

1/8/2021



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GDK & ASSOCIATES

CHARTERED ACCOUNTANTS

Offices : Bhopal, Indore, Pune, Sagar

CA. Anand Jain, Partner
FCA, LL.B.(Hons), B.Com

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INDEPENDENT AUDITOR'S REPORT

To,
**The Municipal Commissioner,
Indore Municipal Corporation,
Indore**

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **INDORE MUNICIPAL CORPORATION, INDORE**, which comprise the balance sheet as at March 31, 2020, and the Statement of Income & Expenditure and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the books of accounts, Income & Expenditure and Balance Sheet of the Corporation for the audited year, give the information required by the MPMAM in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Corporation as at March 31, 2020, its Income & Expenditure and cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under double entry system of accounting under MPMAM. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Information other than the financial statements and auditors' report thereon

The authorities of the corporation are responsible for the preparation of the other information. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The authorities of the corporation are responsible for 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 by the Corporation. 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 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 and using the going concern basis of accounting.



Auditor's responsibilities 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

We report the following observations and discrepancies which we are giving in "ANNEXED REPORT" to be read every time with this Statutory Audit Report. Subject to above: we report that:

- a) 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.
- b) In our opinion proper books of account as required by law have been kept and maintained by the Corporation so far as appears from our examination of such books and subject to the observations made below.
- c) The Balance Sheet, the Statement of Income and Expenditure, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d) We further report that –

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

In our opinion, proper books of account as required by law have been kept by the corporation so far as it appears from our examination;

- (a) The Balance Sheet, the Statement of Income & Expenditure dealt with by this Report are in agreement with the books of account



(b) The audit has been undertaken according to the details provided and explanations given on all the financial and non financial matters and the detailed point during audit has been pointed in annexed report.

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

i. The Corporation has disclosed the impact of pending litigations on its financial position in its financial statements.

ii. The Corporation has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

For GDK & Associates
Chartered Accountants



CA Anand Jain
(Partner)

M. N. 427705

Date: 30-12-2020

Place: Indore

UDIN : 21427705AAAAAF8614



INDORE MUNICIPAL CORPORATION

BALANCE SHEET

(AS AT 31 MARCH 2020)



(Amount in Rupees)

	Particulars	Schedule No.		Current Year	Previous Year
A	SOURCES OF FUNDS				
A1	Reserves and Surplus				
	Municipal (General) Fund	B-1	19,233,532,465		17,751,493,513
	Earmarked Funds	B-2	476,476,286		460,029,462
	Reserves	B-3	21,811,149,231		18,728,034,284
	Total Reserves and Surplus			41,521,157,983	36,939,557,258
A2	Grants, Contributions for Specific Purpose	B-4		6,135,054,791	5,856,928,726
A3	Loans				
	Secured Loan	B-5	3,531,950,505		3,846,961,925
	Unsecured Loans	B-6	9,827,276		9,827,276
	Total Loans			3,541,777,781	3,856,789,201
	TOTAL OF SOURCES OF FUNDS [A1-A3]			51,197,990,555	46,653,275,186
B	APPLICATION OF FUNDS				
B1	Fixed Assets				
	(including Statues and Heritage Assets)				
	Gross Block	B-11	39,827,129,591		37,578,400,055
	Less: Accumulated Depreciation		20,106,104,565		17,659,872,536
	Net Block			19,721,025,026	19,918,527,519
	Capital Work-in-Progress			15,158,581,799	12,330,972,309
				34,879,606,824	32,249,499,828
B2	Investments				
	Investment - General Fund	B-12		1,631,560,601	2,125,030,674
	Investment - Other Fund	B-13		692,054,265	424,545,878
	Total Investments			2,323,614,866	2,549,576,552
B3	Current Assets, Loans & Advances :				
	Stock in Hand (Inventories)	B-14		5,286,624,797	2,190,271,964
	Sundry Debtors (Receivables) :				
	Gross Amount Outstanding	B-15	19,116,660,109		16,413,167,026
	Less: Accumulated Provision against bad and doubtful receivables		9,054,992,434	10,061,667,675	8,015,799,905
	Prepaid Expenses	B-16		9,718,507	8,610,337
	Cash and Bank Balances	B-17		2,346,877,809	3,480,066,598
	Loans, Advances and Deposits	B-18		4,560,335,380	4,524,703,422
	Total Current Assets			22,265,224,169	18,601,019,442
B4	Current Liabilities and Provisions				
	Deposits Received	B-7		1,722,137,295	1,544,613,254
	Deposit Works	B-8		153,794,349	135,336,700
	Other Liabilities (Sundry Creditors)	B-9		6,342,126,672	5,015,303,561
	Provisions	B-10		73,719,659	70,401,342
B5	Total Current Liabilities			8,291,777,976	6,765,654,857
	Net Current Assets (B3-B4)			13,973,446,193	11,835,364,585
C	Other Assets	B-19		21,322,671	18,834,221
D	Miscellaneous Expenditure (to the extent not written off)	B-20		-	-
	TOTAL OF APPLICATION OF FUNDS [B1+B2+B3+B4+B5+C+D]			51,197,990,555	46,653,275,186

