



Name :- Amravati Municipal Corporation

Subject :- Audit Report

Year :- F.Y 2022 - 23

FROM:
M/S PARESH R.SAHU & CO.
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INDEPENDENT AUDITORS' REPORT

To,
The Municipal Commissioner,
Amravati Municipal Corporation.

We have audited the accompanying financial statements of **Amravati Municipal Corporation (AMC), Amravati** which comprise the Balance Sheet as at March 31, 2023, for the year then ended, Statement of Income and expenditure For the year ending on March 31, 2023 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Financial Statements

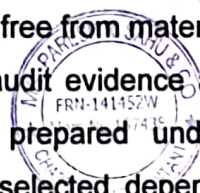
The authorities of the corporation are responsible for preparation of these financial statements that gives a true and fair view of the financial position, financial performance in accordance with the **Generally Accepted Accounting Principles (GAAP)** in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements prepared under accrual Based accounting system of corporation based on **National Municipal Accounting Manual (NMAM)**.

We conducted our audit in accordance with the Standards on Auditing specified under Double entry accounting system under the NMAM. Those Standards require that we comply with the ethical requirements, plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain **audit evidence** about the amounts and the disclosures in the financial statements prepared under accrual Based accounting system of corporation. The procedures selected depend on the auditor's



judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making, those risk assessments, the auditor considers the internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Corporation, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Disclaimer of Opinion

The matters as stated in the notes to account of the financial statements give rise to the inappropriateness of use of general accepted accounting principal that the transaction recognized in the books of account of the basis of information produce for the double entry in the computerized form. The said notes give rise to material uncertainties as regard possible material adjustment that maybe required to be made to record value of recorded assets and liabilities, which could not been recorded in the financial statements on account of bring not readily ascertainable. As result of these matters, we are unable to determine as to whether any adjustments that would have been necessary and required to be made in respect to receivables, advances, current liabilities, and contingent liabilities, as at 31st March 2023; and respect of the corresponding possible impact on such items and associated elements on the statements of profit and loss for the years ended on that date.

This matter was also disclaimed in our report on the financial statements for the year ended 31 march 2021

Disclaimer of opinion

Because of the significance of matter described in the basis for disclaimer of opinion paragraphs, we have not been able to obtained sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the said statements.

Report on Other Legal and Regulatory Requirements

1. As required by the National Municipal Accounting Manual (NMAM), issued by the Government of India, Ministry of Urban Development November 2004, in terms of Chapter 32 of the NMAM, to the extent applicable.

2. we further report that:



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

(b) In our opinion, the Corporation not has kept proper books of account as required by law as far as it appears from our examination of those books. All books of accounts are maintained computerized. The corporation has maintained the books of account under the programme of Tally ERP9. department had tendered for accounting these books of accounts.

(c) The Balance Sheet and Statement of Income and Expenditure dealt with by this Report are in agreement with the books of account.

(d) NMAM is silent on provision for retirement benefits to be payable to employees of Corporation nor there is any legal requirement. Separate Funds may also be formed for meeting the pension and other retirement benefits such as Gratuity and Leave encashment etc.

(e) In case of Fixed Assets of the Corporation balances stated in the balance sheet are subject to physical verification, revaluation and impairment if any. The corporation had not charged the depreciation on the assets during the year. In absences of information, we are not able to quantify the financial effects if any.

(f) In case of bank balances reported Corporation have many bank accounts, which are not in operation since last few years, and the same will be required to be closed by Corporation, for details refer annexure A to our report.

(g) In case of bank reconciliation, the balance lying in the reconciliation statements are aged more than one year. All the bank accounts balance is as per books of account subject to reconciliation.

(h) In our opinion and to the best of our information and according to the explanations given to us:

a. The Corporation has some pending litigations, which would impact its financial position. And provision not recognised in the books of accounts.

b. Accounting of the municipal corporation was done based on the source document provided during the period of accounting to the tenderer. The same is change after our accounting the financial statements prepared by them are not presented true and fair view to the extent.

c. Previous year figures were regrouped or rearranged were ever required. As per corporation, the tax may have been collected in cash, but the same has been deposited in treasury account either in the same day or in next day, further there is no mention of cash in the treasury cash book, hence the entries has been passed as appears in the treasury cash book.



d. In the department of Swacha Bharat yojana accounts details i.e cash books, bank books, vouchers, etc not provided while during accounting hence those transaction not recognized in the books of account. Further that management informed us that the cash books and documents are submitted to police stations.

For M/s Paresh R.Sahu & CO,
Chartered Accountants

Place: Amravati
Date:05/06/2024



CA. Paresh R Sahu
Proprietor

Membership No. 167438

Firm Reg. No.: 141452W

UDIN: 24167438BKAFWD1321

Chief Accounts Officer
Municipal Corporation, Amravati.

AMARAVATI MUNICIPAL CORPORATION

Balance Sheet
as on 31st March 2023

Liabilities	Amount	Assets	Amount	Amount
Capital Account		Fixed Assets		3823286837.72
Loans (Liability)		Investments		563128774.00
Current Liabilities		Current Assets		1149640081.54
Total		Total	5536055693.26	5536055693.26

As per our Report & Notes of even date
For M/s Paresh R.Sahu & Co
Chartered Accountants

Date: 05/06/2024

Place: Amravati

M. S. Sahu
Municipal Corporation, Amravati
Chief Account Officer



Proprietor
Mem.No.167438
FRN:141452W
UDIN: 24167438BKAFWD1321

AMARAVATI MUNICIPAL CORPORATION

Income and Expenditure Statement for the Years ending 31st March 2023

Particulars	Amount	Particulars	Amount
Indirect Expenses	407364183.00	Indirect Incomes	1565931421.70
Direct Expenses	3055740353.90	direct Incomes	1994583170.00
Excess of income over expenditure	97410054.80		
Total	3560514591.70	Total	3560514591.70

Date: 05/06/2024

Place: Amravati

As per our Report & Notes of even date
For M/s Paresh R.Sahu & Co
Chartered Accountants



Chief Account Officer

Proprietor
Mem.No.167438
FRN:141452W
UDIN: 24167438BKAFWD1321

[Signature]
Chief Accounts Officer
Municipal Corporation, Amravati.

Amravati Muncipal Corporation, Amravati

Cash Flow for the Year Ended 31st March 2023

Sr No	Particulars	Amount	Amount
A	Cash Flow from operating activities:		
(a)	Receipt From operating Activities	3182955498.80	
(b)	Cash paid on operating Activities	3831484172.90	
(c)	Cash Generation from operating activities	-648528674.10	
(d)	decreased in Unsecured loans and Payables	511827.00	
(e)	Cash flow before extra ordinary activities (c-d)	-649040501.10	
	Net cash outflow from operating activities		-649040501.10
B	Cash Flow from investing Activities		
(a)	Capital Funds received from verious Activities	506632231.58	
(b)	Capital Funds Expended on Activities	981312825.28	
	Cash flow Inflow from Investing activities		-474680593.70
C	Cash flow from Financing Activities		0
	Net decreased in cash and cash equivalents		-1123721094.80
	Cash and Cash equivalents at beginning of period		2272786094.34
	Cash and cash equivalents at end of period		1149064999.54

