

BIHAR RURAL LIVELIHOODS PROMOTION SOCIETY

**Vidyut Bhawan, Annexe – II, 1st Floor
Bailey Road, Jawaharlal Nehru Marg
Patna – 800 001**

Report on Statutory Audit of Bihar Rural Livelihoods Promotion Society For the financial year 2009-10

**Mookherjee Biswas & Pathak
Chartered Accountants
Kolkata**

AUDITORS' REPORT

To the members of Bihar Rural Livelihoods Promotion Society

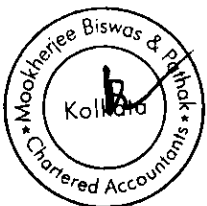
We have audited the accompanying Balance Sheet of Bihar Rural Livelihoods Promotion Society (BRLPS) as at March 31, 2010, the Income and Expenditure Account and Receipts and Payments Account for the year ended on that date all of which have been signed under reference to this report. These financial statements are the responsibility of the Management of the Society. Our responsibility is to express an opinion on these financial statements on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

It is the policy of the enterprise to prepare its financial statements on the cash receipts and disbursements basis. On this basis income and the related assets are recognised when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred.

Based on our audit, we report that:

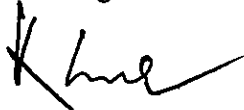
- 1) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit.
- 2) In our opinion proper books of account, as required by law, have been maintained by the society so far as appears from our examination of those books.
- 3) The financial statements dealt with by this report are in agreement with the books of account.
- 4) In our opinion, and to the best of our information and according to the explanations given to us the said financial statements give a true and fair view
i) in the case of Balance Sheet, the assets and liabilities arising from cash transactions of the Society as at March 31, 2010 and,



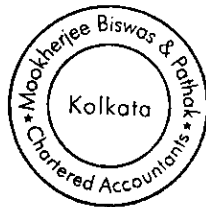
Mookherjee Biswas & Pathak

- ii) in the case of Income and Expenditure Account of the income earned and expenditure incurred by the Society on receipts and disbursements basis during the year ended on that date and,
- iii) in the case of Receipts and Payments Account, of the Receipts and Payments of the Society during the year ended on that date.

For Mookherjee Biswas & Pathak
Chartered Accountants
Firm Registration No 301138E



(K Dutta)
Partner
Membership No 053790



August 16, 2010
Patna

AUDIT REPORT

To Bihar Rural Livelihoods Promotion Society

We have audited the accompanying Balance Sheet of Bihar Rural Livelihoods Promotion Project (BRLP) as at March 31, 2010, the Income and Expenditure Account and Receipts and Payments Account for the year ended on that date and also the Reconciliation of claims to total applications of funds for the year ended 31st March 2010 (collectively referred to as the "financial statements") under World Bank Loan No. 4323-O/IN. These financial statements are the responsibility of the Management of the project. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing and Assurance Standards issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

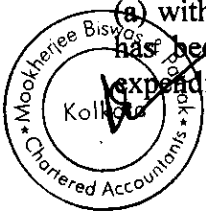
In our opinion, and to the best of our information and according to the explanations given to us the said Balance Sheet, Income and Expenditure Account and Receipts and Payments Account read in conjunction with Notes and Schedules 1 to 15 annexed thereto, give a true and fair view

- i) in the case of Balance Sheet, of the state of affairs of the Project as at March 31, 2010 and,
- ii) in the case of Income and Expenditure Account, the Income and Expenditure of the Project for the year ended on that date, and
- iii) in the case of Receipts and Payments Accounts, of the Receipts and Payments of the Project for the year ended on that date

B) Further, in our opinion, and to the best of our information and according to the explanations given to us we state that we are satisfied that the procurement procedure prescribed in the procurement manual under BRLP has been followed.

C) We further state that,

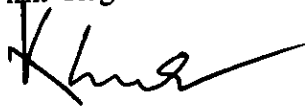
- (a) with respect to Interim Financial Reports (IFRs) adequate supporting documentation has been maintained to support claims to the World Bank for reimbursements of expenditures incurred; and



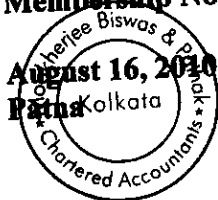
(b) these expenditures are eligible for financing under the Loan/Credit Agreement No 4323-O/IN

(c) the IFRs submitted and procedure and internal controls involved in their preparation can be relied upon to support the withdrawals.

For Mookherjee Biswas & Pathak
Chartered Accountants
Firm Registration No 301138E



(K Dutta)
Partner
Membership No 053790



**BIHAR RURAL LIVELIHOODS PROMOTION SOCIETY
BALANCE SHEET AS AT 31 ST MARCH 2010**

Capital / Liabilities	Schedule No	As at 31st March 2010	As at 31st March 2009	Assets	Schedule No	As at 31st March 2010	As at 31st March 2009
		Rs	Rs			Rs	Rs
Capital fund	1	18,518,912.75	11,657,229.00	Fixed Assets	5	18,518,912.75	11,657,229.00
General fund	2	227,057,604.64	131,600,012.95	Current Assets , Loans & Advances			
Loans	3	7,277.00	7,277.00	Current Assets			
Current Liabilities	4	1,011,099.00	762,044.00	Cash in Hand	6	461,426.90	128,150.75
				Cash at Bank	7	203,751,325.99	112,889,090.62
				Funds in transit	8	4,700,000.00	5,360,003.00
						208,912,752.89	118,377,244.37
				Loan & Advances	9	19,163,227.75	13,992,089.58
Total		246,594,893.39	144,026,562.95	Total		246,594,893.39	144,026,562.95

Significant Accounting Policies & Notes on Accounts

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In terms of our report of even date


For and on behalf of
Mookherjee Biswas & Pathak
Chartered Accountants
Firm Registration No: 301138E

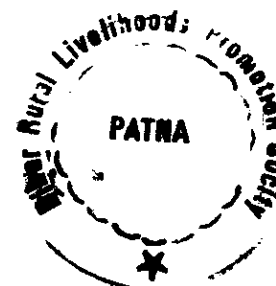

K. Dutta
Partner
Membership No. 53790




Place : Patna
Date : 16th August, 2010

For and on behalf of
Bihar Rural Livelihoods Promotion Society


16/8/2010
Arvind Kumar Chaudhary, IAS
(Project Director-cum- Chief Executive Officer)




16/8/10
Subodh Ram
(Chief Finance Officer)

**BIHAR RURAL LIVELIHOODS PROMOTION SOCIETY
INCOME & EXPENDITURE FOR THE YEAR ENDED 31ST MARCH 2010**

Expenditure	Schedule No	For the year ended 31.03.10	For the year ended 31.03.09	Income	Schedule No	For the year ended 31.03.10	For the year ended 31.03.09
		Rs	Rs			Rs	Rs
Expenditure on Main Project				Fund Received			
Community institution Development	10	130,476,655.06	35,645,532.17	To the Extent utilized during the year		828,871,408.31	88,560,029.60
Community investment fund	11	634,685,798.00	19,051,484.00	Less: Expenditure in Fixed Assets transferred to capital Fund Account	5	6,861,683.75	4,917,843.00
Project Management Expenses	12	48,872,390.50	22,673,045.00			822,009,724.56	83,642,186.60
Special Technical Assistance fund		12,794,681.00	8,125,737.00	Miscellaneous Income			
		826,829,524.56	85,495,798.17	Bank Interest	13	4,720,520.00	1,833,079.57
Fixed Assets Purchased		6,861,683.75	4,917,843.00	Miscellaneous income	14	99,280.00	20,532.00
Total Expenditure		833,691,208.31	90,413,641.17				
Less : Fixed Assets transferred		6,861,683.75	4,917,843.00				
Total		826,829,524.56	85,495,798.17	Total		826,829,524.56	85,495,798.17