Notes to the Balance Sheet and Significant Accounting Policies

B-21

Note: The Schedules referred to above are an integral part of the Balance Sheet.

As per Our Report Attached of Even Date

For GDK& Associates

Chartered Accountants
FRN 002159C
(CA Anand Jain)
Partner
M. No. 427705

Commissioner
Indore Municipal Corporation

Additional Commissioner - Finance
Indore Municipal Corporation
INDORE
Handholding Consultants

A. K. Surana & Associates
Handholding Consultants

Place : Indore
Date : 30/12/2020
UDIN: 21427705AAKAAAG0014

INDORE MUNICIPAL CORPORATION
INCOME AND EXPENDITURE STATEMENT
(FOR THE PERIOD FROM 1 APRIL, 2019 TO 31ST MARCH, 2020)



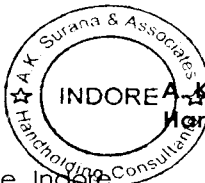
(Amount in Rs.)

	Item / Head of Account	Schedule No	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
A	INCOME			
	Tax Revenue	IE-1	5,671,508,091	4,808,962,594
	Assigned Revenues & Compensation	IE-2	5,816,305,938	6,959,656,315
	Rental Income from Municipal Properties	IE-3	49,246,263	70,823,965
	Fees & User Charges	IE-4	1,932,672,988	2,104,466,158
	Sales & Hire Charges	IE-5	19,840,134	17,843,314
	Revenue Grants, Contributions & Subsidies	IE-6	2,473,129,849	2,153,366,096
	Income from Investments	IE-7	129,243,159	78,505,845
	Interest Earned	IE-8	90,716,567	92,012,451
	Other Income	IE-9	570,984,641	562,335,679
	Total - INCOME		16,753,647,631	16,847,972,417
B	EXPENDITURE			
	Establishment Expenses	IE-10	4,134,180,277	3,484,700,215
	Administrative Expenses	IE-11	579,871,341	672,753,838
	Operations & Maintenance	IE-12	3,767,603,663	4,512,280,622
	Interest & Finance Expenses	IE-13	286,123,624	301,005,418
	Programme Expenses	IE-14	49,252,077	67,930,885
	Revenue Grants, Contributions & Subsidies	IE-15	627,990,610	594,668,632
	Provisions & Write off	IE-16	1,447,742,386	1,311,847,806
	Miscellaneous Expenses	IE-17	28,540,243	75,011,711
	Depreciation		2,446,232,030	2,261,184,012
	Total - EXPENDITURE		13,367,536,249	13,281,383,138
C	Gross Surplus / (Deficit) of Income over Expenditure before Prior Period Items (A-B)		3,386,111,382	3,566,589,279
D	Add/Less: Prior Period Items (Net)	IE-18	-	-
E	Gross Surplus / (Deficit) of Income over Expenditure after Prior Period Items (C-D)		3,386,111,382	3,566,589,279
F	Less: Transfer to Reserve Funds		798,135,163	805,755,922
H	Net Balance being Surplus / (deficit) carried over to Municipal Fund (E-F-G)		2,587,976,218	2,760,833,357

Commissioner

Indore Municipal Corporation

Additional Commissioner - Finance
 Indore Municipal Corporation



A.K. Surana & Associates
 Chartered Accountants

Place Indore
 Date 30/12/2020
 UDIN: 21427705 AAAAA8614

As per Our Report Attached of Even Date
 For GDK & Associates
 Chartered Accountants

FRN 002159C

 (CA Anand Jain)
 Partner
 M. No. 427705

