

Mookherjee Biswas & Pathak
Chartered Accountants

AUDITORS' REPORT

To the members of Bihar Aapda Punarwas Evam Punarnirman Society

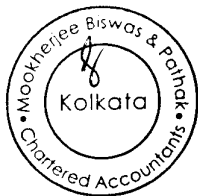
We have audited the attached Balance Sheet of Bihar Aapda Punarwas Evam Punarnirman Society (BAPEPS) as at March 31, 2011, the Income and Expenditure Account and Receipts and Payments Account for the period ended on that date. These financial statements are the responsibility of the management of the society. Our responsibility is to express an opinion on these financial statements on our audit.

We conducted our audit in accordance with Standards on Auditing 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.

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.

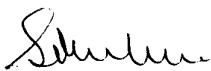


Mookherjee Biswas & Pathak

- 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, of the assets and liabilities arising from cash transactions of the Society as at March 31, 2011 and,
 - ii) in the case of Income and Expenditure Account of the income and expenses paid during the period then ended on the receipts and disbursements basis and,
 - iii) in the case of Receipts and Payments Accounts, of the Receipts and Payments for the period ended on that date.

For Mookherjee Biswas & Pathak
Chartered Accountants

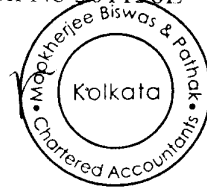
Firm Registration No 301138E



(S Mukherjee)

Partner

Membership No: 059159



Patna

January 27, 2012

Bihar Aapda Punarwas Evam Punarnirman Society

Kosi Flood Recovery Project (Credit No. 4802-IN)

Balance Sheet as at 31st March 2011

Liabilities	Schedule No.	As at 31 March, 2011	Assets	Schedule No.	(Amount in Rs.)	
					As at 31 March, 2011	As at 31 March, 2011
Grant from Government of Bihar			Fixed Assets	2		
Unutilized Grant at the beginning of the year			Current Assets, Loans & Advances			1,047,054
Add : Grant received during the year		3,582,793,000	Cash in Hand			5,673
Less : Project Revenue Expenditure during the year		(368,303,321)	Balance with Bank/s in Current/Savings Account	3		2,538,948,335
Less : Project Capital Expenditure during the year		(1,047,054)	Balance with Bank/s in Fixed Deposits			
Unutilized Grant at the close of the Year		3,213,442,625	Cheques in Hand/Funds in Transit			
Capital Fund		1,047,054	Advances & Other Current Assets	4		692,623,134
Current Liabilities	1	18,134,517				
Total		3,232,624,196	Total			3,232,624,196

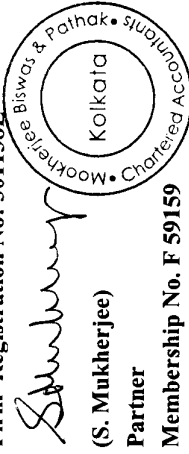
Significant Accounting Policies & Notes on Accounts

7

In terms of our report of even date

For and on behalf of
Mookherjee Biswas & Pathak
Chartered Accountants

Firm Registration No: 301138E



(S. Mukherjee)

Partner

Membership No. F 59159

Place : Patna

Date : 27th January, 2012

For and on behalf of

Bihar Aapda Punarwas Evam Punarnirman Society

Narasimha Kumar
97.01.12.

N Kumar

(Accounts Officer)



परियोजना निदेशक
बिहार आपदा पुनर्वास एवं
पुनर्निर्माण सोसाईटी,
बिहार, पटना

Bihar Aapda Punarwas Evam Punarnirman Society

Kosi Flood Recovery Project (Credit No. 4802-IN)

Schedules forming part of the Balance Sheet as at 31st March 2011

Schedule 1 - Current Liabilities

Particulars	As at 31 March, 2011
Tax deducted at Source payable	-
Works Contract Tax payable	-
Other Taxes payable	-
Bank Interest	18,134,517
Other Receipts	-
Earnest Money received	-
Security Deposit received	-
Total	18,134,517

Schedule 2 - Fixed Assets

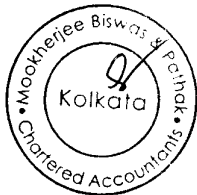
(Amount in Rs.)