Significant Accounting Policies & Notes on Accounts

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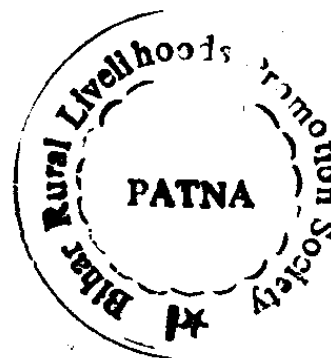
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Partner
Membership No. 53790

Place : Patna
Date : 16th August, 2010



For and on behalf of
Bihar Rural Livelihoods Promotion Society

Arvind Kumar Chaudhary, IAS
(Project Director-cum- Chief Executive Officer)



Subodh Ram
(Chief Finance Officer)

BIHAR RURAL LIVELIHOODS PROMOTION SOCIETY
RECEIPTS AND PAYMENT ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

Receipts	Schedule No	For the year ended 31.03.10	For the year ended 31.03.09	Payments	Schedule No	For the year ended 31.03.10	For the year ended 31.03.09
		Rs	Rs			Rs	Rs
Opening Balance				Main Project Expenditure			
Cash in hand	6	128,150.75	12,518,753.50	Community Institution Development	10	130,476,655.06	35,645,532.17
Cash at Bank	7	112,889,090.62	76,234.00	Community Investment fund	11	634,685,798.00	19,051,484.00
Fund in transit	8	5,360,003.00	-	Project Management Expenses	12	48,872,390.50	22,673,045.00
Loans & Advances	9	13,992,089.58	1,399,746.05	Special Technical Assistance fund		12,794,681.00	8,125,737.00
		132,369,333.95	13,994,733.55	Fixed Assets	5	6,861,683.75	4,917,843.00
Fund Received						833,691,208.31	90,413,641.17
from Government of Bihar		924,000,000.00	206,462,000.00				
From UNICEF		329,000.00	-				
Other Income				Opening Liabilities	4	762,044.00	296,691.00
Bank Interest	13	4,720,520.00	1,833,079.57				
Miscellaneous Income	14	99,280.00	20,532.00				
		4,819,800.00	1,853,611.57				
Closing Liabilities	4	1,011,099.00	769,321.00	Closing balance			
				Cash in hand	6	461,426.90	128,150.75
				Cash at Bank	7	203,751,325.99	112,889,090.62
				Fund in transit	8	4,700,000.00	5,360,003.00
				Loans & Advances	9	19,163,227.75	13,992,089.58
						228,075,980.64	132,369,333.95
		1,062,529,232.95	223,079,666.12			1,062,529,232.95	223,079,666.12

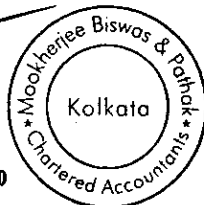
Significant Accounting Policies & Notes
on Accounts

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K. Dutta
Partner
Membership No. 53790



Place : Patna
Date : 16th August, 2010

Arvind Kumar Chaudhary
16/8/2010
Arvind Kumar Chaudhary, IAS
(Project Director-cum- Chief Executive Officer)

For and on behalf of
Bihar Rural Livelihoods Promotion Society



Subodh Ram
16/8/10
Subodh Ram
(Chief Finance Officer)

BIHAR RURAL LIVELIHOODS PROMOTION SOCIETY

Schedules to the Balance Sheet

Schedule: 1

Capital Fund	As at 31st March 2010 Rs	As at 31st March 2009 Rs
Opening Balance	11,657,229.00	6,739,386.00
Add Transferred during the year being Capital Expenditure in nature	6,861,683.75	4,917,843.00
Closing balance	<u>18,518,912.75</u>	<u>11,657,229.00</u>

Schedule: 2

General Fund	As at 31st March 2010 Rs	As at 31st March 2009 Rs
Opening balance	131,600,012.95	13,698,042.55
Fund from State Government for the project	924,000,000.00	206,462,000.00
Fund received from UNICEF	329,000.00	
Less : Expenditure incurred during the year	(822,009,724.56)	(83,642,186.60)
Less : Expenditure on Fixed Assets transferred to Capital Fund	(6,861,683.75)	(4,917,843.00)
Closing balance	<u>227,057,604.64</u>	<u>131,600,012.95</u>



BIHAR RURAL LIVELIHOODS PROMOTION SOCIETY
Schedules to the Balance Sheet

Schedule: 3

Loans

PARTICULARS	As at 31st March	As at 31st March
	2010	2009
	Rs	Rs
BSWDC	7,277.00	7,277.00
Total	7,277.00	7,277.00

Schedule: 4

CURRENT LIABILITIES

PARTICULARS	As at 31st March	As at 31st March
	2010	2009
	Rs	Rs
SPMU		
Sundry Creditors	65,126.00	1,430.00
Duties & Taxes	708.00	-
Security Deposit	83,848.00	376,657.00
Retention Money	75,868.00	169,873.00
Performance Security	255,205.00	100,000.00
Salary deduction	67,108.00	2,863.00
Insurance Premium	7,561.00	-
(A)	555,424.00	650,823.00

BPIU

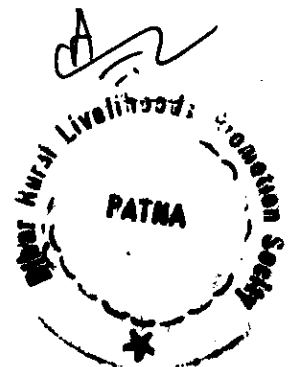
Khagaria	-	10,000.00
B. Kothi	2,200.00	9,046.00
Banmankhi	-	8,166.00
Dhamdha	-	9,049.00
Mushahri	687.00	-
Bochacha	1,289.00	-
Meenapur	256.00	-
Harnaut	7,773.00	-
Rajgir	6,472.00	931.00
Biharsharif	4,557.00	-
Ruhai	5,035.00	-
Nagarnausa	213.00	-
Bodh gaya	783.00	25,668.00
Serghati	6,590.00	5,000.00
Khizarsaria	24,177.00	-
Dobhi	8,738.00	22,040.00
Amas	10,785.00	-
Manpur	315.00	-
Wazirgang	8,150.00	-
Tankuppa	7,092.00	-
Madhubani (Raj nagar)	6,294.00	1,221.00
Benipatti	492.00	15,100.00
Khazauli	5,873.00	5,000.00
Jainagar	6,941.00	-
Jhanjharpur	603.00	-
Lakhnaur	603.00	-
Pandual	3,475.00	-
(B)	119,393.00	111,221.00

DPCU

DPCU Madhubani	21,104.00	-
DPCU Gaya	148,771.00	-
DPCU Muzaffarpur	34,317.00	-
DPCU Purnea	107,248.00	-
DPCU Nalanda	24,842.00	-
(C)	336,282.00	-

Total (A+B+C)

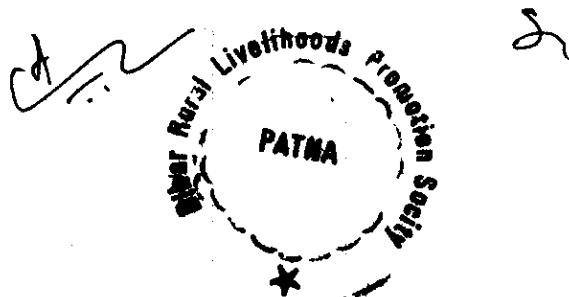
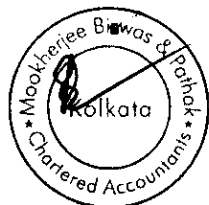
1,811,879.00 762,044.00



