



MALWA & ASSOCIATES

CHARTERED ACCOUNTANTS

Chandigarh Office : SCO-59, 2nd Floor, Sector-32 C&D, Chandigarh-160031
Ludhiana Office : Opp. Water Tank, Millerganj, Gill Road, Ludhiana-141003
Sirhind Office : # 3891/12 Railway Road, Hamayunpur, Sirhind-140406
Email : malwaassociates10@gmail.com M: 099885-00910

INDEPENDENT AUDITOR'S REPORT

To
The Executive Officer
Nagar Panchayat
Badhni Kalan

1. REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **NAGAR PANCHAYAT, BADHNI KALAN (the council)** which comprises Balance Sheet as at 31st March 2015, and the Statement of Income and Expenditure account for the year then ended.

2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The management of the council is responsible for the preparation and maintenance of these financial statements that give a true and fair view of the financial position in accordance with the generally accepted accounting principles in India.

3. AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the accounting and auditing standards and matters which are required to be included in the audit report. 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. An audit involves performing procedures, on test basis, 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 risk of material misstatement of the financial statements, whether due to fraud or error.



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.

4. 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 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 council as at 31st March, 2015 and excess of income over expenditure for the year ended on that date so far it appears on our examination on test basis and subject to following observations-

- Opening Balances are verified from the unaudited and unsigned Balance Sheet for the year ended 31st March, 2014 as made available to us for verification.
- Internal Audit for the financial year 2014-15 has not been carried out.
- Grants received during the year have been treated as revenue income in the books of accounts. The supporting documents to check whether these are of revenue or capital nature are not made available to us.
- TDS and other taxes are deducted and paid by following cash basis of accounting system and returns are filed in due course.
- Payments made to contractors are recorded on cash basis in the Double Entry System of Books of Accounts. As per the accrual concept of accounting, it should be recorded on accrual basis.
- Fixed Asset Register is not maintained by the council.
- Balance of OBC Bank (GP Fund) under the head Bank Accounts has not been verified from the Bank Passbook.
- Balances of PF Loan/Employee Loan have not been verified.

For MALWA & ASSOCIATES

Balpreet Singh Malwa



CA BALPREET SINGH MALWA

PARTNER

M.No. 535237

FRN- 028396N

Dated- 12th October, 2017

Balpreet Singh Malwa
28
12/10/17



MALWA & ASSOCIATES

CHARTERED ACCOUNTANTS

Chandigarh Office: SCO-59, 2nd Floor, Sector-32 C&D, Chandigarh-160034
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INDEPENDENT AUDITOR'S REPORT

To
The Executive Officer
Nagar Panchayat
Badhni Kalan

1. REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of NAGAR PANCHAYAT, BADHNI KALAN (the council) which comprises Balance Sheet as at 31st March 2016 and the Statement of Income and Expenditure account for the year then ended.

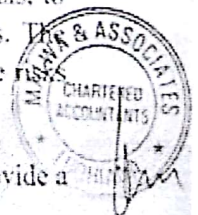
2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The management of the council is responsible for the preparation and maintenance of these financial statements that give a true and fair view of the financial position in accordance with the generally accepted accounting principles in India.

3. AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the accounting and auditing standards and matters which are required to be included in the audit report. 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. An audit involves performing procedures, on test basis, 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 risk of material misstatement of the financial statements, whether due to fraud or error.

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.

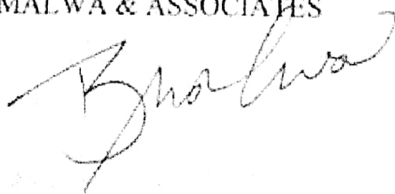


4. OPINION

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 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 council as at 31st March, 2016 and excess of income over expenditure for the year ended on that date so far it appears on our examination on test basis and subject to following observations-

- Internal Audit for the financial year 2015-16 has not been carried out.
- Grants received during the year have been treated as revenue income in the books of accounts. The supporting documents to check whether these are of revenue or capital nature are not made available to us.
- TDS and other taxes are deducted and paid by following cash basis of accounting system and returns are filed in due course.
- Payments made to contractors are recorded on cash basis in the Double Entry System of Books of Accounts. As per the accrual concept of accounting, it should be recorded on accrual basis.
- Fixed Asset Register is not maintained by the council.
- Balance of OBC Bank (GP Fund) under the head Bank Accounts has not been verified from the Bank Passbook.
- Balances of PF Loan/Employee Loan have not been verified.

