S. V. & Co.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To,

The Municipal Commissioner,

Varanasi Nagar Nigam,

Sigra, Varanasi.

We have audited the accompanying financial statements of **Varanasi Nagar Nigam, Varanasi** Financial Year 2024-25. The Financial Statements comprise of the Balance Sheet as at March 31, 2025, and the statement of Income & Expenditure account and Notes to the Accounts (hereinafter referred to as "the Financial Statements").

Responsibilities of Management and those charged with governance for the financial statements.

The management is responsible for the preparation of the financial statements that give a true and fair view of the financial position and financial performance of Varanasi Nagar Nigam. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the financial statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error in making those risk assessments, the auditors consider internal control relevant to Nagar Nigam's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

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circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, subject to our Observations on Financial Statements enumerated in **Annexure "A"**, the aforesaid financial statements give the information required by the statue 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 organization as at March 31, 2025, and of Surplus as per Income & Expenditure account for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs). 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 entity in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the applicable Uttar Pradesh Municipal Accounts Manual. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

FOR S V & CO.
Chartered Accountants

S V & Co. Varanasi Chartered Accountants

Vishwajeet Singh
Partner

M.No.404776
UDIN: 25404776BMKVSX9831

Place: Varanasi
Date: 30.05.2025

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ANNEXURE "A" OF THE INDEPENDENT AUDITOR'S REPORT

Major observations reported on audit of accounts for the Financial Year 2024-25:

- Statutory liabilities of PF, Labor Cess, TDS, GST & GST TDS and Royalty have not been timely deposited on due dates. Party-wise & year-wise details of such liabilities could not be ascertained.
- Retirement Benefits are accounted for on Cash Basis. There is no system of ascertaining such liabilities on accrual basis.
- Proper Fixed Assets Register was not maintained and No Physical verification has been carried out by the management for the Fixed Assets to arrive at its appropriate value.
- Funds under Deposit works and Grant Accounts related to Jalkal Vibhag, Varanasi Nagar Nigam are lying unutilized for past many years, records of which were not made available to us.
- The amount of LIC Premium deducted from Employees Salary is not timely deposited.
- There are various entities under the head "Creditors - Contractors & Suppliers" which are outstanding since long. The same does not truly reflect the nature of Other Liabilities. Also, amount of deposit received from Contractors and Suppliers is outstanding in the Financial Statements since long.

FOR S V & CO.
Chartered Accountants

S V & Co. Varanasi Chartered Accountants

Vishwajeet Singh
Partner

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