BIHAR RURAL LIVELIHOODS PROMOTION SOCIETY
Schedules to the Balance Sheet

Schedule 5
Fixed Assets

PARTICULARS	BALANCE AS ON 1-4-2009	ADDITION DURING THE YEAR MAIN PROJECT	(Amount Rs)
			BALANCE AS ON 31.3.2010
Airconditioner	704,145.00		704,145.00
Computer	811,194.00	107,070.50	918,264.50
Laptops	615,240.00		615,240.00
Fax	51,968.00	128,465.00	180,433.00
Furniture	3,528,179.00	2,248,589.50	5,776,768.50
Mobile	59,800.00	16,100.00	75,900.00
Intercom	112,470.00	2,845.00	115,315.00
Vehicle	1,581,106.00		1,581,106.00
Photocopier	146,640.00		146,640.00
Printer	61,276.00	764,427.00	825,703.00
Software	71,587.00	518,760.00	590,347.00
Other office Equipment	1,921,599.00	421,261.00	2,342,860.00
Misc. Electronic Installations	85,637.00	21,329.75	106,966.75
LCD Projector	496,379.00	80,548.00	576,927.00
LCD TV	111,523.00		111,523.00
Digital Camera	72,800.00	341,937.00	414,737.00
UPS/Inverter	611,733.00	4,800.00	616,533.00
Scanner	6,490.00	190,878.00	197,368.00
Generator(MP)	110,504.00		110,504.00
Computer Accessories	2,905.00	379,092.00	381,997.00
Upgrading of Computer System /O.Equipment	475,904.00	246,060.00	721,964.00
Cycle(MP)	5,250.00	23,156.00	28,406.00
Laptops Adaptor	12,900.00	6,000.00	18,900.00
Fan	-	65,867.00	65,867.00
Sign Board	-	57,622.00	57,622.00
Office Refurnishing	-	1,234,776.00	1,234,776.00
Gas cylinder	-	2,100.00	2,100.00
Total	11,657,229.00	6,861,683.75	18,518,912.75

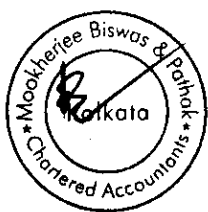
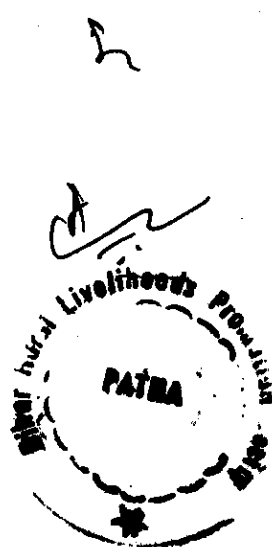


BIHAR RURAL LIVELIHOODS PROMOTION SOCIETY
Schedules to the Balance Sheet

Schedule-6

Cash in hand

PARTICULARS	As at 31st March 2010	As at 31st March 2009
	Rs	Rs
SPMU	<u>32,769.55</u>	<u>28,705.55</u>
(A)	32,769.55	28,705.55
BPIU		
Dhamdha	1,321.00	10,567.85
B. Kothi	30.00	0.50
Banmankhi	22,584.35	1,098.35
Kahagaria	4,567.00	6,458.00
Alauli	233.00	4,668.00
Chhatapur	3,425.00	-
Kumarkhand	1,792.00	-
Benipatti	5,782.00	3,181.00
Khazauli	38,802.00	1,563.00
Raj nagar	3,002.00	1,409.00
Jainagar	913.00	-
Pandaul	3,525.00	-
Bochaha	22,511.00	10,707.00
Meenapur	41,094.00	8,706.00
Mushari	9,182.00	25,093.00
Sakra	25,732.00	-
Saraiya	13,353.00	-
Murauli	21,211.00	-
Kudhni	4,556.00	-
Rajgir	5,699.00	458.00
Sarmera	3,342.00	3,620.00
Hanaut	12,238.00	6,376.00
Biharsharif	6,899.00	-
Nagarnausa	679.00	-
Rahui	6,858.00	-
Asthawan	2,906.00	-
Bodh gaya	4,787.00	12,733.00
Dobhi	643.00	523.00
Serghati	7,717.00	-
Khizersarai	12,479.50	2,283.50
Amas	865.00	-
Atri	16,092.00	-
Wazirgang	19,790.00	-
Gurua	12,483.00	-
Tankuppa	8,669.50	-
Barachatti	6,959.00	-
Manpur	26,358.00	-
(B)	<u>379,079.35</u>	<u>99,445.20</u>
DPCU		
Purnia(DPCU)	13,438.00	-
Khagaria(DPCU)	13,629.00	-
Gaya(DPCU)	807.00	-
Nalanda(DPCU)	1,365.00	-
Muzaffarpur(DPCU)	20,339.00	-
(C)	<u>49,578.00</u>	-
Total (A+B+C)	<u><u>461,426.90</u></u>	<u><u>128,150.75</u></u>



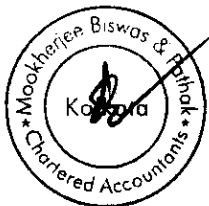
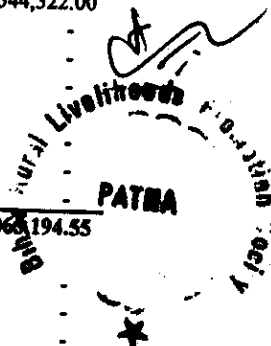
BIHAR RURAL LIVELIHOODS PROMOTION SOCIETY
Schedules to the Balance Sheet

Schedule-7

Cash at Banks

(Amount Rs)

PARTICULARS	As at 31st March 2010	As at 31st March 2009
	Rs	Rs
SPMU		
Corporation bank(HO)	33,266.00	32,229.00
Central bank of india(HO)	2,065,714.00	10,540,330.00
Canara bank (HO)	3,223,358.07	10,651,065.07
SBI (HO)	1,084,336.00	39,746,364.00
Punjab National Bank	5,358,831.00	26,853,908.00
Madhya Bihar Gramin Bank	266,800.00	-
Union Bank of India	941,932.00	-
(A)	12,974,237.07	87,823,896.07
BPIU		
Dhamdha	5,055,516.40	403,836.20
B. Kothi	5,517,340.00	408,342.00
Amour	2,368,135.00	-
Baisi	730,871.00	-
Banmankhi	1,892,957.00	548,161.00
Bhawanipur	1,830,211.00	-
Rupauli	4,654,024.00	-
Kahagaria	13,692,092.80	3,703,205.00
Chautham	3,737,181.00	-
Alauli	12,553,440.00	3,205,647.00
Chhatapur	2,105,243.00	-
Kumarkhand	2,942,975.00	-
Benipatti	5,304,948.05	445,137.05
Khazauli	5,819,139.00	1,567,494.00
Raj nagar	6,272,908.00	350,156.00
Jainagar	510,687.00	-
Jhanjharpur	3,400,699.00	-
Lakhnaur	4,392,789.00	-
Pandaul	1,753,776.00	-
Bochaha	19,915,408.00	1,844,294.00
Meenapur	579,888.50	1,682,378.00
Mushari	8,438,307.00	2,369,827.00
Sakra	326,309.00	-
Saraiya	2,287,760.00	-
Muraul	2,208,871.00	-
Kudhni	4,098,857.00	-
Rajgir	398,666.00	660,099.00
Sarmera	6,134,601.00	1,857,367.00
Hanaut	9,267,545.00	1,156,383.00
Biharsharif	8,745,220.00	-
Nagarnausa	4,914,359.00	-
Rahui	9,947,136.00	-
Asthawan	184,865.00	-
Bodh gaya	2,715,912.30	1,558,759.30
Dobhi	3,722,549.00	1,512,620.00
Serghati	2,969,545.00	1,247,167.00
Khizersarai	601,198.00	544,322.00
Amas	464,836.00	-
Atri	2,489,694.00	-
Wazirgang	2,818,859.37	-
Gurua	2,357,273.00	-
Tankuppa	399,449.00	-
Barachatti	907,980.00	-
Manpur	2,246,719.50	-
(B)	183,676,739.92	25,068,194.55
Bank balance at DPCU		
Purnia(DPCU)	1,068,504.00	-
khagaria(DPCU)	1,721,844.00	-
Madhubani(DPCU)	499,250.00	-
Gaya(DPCU)	334,165.00	-
Nalanda(DPCU)	3,393,238.00	-
Muzaffarpur(DPCU)	83,348.00	-
(C)	7,100,349.00	-
Total (A+B+C)	203,751,325.99	112,892,090.62



