation.	NA

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	b) Percentage of Capital Expenditure with respect to Total Expenditure	Capital Expenses = 1,27,32,785/- & Total Expenses = 3,74,30,049/- Ratio = 34.02% approx.	No Observation.	NA
9.	Whether all the Temporary advances have been fully recovered or not	NA	NA	NA
10.	Whether the bank Reconciliation statement have been regularly prepared	We have attached the Bank Reconciliation Statement.	We have observed that Bank Reconciliation statement not have been prepared by entity on timely basis.	ULB should prepare Bank Reconciliation statement periodically and record Bank charges and Interest received entries.

**For PriyaKaushik and Co.**  
Chartered Accountant

  
**CA Prateek Kaushik**  
Partner

**M.no.401728**

  
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## **AUDITORS OBSERVATION**

### **Audit of Revenue**

1. Nagar Parishad is not prepared Income & Expenditure A/c on monthly basis.
2. Nagar Parishad is not entered bank charges in cash book.
3. We have test checked receipt on random basis with the receipt Books and found correct.
4. We found that daily collection are deposited on the same day except in the case of where banks are closed.
5. We have not been provided with monthly/quarterly targets of revenues receipts, however not able to submit Comparison Sheet.

### **Audit of Expenditure**

1. Due to inherent limitation of time we have performed the test check and found them correct except in case of Specific given to report.
2. We checked the Vouchers and duly verified from the entries in cash book and found them correct.
3. We verified the expenditure and found that they are generally in accordance with guidelines, direction, acts and rules issued by Government of India (Central and State Government).

### **Audit of Book Keeping**

1. We checked the Books of Accounts and Found that Some minor error in Cash Book.
2. Nagar Parishad is not Maintained Assets Register so we are unable to determine Exact Figure of Assets in the Parishad.
3. Ledgers are not maintained properly by the Nagar Parishad which concludes to be the Books of Accounts complete.
4. Capital Expenditure Register is not maintained by the Nagar Parishad.
5. No advances given by Parishad during the audit period.



6. Bank Reconciliation Statement was not provided to us.
7. Grant Register are not maintain by the Parishad.
8. We are unable to Prepare Balance Sheet because previous year audited Balance Sheet escaped some bank accounts provided to us. For preparation of the balance sheet opening balances are required in absence of the same the balance sheet could not be prepared

### Audit of Grants and Loans

1. We have not checked and verified the Grant received from Central Government as the same are not produced for verification.
2. We have not checked and verified the complete Grant received from StateGovernment as the same are not produced for verification.
3. We are not verified Scheme and project wise Utilization Certificate that the same has not provided us for verification.