For MALWA & ASSOCIATES



CA BALPREET SINGH MALWA

PARTNER

M.No. 535237

FRN- 028396N

Dated- 26th October, 2017

Balance Sheet
1-Apr-2014 to 31-Mar-2015

Liabilities		as at 31-Mar-2015	Assets		as at 31-Mar-2015
Capital Account		55,61,245.00	Fixed Assets		3,47,48,473.00
<i>Municipal Fund (General)</i>	<i>55,61,245.00</i>		<i>Buildings</i>	<i>2,84,576.00</i>	
Loans (Liability)			<i>CC Flooring</i>	<i>1,56,31,457.00</i>	
Current Liabilities		32,44,406.00	<i>Computer & Printers</i>	<i>2,588.00</i>	
<i>Duties & Taxes</i>	<i>37,460.00</i>		<i>Drains</i>	<i>27,78,195.00</i>	
<i>Deposits Received</i>	<i>7,77,763.00</i>		<i>Fittings & Electrical Appliances</i>	<i>6,500.00</i>	
<i>Employee Liabilities</i>	<i>19,24,480.00</i>		<i>Furniture, Fittings & Elec. Appl.-Cabinets</i>	<i>6,346.00</i>	
<i>Other Liabilities</i>	<i>25,338.00</i>		<i>Furniture, Fittings & Elec. Appl.-Chairs</i>	<i>47,403.00</i>	
<i>CHEQUE ISSUED BUT NOT PRESENTED</i>	<i>3,03,812.00</i>		<i>Furniture, Fittings & Elec. Appl.-Fans</i>	<i>16,137.00</i>	
<i>Creditors-Contractors</i>	<i>1,77,418.00</i>		<i>Public Lighting-Lamps Posts</i>	<i>41,66,995.00</i>	
<i>Employee Bank Loan</i>	<i>750.00</i>		<i>Roads & Bridges-Black Top</i>	<i>53,38,483.00</i>	
<i>Labour Cess</i>	<i>(-)2,615.00</i>		<i>Roads & Bridges-Concrete</i>	<i>44,64,639.00</i>	
Excess of income over expenditure		3,65,89,092.36	<i>Roads & Bridges-Others</i>	<i>4,82,732.00</i>	
<i>Opening Balance</i>	<i>3,40,39,804.61</i>		<i>Vehicles</i>	<i>6,24,245.00</i>	
<i>Current Period</i>	<i>25,41,287.75</i>		<i>Vehicles-Tankers</i>	<i>2,98,316.00</i>	
<i>Less: Transferred</i>	<i>8,000.00</i>		<i>Waterways-Bore Wells</i>	<i>5,99,861.00</i>	
			Investments		
			Current Assets		1,06,46,270.36
			<i>Closing Stock</i>		
			<i>Loans & Advances (Asset)</i>	<i>13,21,445.00</i>	
			<i>Bank Accounts</i>	<i>67,16,782.36</i>	
			<i>Pre-Paid Expenses</i>	<i>13,32,125.00</i>	
			<i>House Tax - Arrears</i>	<i>9,541.00</i>	
			<i>Stores and Spares</i>	<i>11,76,133.00</i>	
			<i>Water Rate - Arrears</i>	<i>90,244.00</i>	
Total		4,53,94,743.36	Total		4,53,94,743.36

Balance Sheet
1-Apr-2015 to 31-Mar-2016

Liabilities		as at 31-Mar-2016	Assets		as at 31-Mar-2016
Capital Account			Fixed Assets		
<i>Municipal Fund (General)</i>	<u>55,61,245.00</u>	55,61,245.00	<i>Buildings</i>	2,84,576.00	3,47,48,473.00
Loans (Liability)			<i>CC Flooring</i>	1,56,31,457.00	
Current Liabilities			<i>Computer & Printers</i>	2,588.00	
<i>Duties & Taxes</i>	9,015.00	28,35,903.79	<i>Drains</i>	27,78,195.00	
<i>Deposits Received</i>	4,78,458.79		<i>Fittings & Electrical Appliances</i>	6,500.00	
<i>Employee Liabilities</i>	20,62,756.00		<i>Furniture, Fittings & Elec. Appl.-Cabinets</i>	6,346.00	
<i>Other Liabilities</i>	25,338.00		<i>Furniture, Fittings & Elec. Appl.-Chairs</i>	47,403.00	
<i>CHEQUE ISSUED BUT NOT PRESENTED</i>	84,736.00		<i>Furniture, Fittings & Elec. Appl.-Fans</i>	16,137.00	
<i>Creditors-Contractors</i>	1,77,418.00		<i>Public Lighting-Lamps Posts</i>	41,66,995.00	
<i>Employee Bank Loan</i>	750.00		<i>Roads & Bridges-Black Top</i>	53,38,483.00	
<i>Labour Cess</i>	<u>(-)2,568.00</u>		<i>Roads & Bridges-Concrete</i>	44,64,639.00	
Excess of income over expenditure		3,59,43,763.64	<i>Roads & Bridges-Others</i>	4,82,732.00	
<i>Opening Balance</i>	3,65,89,092.36		<i>Vehicles</i>	6,24,245.00	
<i>Current Period</i>	<u>(-)7,60,712.72</u>		<i>Vehicles-Tankers</i>	2,98,316.00	
<i>Less: Transferred</i>	<u>1,15,384.00</u>		<i>Waterways-Bore Wells</i>	<u>5,99,861.00</u>	
			Investments		
			Current Assets		
			<i>Closing Stock</i>		95,92,439.43
			<i>Loans & Advances (Asset)</i>	14,36,345.00	
			<i>Bank Accounts</i>	55,50,051.43	
			<i>Pre-Paid Expenses</i>	13,32,125.00	
			<i>House Tax - Arrears</i>	7,541.00	
			<i>Stores and Spares</i>	11,76,133.00	
			<i>Water Rate - Arrears</i>	<u>90,244.00</u>	
Total		4,43,40,912.43	Total		4,43,40,912.43