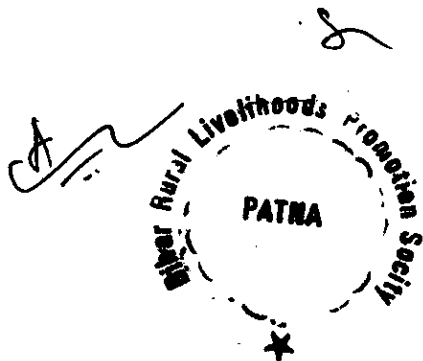
BIHAR RURAL LIVELIHOODS PROMOTION SOCIETY
Schedules to the Balance Sheet

Schedule-8

Funds in Transit

PARTICULARS

	As at 31st March 2010	As at 31st March 2009
	Rs	Rs
DPIU		
Bhawanipur	700,000.00	-
Amas	1,500,000.00	-
Tankuppa	2,500,000.00	-
Dhamdaha	-	978,000.00
B. Kothi	-	1,710,000.00
Banmankhi	-	1,283,500.00
Khizirsarai	-	300,000.00
Benipatti	-	25,103.00
Jaynagar	-	1,063,400.00
Total	4,700,000.00	5,360,003.00



BIHAR RURAL LIVELIHOODS PROMOTION SOCIETY
Schedules to the Balance Sheet

Schedule 9

Loans and Advances

PARTICULARS	As at 31st March 2010	As at 31st March 2009
	Rs	Rs
BPIU		
Dhamdha	217,684.00	270,518.00
B. Kothi	102,472.50	112,169.00
Amour	110,872.00	-
Baisi	18,411.00	-
Banmankhi	88,701.00	77,359.00
Bhawaniipur	47,210.00	-
Rupauli	26,209.00	-
Khagaria	105,089.00	48,313.25
Chautham	12,201.00	-
Alauli	32,313.00	32,600.00
Chhatapur	70,146.00	-
Kumarkhand	22,177.00	-
Benipatti	79,753.00	116,806.00
Khazauli	55,154.00	53,412.00
Raj nagar	50,306.00	130,331.00
Jainagar	69,869.00	-
Jhanjharpur	34,650.00	-
Lakhnaur	41,549.00	-
Pandaul	19,514.00	-
Bochaha	309,759.00	126,728.00
Meenapur	132,947.00	8,181.00
Mushari	166,971.00	46,210.00
Sakra	42,721.00	-
Saraiya	74,814.00	-
Muraul	62,302.00	-
Kurhani	49,364.00	-
Rajgir	63,052.00	49,123.00
Sarnera	71,344.00	46,285.00
Hanaut	260,564.00	70,698.00
Biharsharif	95,750.00	-
Nagarnausa	21,116.00	-
Rahui	29,033.00	-
Asthawan	22,996.00	-
Bodh gaya	65,230.00	136,628.83
Dobhi	106,949.00	26,914.00
Serghati	82,163.00	21,214.00
Khizersarai	170,495.00	54,560.00
Amas	24,848.00	-
Atri	42,470.00	-
Wazirgang	1,120.00	-
Gurua	48,741.00	-
Tankuppa	54,586.00	-
Barachatti	38,816.00	-
Manpur	35,942.00	-
(A)	3,278,373.50	1,428,050.08
DPCU		
Purnia(DPCU)	140,586.00	-
Khagaria(DPCU)	223,871.00	-
Madhubani(DPCU)	232,681.00	-
Gaya(DPCU)	249,401.00	-
Nalanda(DPCU)	303,488.00	-
Muzaffarpur(DPCU)	259,304.00	-
(B)	1,409,331.00	-
SPMU (C)	14,475,523.25	12,564,039.50
Total (A+B+C)	19,163,227.75	13,992,089.58



BIHAR RURAL LIVELIHOODS PROMOTION SOCIETY

Schedules to the Income & Expenditure Account and Receipts & Payments Account

Schedule-10

Community Institutional Development Fund

PARTICULARS	For the year ended 31st	For the year ended 31st
	March 2010	March 2009
	Rs	Rs
BPTU		
Dharmdha	5,788,990.65	2,670,334.90
B. Kothi	3,020,122.00	959,256.50
Amour	729,230.00	-
Baisi	575,646.50	-
Banmanichi	3,248,231.00	1,281,768.65
Bhawanipur	791,432.50	-
Rupauli	721,807.50	-
Khagaria	4,116,126.95	1,988,780.75
Chautham	569,195.50	-
Alauli	3,782,296.00	1,100,581.00
Chhatapur	876,321.50	-
Kumarkhand	684,801.50	-
Benipatti	3,831,084.00	1,073,233.00
Khazauli	2,984,638.00	1,010,274.00
Raj sagar	5,962,657.00	2,457,339.00
Jainagar	604,592.50	-
Jhanjharpur	463,775.50	-
Lakhanur	589,776.50	-
Pandaul	506,522.50	-
Bochaha	5,385,739.00	2,573,364.00
Meenapur	3,128,761.50	756,100.00
Mushari	4,317,970.00	2,039,403.00
Sakra	554,354.50	-
Saraiya	659,759.50	-
Muraul	569,572.50	-
Kurhani	707,228.50	-
Rajgir	3,525,541.00	1,395,245.00
Sarmera	2,703,267.00	817,854.00
Harnaut	4,840,265.00	2,064,788.00
Biharsharif	673,248.50	-
Nagarnausa	482,857.50	-
Rahui	687,507.50	-
Noorsari / Asthawa	485,181.50	-
Bodhi gaya	7,249,201.83	4,928,006.57
Dobhi	4,173,691.00	1,559,619.00
Sorghati	3,503,095.00	1,111,464.00
Khinrasarni	4,007,521.00	977,387.50
Arnas	721,989.50	-
Atri	600,448.50	-
Wazirgang	724,417.13	-
Gurua	404,343.50	-
Tankuppe	532,103.00	-
Barachatti	568,613.50	-
Manpur	634,298.00	-
(A)	<u>91,689,223.06</u>	<u>30,764,798.87</u>
DPCU		
Purnia(DPCU)	1,742,119.50	-
Khagaria(DPCU)	1,003,925.50	-
Madhubani(DPCU)	1,806,130.00	-
Gaya(DPCU)	4,302,568.00	-
Nalanda(DPCU)	2,411,025.00	-
Muzaffarpur(DPCU)	1,914,401.00	-
(B)	<u>13,180,169.00</u>	-
SPMU		
(C)	<u>25,607,243.00</u>	<u>4,880,733.30</u>
	<u>25,607,243.00</u>	<u>4,880,733.30</u>
Total (A+B+C)	<u>130,476,635.06</u>	<u>35,645,532.17</u>

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BIHAR RURAL LIVELIHOODS PROMOTION SOCIETY
Schedules to the Income & Expenditure Account and Receipts & Payments Account