Particulars	Purchased during the period ended 31st March, 2011	Adjustments/disposal during the period	As at 31 March, 2011
a. Project Management			
Motor Cars	970,552	-	970,552
Computer & Printers	48,474	-	48,474
Furniture & Fixture	15,128	-	15,128
Misc. Electronic Installations	12,900	-	12,900
b. Emergency Response			
Total	1,047,054		1,047,054

Schedule 3 - Balance with Bank/s in Current/Saving Account

(Amount in Rs.)

Particulars	As at 31 March, 2011
SPMU	2,450,655,642
DPMUs	88,292,693
Total	2,538,948,335



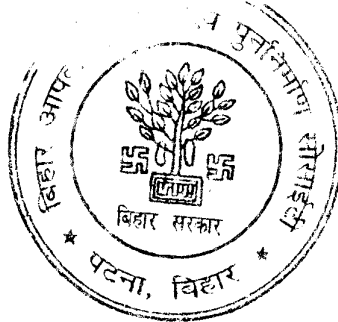
Bihar Aapda Punarwas Evam Punarnirman Society

Kosi Flood Recovery Project (Credit No. 4802-IN)

Schedule 4 - Advances & Other Current Assets

(Amount in Rs.)

Particulars	As at 31 March,2011
Advances to Contractors	
Beltron, Patna	160,062
Bihar Rajya Pul Nirman Nigam Ltd.	15,000,000
Bihar Rural Roads Development Agency	5,800,000
Owner Driven Reconstruction Collaborative - Saharsa District	361,462
Advance to Generator Operator	15,000
Advance for Videography	32,000
Advances to Consultants	-
Advances to staff	
Imprest Advance	48,000
Advance Recoverable from District Office/ Block Office of Government of Bihar	
District Office	
Saharsa	7,504,307
Block Office	
Alamnagar	7,645,000
Basantpur	99,321,993
Biharganj	6,559,972
Chausa	4,560,000
Chhatapur	137,874,633
Gwalpara	16,090,000
Kumarkhand	56,837,010
Madhepura	57,910,000
Murliganj	37,766,915
Pratapganj	8,121,026
Puraini	3,043,118
Sankarpur	35,314,624
Singheswar	10,807,739
Sonbarsa	61,880,794
Triveniganj	104,099,381
Udakisunganj	15,870,098
Total	692,623,134



Bihar Aapda Punarwas Evam Punarnirman Society
Income & Expenditure Account for the period ended 31st March 2011

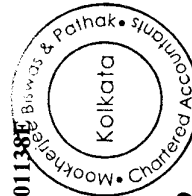
Expenditure	Schedule No.	For the period ended 31 st March, 2011	Income	Schedule No.	For the period ended 31 st March, 2011
Main Project Expenditure					
Owner Driven Housing Reconstruction Expense	5	361,930,000	Fund Received to the extent utilised during the year		369,350,375
Strengthening flood Management Capacity		-	Less: Expenditure in Fixed Assesst transferred to Capital Fund Account	2	1,047,054
Improving Emergency Response Capacity	6	6,373,321			
Project Management and Technical Assistance					
Total		368,303,321	Total		368,303,321

Significant Accounting Policies & Notes on Accounts

7

In terms of our report of even date

For and on behalf of
Mookherjee Biswas & Pathak
Chartered Accountants
Firm Registration No: 3011385



Sankarjyoti
(S. Mukherjee)
Partner
Membership No. F 59159

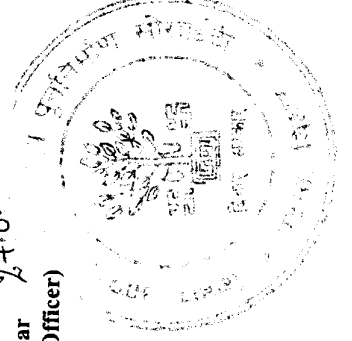
For and on behalf of
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परियोजना निदेशक
बिहार आपदा पुनर्वास एवं
पुनर्निर्माण सोसाईटी,
बिहार. पटना

J. K. KIRAN
(Project Director)

Niranjan Kumar
27.1.12.