Schedule-11

Community Investment Fund

PARTICULARS	For the year ended 31st	For the year ended 31st March
	March 2010	2009
	Rs	Rs
BPIU		
Dhamdha	36,387,588.00	1,863,500.00
B. Kothi	23,689,569.00	740,000.00
Amour	4,200,000.00	-
Baisi	7,497,625.00	-
Banmankhi	26,923,485.00	766,500.00
Bhawanipur	3,050,000.00	-
Khagaria	33,587,241.00	418,600.00
Chautham	6,300,000.00	-
Alauli	35,343,411.00	742,000.00
Chhatapur	3,300,000.00	-
Kumarikhand	3,250,000.00	-
Benipatti	24,093,589.00	923,000.00
Khazauli	19,353,219.00	397,000.00
Raj nagar	31,221,656.00	1,340,080.00
Jainagar	4,327,800.00	-
Jhanjharpur	4,064,000.00	-
Lakhmaur	6,873,000.00	-
Pandaul	4,340,500.00	-
Bochaha	37,486,500.00	2,363,000.00
Meenapur	19,052,875.00	33,000.00
Mushari	31,391,000.00	669,500.00
Sakra	4,300,000.00	-
Saraiya	5,900,000.00	-
Muraul	3,900,000.00	-
Kurhani	7,924,500.00	-
Rajgir	30,029,354.00	1,940,000.00
Sarnera	28,150,364.00	657,000.00
Hanaut	34,268,500.00	1,960,000.00
Biharsharif	800,000.00	-
Nagarnausa	3,450,000.00	-
Rahui	5,250,000.00	-
Bodh gaya	37,489,137.00	867,250.00
Dobhi	35,832,259.00	704,400.00
Serghati	24,814,263.00	1,188,900.00
Khizersarai	19,669,262.00	778,500.00
Amas	3,761,700.00	-
Atri	2,850,000.00	-
Wazirgang	2,400,000.00	-
Gurua	7,449,500.00	-
Tankuppa	3,450,000.00	-
Barachatti	2,978,000.00	-
Manpur	3,543,500.00	-
(A)	633,943,397.00	18,352,230.00
SPMU	742,401.00	699,254.00
(B)	742,401.00	699,254.00
Total (A+B)	634,685,798.00	19,051,484.00

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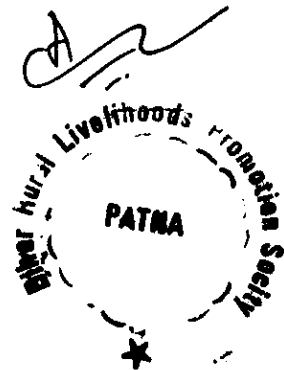


BIHAR RURAL LIVELIHOODS PROMOTION SOCIETY
Schedules to the Income & Expenditure Account and Receipts & Payments Account

Schedule-12

Project Management Cost

PARTICULARS	For the year ended	For the year ended 31st
	31st March 2010	March 2009
	Rs	Rs
DPCU		
DPCU MADHUBANI	517,620.50	-
DPCU PURNIA	575,892.00	-
DPCU NALANDA	299,902.50	-
DPCU KHAGARIA	1,492,570.00	-
DPCU GAYA	754,445.50	-
DPCU MUZAFFARPUR	533,212.50	-
(A)	4,173,643.00	-
SPMU		
	44,698,747.50	22,673,045.00
(B)	44,698,747.50	22,673,045.00
Total (A+B)	48,872,390.50	22,673,045.00



BIHAR RURAL LIVELIHOODS PROMOTION SOCIETY
 Schedule to the Income & Expenditure Account and Receipts & Payments Account

Schedule-13

Bank Interest

PARTICULARS

	For the year ended 31st March 2010		For the year ended 31st March 2009	
	Rs		Rs	
Dhanda	48,274.00			
B. Kothi	68,334.00			
Ancur	23.00			
Baia	20.00			
Banwanichi	97,226.00			
Bhawanipur	25.00			
Rupadi	31.00			
Khajuria	170,017.00			
Ajauli	51,928.00			
Beripatti	63,081.00			
Khazauli	93,481.00			
Raj nager	53,360.00			
Bootsaha	111,467.00			
Meenapur	103,559.00			
Muzhari	133,516.00			
Sakra	4,261.00			
Miraul	3.00			
Kurhani	10,539.00			
Rajgir	48,677.00			
Sarmara	134,956.00			
Harnaut	17,564.00			
Rakui	7,013.00			
Boch gaya	120,106.00			
Dobhi	129,073.00			
Sarghati	91,871.00			
Khisoraurai	118,631.00			
Amas	286.00			
Atri	260.00			
Gurua	395.00			
Tankappa	469.00			
Barachatti	279.00			
(A)	<u>1,678,725.00</u>			
DPCU				
Purnia(DPCU)	4,073.00			
Khajuria(DPCU)	37,222.00			
Gaya(DPCU)	2,136.00			
Muzaffarpur(DPCU)	5,811.00			
(B)	<u>49,242.00</u>			
SPMU	2,992,553.00		1,833,097.57	
(C)	<u>2,992,553.00</u>		<u>1,833,097.57</u>	
Total (A+B+C)	<u>4,720,520.00</u>		<u>1,833,097.57</u>	

Schedule-14

Miscellaneous Income

PARTICULARS

	For the year ended 31st March 2010		For the year ended 31st March 2009	
	Rs		Rs	
SPMU	90,075.00		20,532.00	
(A)	<u>90,075.00</u>		<u>20,532.00</u>	
DPCU & BPTU				
Ancur	124.00			
Baia	400.00			
Beripatti	196.00			
Harnaut	2,500.00			
Boch gaya	124.00			
Nalanda(DPCU)	5,861.00			
(B)	<u>9,205.00</u>			
Total (A+B)	<u>99,280.00</u>		<u>20,532.00</u>	

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Bihar Rural Livelihoods Promotion Society
PATNA



BIHAR RURAL LIVELIHOODS PROMOTION SOCIETY

Schedule-15

Significant Accounting Policies and Notes on Accounts

1. Overview of the organisation

The Society is a non-profit organisation registered under the Societies Registration Act, 1860 and is promoted by the Government of Bihar to address rural poverty in the state of Bihar in joint collaboration with the World Bank. The project aims to enhance social and economic empowerment of rural poor, especially women, by creating Self Managed Community Institutions.

2. Basis of Preparation of Financial Statements

The Financial Statements have been maintained on double entry system adopting cash basis of accounting. Financial Statements are prepared in accordance with the Generally Accepted Accounting Principles including Accounting Standards followed in India to the extent applicable.

Preparation of the financial statements are in conformity with the Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements and reported amount of revenues and expenses for the year. Estimates are based on assumptions that management believes are reasonable under the circumstances.

3. Fixed Assets and Depreciation

Fixed Assets acquired have been valued at cost including all direct costs i.e., purchase price, transportation expenses, installation charges and other expenditure incurred for bringing the fixed assets in working condition, including expenditure incurred prior to its first use. Memorandum records are maintained to exercise physical control over the assets.

No depreciation has been charged on the fixed assets in the financial statements.

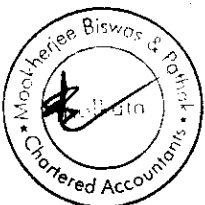
4. Revenue Recognition

Grant received from State Government has been recognized as income to the extent of the revenue expenditure made during the year and the unutilized balance is shown as a part of the general fund. For expenditure incurred on Fixed Assets, a corresponding amount has been transferred to the Capital Fund.

Interest earned on deposits from bank during the project period is treated as project fund and accounted on receipt.

5. Valuation of Stocks

Materials and office supplies acquired for the program are charged as expenditure at the time of payment. Memorandum Stock Register is maintained to control over the store item.



BIHAR RURAL LIVELIHOODS PROMOTION SOCIETY

6. Expenditure Incurred by Technical Service Agencies and Support Organizations

MOUs/Agreements have been entered with the Technical Service Agencies and Support Organizations. Payments against output based contracts are charged to expenditure on completion of predetermined milestones. Expenditure against input based contracts are recognized on receipt and approval of necessary reports/supporting documents.

7. Accounting of Fund Disbursed to SHGs

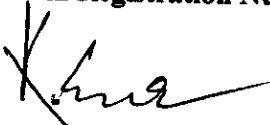
Funds released to Self Help Groups (SHGs) under Community Investment Fund (CIF) are charged to the Income & Expenditure Account by the Society. As per Project Implementation Plan the said disbursed amount will be considered as loan. Moreover, SHGs will return the said amount to the VOs / BLFs and no transaction will be held between SHGs and the Society at the time of refund of loan and rotation. Hence, the Society has charged the amount under Income & Expenditure during the year of disbursement.

8. Grants Received during the year

The Society has received an amount of Rs 92, 40, 00,000/- from Government of Bihar as grant towards promotion of rural livelihoods through formation of self help groups of poor women and also has received Rs 3,29,000/- from UNICEF towards improvement in sanitation conditions in rural areas.

9. Previous year's figures have been regrouped where necessary to conform to this year's classifications.

For Mookherjee Biswas & Pathak
Chartered Accountants
Firm Registration Number 301138E

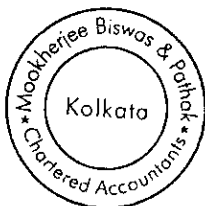


(K Dutta)

Partner

Membership No: 53790

Patna, August 16, 2010



For Bihar Rural Livelihoods Promotion Society



16/8/2010

Arvind Kumar Chaudhary, IAS
Project Director-cum-Chief
Executive Officer



16/8/10

Subodh Ram
Chief Finance Officer



BIHAR RURAL LIVELIHOODS PROMOTION SOCIETY

Reconciliation of claims to total applications of funds for the year ended 31st March 2010

Particulars	Rs in Million	Rs in Million
Expenditure as per Audited Financial statement 2009-10		833.69
Less: Statement of Expenditure sent to World Bank		
1st Quarter (Ref no 140/08/1177/19 dated 28.08.09)	40.77	
2nd Quarter (Ref no 140/08/2474/09 dated 28.12.09)	54.43	
3rd Quarter (Ref no 140/08/3050/10 dated 26.02.10)	160.08	
4th Quarter (Ref no 140/08/2474/19 dated 28.12.09)	578.26	
Difference		833.54
		0.15

Reconciliation of the difference

Expenditure booked for lower amount in the following cases

1) Community Investment Fund- Khazauli Block	0.146	
2) Community Institutional Development- Jainagar Block	0.002	
		0.15

90% of total expenditure is eligible for reimbursement from World Bank

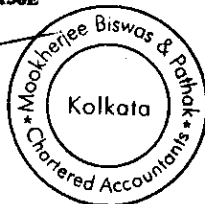
In terms of our report of even date

For and on behalf of
Mookherjee Biswas & Pathak
 Chartered Accountants
 Firm Registration No: 301138E

K. Das
 K. Das

Partner
 Membership No. 53790

Place : Patna
 Date : 16th August, 2010



For and on behalf of
 Bihar Rural Livelihoods Promotion Society

Arvind Kumar Chaudhary
 Arvind Kumar Chaudhary, IAS
 (Project Director-cum- Chief Executive
 Officer)

Subodh Kam
 Subodh Kam
 (Chief Finance Officer)



Project Management,
Bihar Rural Livelihoods Promotion Society
Vidyut Bhavan, Annexe II 1st Floor
Bailey Road, Jawaharlal Nehru Marg
Patna 800001

16th August, 2010

Dear Sirs,

Management Letter

Audit for the year ended 31st March 2010

We have conducted the audit of the financial statements of Bihar Rural Livelihoods Promotion Society (BRLPS) as at 31st March 2010. We familiarized ourselves with project documents, the internal guidelines and circulars applicable during this period under review. We also reviewed the business of the project and evaluated the accounting systems and related controls of the project in order to plan and perform our audit.

Our audit was conducted in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The responsibility of the management, inter alia, includes the maintenance of adequate accounting records and internal controls for safeguarding of the assets of the company and for the preventing and detecting fraud or other irregularities.

In terms of "Standards on Auditing SA 265"- "Communicating deficiencies in internal control to those charged with governance and management" issued by the Institute of Chartered Accountants of India, the purpose of this letter is to communicate appropriately with those charged with governance and management deficiencies in internal control that we have identified during our audit and that in our professional judgment, are of sufficient importance and merit their respective attentions.



Our observations are as follows:

1. Matters having a significant impact on the implementation of the project

Bank Reconciliation Statements

We observed in a large number of cases where Bank Reconciliation Statements have not been prepared as on 31st March 2010 till the time of our visit in July 2010. As Bank Reconciliation Statements are necessary for ensuring accuracy of the financial statements prepared, timely preparation of it should be ensured.

The management should ensure that the bank reconciliations are done on a monthly basis to exercise effective control over its financial transactions.

Cash Verification

We have verified cash in locations during our field visits. Physical cash did not tally with the books at Sakra BPIU, Muzzafarpur District. The physical cash balance found was Rs 19500 against a book balance of Rs 7790.00 on 8th July, 2010.

The Internal Auditors have also in their reports have pointed out that in a number of cases the physical cash did not tally with the book balance. A few specific verification references where the cash did not ally are :

- Benipatti BPIU- Cash Verification Date-08/10/2009
- Mushahari BPIU- Cash Verification Date - 14/01/10
- Rajnagar BPIU- Cash Verification Date - 13/01/10

The management should exercise greater vigil on control over cash.

Community Investment Fund (CIF)

We have verified more than 20% of the total CIF advance given to SHGs/ VOs. Our observations are as follows:

Delay in handing over CIF Cheques to SHGs/VOs

During the course of our audit we have come across instances where there have been inordinate delays in handing over the cheques to the respective SHGs/VOs



Block: Mushari, Muzaffarpur

Cheque Issue Date	Chq. No.	Name of VO/SHG	A/C Name	Amount (Rs.)	Cheque Received Date	Date of Sanction of Loan	Name of Bank
23/12/09	9341	Chameli Jeevika,SHG	ICF	30000	12/3/2010	23/12/2009	CBI, Mithanpura Branch, 570
23/12/09	9345	Champa Jeevika,SHG	ICF	30000	12/3/2010	23/12/2009	
23/12/09	9347	Gulab Jeevika,SHG	ICF	30000	12/3/2010	23/12/2009	
23/12/09	9351	Durga Jeevika,SHG	ICF	30000	12/3/2010	23/12/2009	
23/12/09	9352	Maa Bhagwati Jeevika , SHG	ICF	30000	12/3/2010	23/12/2009	
23/12/09	9353	Vishnu Jeevika, SHG	ICF	30000	12/3/2010	23/12/2009	
21/12/09	865602	Prakash Jeevika,VO	ICF	319500	12/3/2010	11/12/2009	PNB,Bela Branch
21/12/09	865604	Ied Jeevika,SHG	ICF	30000	12/3/2010	11/12/2009	

Non receipt of Utilization Certificate

During the course of our audit we came across instances where the Utilization certificates in respect of the CIF loans were not received even after five months of the disbursement of the loans.

Unit	SHG name	Amount (Rs.)	Date of Disbursement of Loan	Serial No. in CIF Register	Cheque No.	Date of Verification
Dhamda,BPIU	Parwati	50000.00	10.1.2010	377	893476	2.07.2010
Dhamda,BPIU	Mahadevi	30000.00	10.1.2010	394	896452	2.07.2010
Dhamda,BPIU	Bajrang	30000.00	10.1.2010	396	896455	2.07.2010
Dhamda,BPIU	Komal	50000.00	23.1.2010	419	801051	2.07.2010
Dhamda,BPIU	Adi Shakti	50000.00	23.1.2010	420	801052	2.07.2010
Dhamda,BPIU	Ram	50000.00	23.1.2010	421	801054	2.07.2010
Dhamda,BPIU	Arman	50000.00	12.3.2010	545	801080	2.07.2010
Dhamda,BPIU	Shiv	50000.00	12.3.2010	563	801096	2.07.2010
Pandaul, BPIU	Bajrang	50000.00	27.3.2010	22	581241	16.07.2010
Pandaul,BPIU	Anjali	50000.00	27.3.2010	38	581243	16.07.2010
Pandaul,BPIU	Dulhan	50000.00	27.3.2010	20	581241	16.07.2010
Pandaul,BPIU	Dharamraj	43,000.00	27.3.2010	46	011111	16.07.2010
Pandaul,BPIU	Bajrangbali	50,000.00	27.3.2010	43	011112	16.07.2010

Internal Audit

The Society has appointed a firm of Chartered Accountants as its internal auditor. Till the date of our audit, we the society has received internal audit reports for three quarters ending on June,09,September, 09 and December,09.Although, the management initiates corrective actions based on the observations of the internal auditor, we feel there is a scope of improvement in the monitoring process.



Funds received for other projects

The Society has, during the year under review, received Rs 3,29,000/- from UNICEF for towards improvement in sanitation conditions in rural areas. Utilization of funds received from UNICEF has not been separately accounted for. We are given to understand that during the current year the Society has received/will receive funds from multiple agencies. It is necessary that the society accounts for these funds and its utilization separately and through designated bank accounts.

2. Opportunities for strengthening financial management records, systems and controls together with recommendations for improvement.

Bank Confirmation

In terms of Section 7.2.3.of the Financial Manual of the Project bank confirmations of balances are to be obtained on a quarterly basis.

The project does not have a system of obtaining of bank confirmation from the banks.

Stale cheques

We have come across instances where cheques were issued but have not been encashed within the validity periods of the cheques. These amounts should have been reversed in the books of account

Unit	Party	Cheque No	Cheque Date	Amount (Rs)
Banmankhi,BPIU	Puja,SHG	83727	28/7/2009	20,000/-
Harnaut,BPIU	Parmilla Devi	10065	23/9/2009	750/-
Harnaut,BPIU	Secma Kumari	9651	23/9/2009	850/-

Advances

Section 7.2.1 of the financial manual of the project specifies that that there shall be monthly monitoring of advances to ensure financial discipline and to avoid blockage of funds for a long duration .No age wise analysis of the outstanding loans were made during the year. Also, during the course of our audit we have come across cases where advances made are settled after long delays/have not been settled yet. The cases which came to our notice during the course of our audit are as follows:



Unit	Vendor	Advance details	Settlement details	Purpose	Remarks
State Unit	SERP AP	Opening balance as on 1.4.2009 Rs 66.74 Lakhs	Closing Balance as on 31.3.2010 of Rs 59.40 Lakhs	Training	Substantial advance is lying unadjusted as on 31.3.2010.
State Unit	Safal solutions	Rs 4.04 Lakhs is pending since 19.10.2009	Not Yet	Software	Substantial advances unadjusted for long.
State Unit	Comfed	Rs 69.12 Lakhs outstanding since 29 th January 2010	Not Yet		Substantial advances unadjusted for long. No details are available for the items procured and date of receipt of such materials
Bochaha,BPIU	Advance to External CRP	21,000/- paid in 2008-09	Not yet	Training	Amount paid to SERP. This is over and above the amount lying in the State unit.
Bochaha,BPIU	Internal CRP	40,500/-	Not yet	Training	Rs 36,000/- lying since 1.4.2009. Should have been charged off.
Bochaha,BPIU	Raj Kumar Yadav	42,047/-	Not yet		Lying outstanding since June 2009
Bochaha,BPIU	Woman's day Purchase Committee	43,000/-			The expenses have been incurred on 8 th March,2010. should have been charged off.
Bochaha,BPIU	Suman Kumari(CC)	Balance Outstanding as on 31.3.2010 - Rs 11,150			Continues to hold substantial advance throughout the year.
Bochaha,BPIU	Raj . Kumar Yadav(CC)	Balance Outstanding as on 31.3.2010- Rs 42,047			Continues to hold substantial advance throughout the year
Bochaha,BPIU	Amaresh Kumar(CC)	Balance Outstanding as on 31.3.2010-Rs 8560/-			Continues to hold substantial advance throughout the year
Bochaha,BPIU	Sant Kumar(AC)	Balance Outstanding as on 31.3.2010-Rs 19494			Continues to hold substantial advance throughout the year



Unit	Vendor	Advance details	Settlement details	Purpose	Remarks
Mushahari,BPIU	External CRP	Opening balance as on 1.4.2010 is Rs 35,500/-	Closing Balance of Rs 26,500/- after adjustment of Rs 24,000/- during the year.		
Mushahari,BPIU	Sandeep Kumar	Advance of Rs 17,500/- lying unadjusted against Vehicle Loan and Rs 10,294 lying unadjusted against Exposure Visit Advance.	The employee has been terminated in November 2009		Should have been written off in the accounts.
Harnaut,BPIU	K Gannu	Advance of Rs5000/- lying unadjusted since 13 th August, 2008 further advance of Rs 5,000/- given during 2008-09.			Should have been written off/expensed in the accounts
Rajgir,BPIU	External CRP	Rs 6259/- is outstanding since 1.4.2009			Should have been written off/expensed in the accounts

We feel, the management should exercise greater control over the advances and ensure stricter compliance.

Statutory Payments

Value Added Tax Deducted from the bills of the suppliers has not been deducted properly or has not been deposited within the due dates. The cases which came to our notice during the course of our audit are as follows:

Unit	Details	VAT Amount (Rs)	Remarks
Bihar BPIU	Sharif, Voucher P-35 dated 18.02.10 (Bill Amount Rs 6052)	233.00	Not deducted
Bihar BPIU	Sharif, Deductions for March 2010	2667.00	Delayed deposit



Unit	Details	VAT Amount (Rs)	Remarks
Harnaut, BPIU	Deductions for September 09	4732.00	Not deposited till July,2010
Rahui, BPIU	Paid to Shankar Prasad	6146.00	Delayed Deposit
Nalanda,DPCU	Hotel Tathagat	3,375.00	Delayed Deposit
Nalanda,DPCU	Shankar Prasad	3,879.00	Delayed Deposit
Nalanda,DPCU	Shankar Prasad	2,863.00	Delayed Deposit
Nalanda,DPCU	Bihar State Tourism Development corporation Ltd	656.00	Delayed Deposit
Nalanda,DPCU	Shankar Prasad	781.00	Delayed Deposit
Nalanda,DPCU	Bihar State Tourism Development corporation Ltd	6,969.00	Delayed Deposit
Nalanda,DPCU	Shankar Prasad	4884.00	Delayed Deposit
Nalanda,DPCU	Shankar Prasad	4462.00	Delayed Deposit
Khagaria,BPIU	VAT for the month of September 2010	1221.00	Delayed Deposit
Khagaria,BPIU	VAT for the month of October, 2010	2117.00	Delayed Deposit
Khagaria,DPCU	VAT for the month of October, 2010	722.00	Delayed Deposit
Khagaria,DPCU	VAT for the month of November, 2010	6063.00	Delayed Deposit
Khagaria,DPCU	VAT for the month of December, 2010	7789.00	Delayed Deposit
Khizersarai,BPIU	VAT for the months of Jan -March 2010	21430.00	Delayed Deposit
Bodhgaya, BPIU	VAT for the month of October 2010	24891.00	Delayed Deposit
Bodhgaya, BPIU	VAT for the month of January,2010	10219.00	Delayed Deposit
Sherghati, BPIU	VAT for Dec 2009	7800.00	Delayed deposit
Sherghati, BPIU	VAT for Jan 2010	5835.00	Delayed deposit
Sherghati, BPIU	VAT for Feb 2010	1710.00	Delayed deposit
Sherghati, BPIU	VAT for Mar 2010	4995.00	Delayed deposit
Gaya, DPCU	Free India Electricals	1620.00	Delayed Deposit in May 2010
Gaya, DPCU	Sneh Point Restaurant	2356.00	Delayed Deposit May 2010
Gaya, DPCU	Hotel Uruvela international	28394.00	Delayed deposit in May 2010.

Income Tax Deducted at Source from the bills of the vendors/service providers s has not been deducted properly or has not been deposited within the due dates. The cases which came to our notice during the course of our audit are as follows:



Office	Date of Deduction	Tax Amount (Rs)	Date of deposit	Remarks
Purnea, DPCU	03/02/10	12676.00	07/04/10	Delay in deposit
Purnea, DPCU	03/02/10	13028.00	07/04/10	Delay in deposit
Purnea, DPCU	31/01/10	2165.00	07/04/10	Delay in deposit
Purnea, DPCU	28/02/10	2165.00	07/04/10	Delay in deposit
Bochaha, BPIU	Seva Sadan Bills			Total amount paid during the year Rs 67385/- No deduction of TDS
Mushahari, BPIU	Amount Paid to Seva Sadan amounting to Rs 21650/- on 26/02/2010			No tax deducted at source.
Mushahari, BPIU	Amount Paid to Seva Sadan amounting to Rs 33150/- on 25/02/2010			No tax deducted at source.
Mushahari, BPIU	Amount Paid to Seva Sadan amounting to Rs 28585/- on 28/01/2010			No tax deducted at source.
Mushahari, BPIU	Amount Paid to Seva Sadan amounting to Rs 28050/- on 31/01/2010			No tax deducted at source.
Mushahari, BPIU	Amount Paid to Chandralok amounting to Rs 50,000/- on 08/04/2010			No tax deducted at source.
Mushahari, BPIU	Amount Paid to Chandralok amounting to Rs 33329/- on 13/10/2009			No tax deducted at source.
Mushahari, BPIU	Amount Paid to Chandralok amounting to Rs 26800/- on 23/07/2009			No tax deducted at source.
Bihar Sharif, BPIU	March 2010	1650.00	17/04/10	Delay in deposit
Bihar Sharif, BPIU	March 2010	240.00	17/04/10	Delay in deposit
Nagarnausa, BPIU	23/02/2010	213.00	10/7/2010	Delay in deposit
Rahui, BPIU	March 2010	600.00	26/04/2010	Delay in deposit
Rahui, BPIU	March 2010	1768.00	26/04/2010	Delay in deposit
Rajgir, BPIU	18/1/2010	405.00	26/04/2010	Delay in deposit
Rajgir, BPIU	23/1/2010	553.00	07/02/2010	Delay in deposit
Rajgir, BPIU	23/01/2010	3348.00	07/02/2010	Delay in deposit

The management should exercise greater control in ensuring the statutory payments are made in time.



Breach of Financial Authority

In terms of the "Devolution of Financial and Administrative Authority to BPIU" vide office order number BRLPS/Am Power/01/06/2038/09 dated 26/11/09, financial powers have been delegated to officials. However we have come across instances where such powers have been breached by the officials in violation of the powers entrusted to them. The cases which came to our notice during the course of our audit are as follows:

Unit	Nature of expenses	Approved by	Amount of Expenses(Rs)	Approving Authority's Financial Power(Rs)	Remarks
Amour, BPIU	Other Office Expenses-March 10	BPM	5,351	3000	Approval of DPM not obtained
Amour, BPIU	Office equipment F& F-Nov 09	BPM	9,108	5000	Approval of DPM not obtained
Rajnagar, BPIU	Office maintenance expenses-March 10	BPM	6,064	3000	Approval of DPM not obtained
Rajnagar, BPIU	Other Office Expenses-January 10	BPM	11,175	3000	Approval of DPM not obtained
Bodhgaya, BPIU	CIF disbursement to Khushi Jeevika Mahila Gram Sangathan on 24.2.2010	BPM	6,89,000	5,00,000	The BPM is authorized to issue cheques amounting to Rs 5,00,000/- To keep the amount within that limit, two cheques were issued one for Rs 5,00,000/- and the other for Rs 1,89,000/-
Bodhgaya, BPIU	CIF disbursement to Puja Jeevika Mahila Gram Sangathan	BPM	5,93,000	5,00,000	The BPM is authorized to issue cheques amounting to Rs 5,00,000/- To keep the amount within that limit, two cheques were issued one for Rs 5,00,000/- and the other for Rs 93,000/-



The violation of the financial powers defies the spirit of devolution of financial powers and should be strictly complied with.

3. Status of maintenance of project books and records

Fixed Assets

In terms of Section 7.2.2. of the financial manual of the project, the assets of the Company are to be codified and physically verified at least once in a year.

We have not been able to verify any evidence of physical verification of the assets.

The Fixed Registers are not maintained properly in the following block/district Offices

Unit	District
Baisi BPIU	Purnea
Bankmankhi BPIU	Purnea
Kothi, BPIU	Purnea
Bochaha, BPIU	Muzaffarpur
Kurhani, BPIU	Muzaffarpur
Mecnapur, BPIU	Muzaffarpur
Mushahari, BPIU	Muzaffarpur
Saraiya, BPIU	Muzaffarpur
Jainagar, BPIU	Madhubani
Lakhnaur, BPIU	Madhubani
Rajnagar, BPIU	Madhubani
Nagarnausa, BPIU	Nalanda
Nalanda, DPCU	Nalanda

One Sony camera Model DSC 5700 was found short during our physical verification at block Khagaria on 1.7.2010. No FIR was lodged till 1.8.2010 neither any official intimation was made to the State unit for lodging claim with the Insurance Company.

The management should exercise greater effective control on its fixed assets.

4. Accuracy of project financial statements

None

5. Compliance with the prescribed procurement procedures

During the course of our audit we have not come across instances where the prescribed procurement procedures have not been complied with..



6. Status of prior audit recommendations


The status of recommendation suggested by the statutory auditor in its management letter dated 29th August 2009.

Recommendations	Paragraph reference	Present Status
Physical verification of cash should be done on periodic intervals	Paragraph 1(g)	We have not seen any evidence of physical verification of cash being conducted by the management. The internal auditors, during their visits have conducted physical verification of cash and have pointed out some discrepancies but no action seems to have been initiated by the management. Refer paragraph 2 above.
Non maintenance of proper assets register	Paragraph 2a	As stated in paragraph 3 above, maintenance of the fixed assets register at the BPIU and DPCO level needs improvement.
Manual Cash book and the tally records have not been updated on a regular basis	Paragraph 2 c	We have come across instances where cashbooks both manual and in tally were found not updated.
Confirmation of year end balances of loans, liabilities and deposits	Paragraph 2 e	The Society does not have a system of obtaining confirmation of the year end balances.
Non deduction and delay in deposit of year end balances.	Paragraph 2 f	We have come across several cases of non deduction and late deposit of TDS and VAT liabilities as discussed in paragraph 2 above.
Unadjusted advances	Paragraph 2 g	We have come across several instances of non adjustment of old advances. Refer paragraph 2 above.

The matters contained in this Management Letter are intended solely for the information of project management, for such timely consideration and action as project management may deem appropriate. They have all been considered by us in formulating the audit opinion expressed on the project financial statements in our audit report dated 16th August, 2010 and they do not alter the opinion expressed in that audit report.

We wish to take this opportunity to thank Project Management for the courtesies and cooperation extended to our auditors.

For Mookherjee Biswas & Pathak
Chartered Accountants


(K Dutta)
Partner



Patna