N Kumar
(Accounts Officer)



Place : Patna
Date : 27th January, 2012

Bihar Aapda Punarwas Evam Punarnirman Society
Schedules to the Receipts & Payments and Income &
Expenditure Account

(Amount in Rs.)

Schedule 5

Owner Driven Housing Reconstruction Expenses	For the period ended 31st March,2011
HRC 1	252,145,000
HRC 2	72,680,000
HRC 3 (Project)	37,105,000
Total	361,930,000

Schedule 6

Project Management and Technical Assistance	For the period ended 31st March,2011
Administrative Salaries	5,098,485
Contingency Expenses	839,509
Vehicle & Mobility Cost	433,816
Bank Charges	1,511
Total	6,373,321



Bihar Aapda Punarwas Evam Punarnirman Society
Receipts & Payments Account for the period ended 31st March 2011

Receipts	Schedule No.	For the period ended 31st March, 2011	Payments	Schedule No.	For the period ended 31st March, 2011
Opening Balance			Main Project Expenditure		
Cash in Hand		-	Owner Driven Housing Reconstruction Expenses	5	361,930,000
Cash at Bank		-	Strengthening flood Management Capacity		-
Fund in Transit		-	Improving Emergency Response Capacity	6	-
Loans & Advances		-	Project Management and Technical Assistance	2	6,373,321
Funds Received			Fixed Assets purchased during the year		
Grant in Aid from Govt. of Bihar		3,582,793,000			1,047,054
					369,350,375
Closing Liabilities	3	18,134,517	Cash in Hand		5,673
			Cash at Bank	3	2,538,948,335
			Loans & Advances	4	692,623,134
Total		3,600,927,517	Total		3,600,927,517

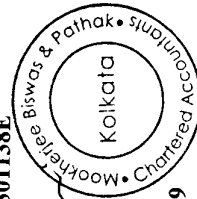
Significant Accounting Policies & Notes on Accounts

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For and on behalf of
Mookherjee Biswas & Pathak
Chartered Accountants

Firm Registration No: 301138E



S. Mukherjee

(S. Mukherjee)
Partner

Membership No. F 59159

Place : Patna

Date : 27th January, 2012

For and on behalf of
Bihar Aapda Punarwas Evam Punarnirman Society

J. R. K Rao
J. R. K Rao
(Project Director)

परियोजना निदेशक
बिहार आपदा पुनर्वास एवं
पुनर्निर्माण सोसाइटी,
बेहार, पटना

Nivartan Kumar
27.01.12.

N Kumar
(Accounts Officer)



Schedule- 7

Significant Accounting Policies and Notes to Accounts

1. Overview of the project

Bihar Aapda Punarwas Evam Punarnirman Society (BAPEPS) is implementing a USD220 mn World Bank assisted **Bihar Kosi Flood Recovery Project** in three districts of Bihar i.e. Supaul, Madhepura and Saharsa. The project will support the efforts of the Government of Bihar (GoB) in helping communities recover from the impacts of the flood and reduce vulnerabilities from flood hazard of affected population. To this effect, the Project has five components which will be implemented through specialized state agencies as given below:

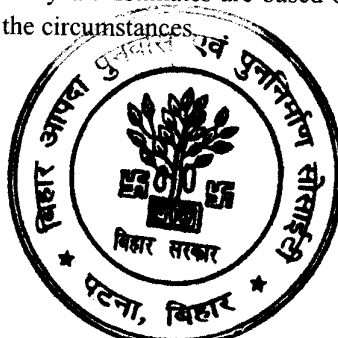
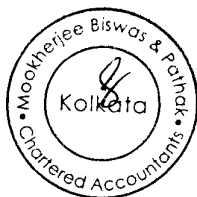
- Reconstruction of Houses, through the Owner Driven Reconstruction Collaborative (ODRC) Model, through the District Administration led by the District Magistrate and supported by the district / block units of BAPEPS.
- Reconstruction of Rural Roads, through the Bihar Rural Roads Development Agency (BRRDA) and reconstruction of Bridges, through the Bihar Rajya Pul Nirman Nigam (BRPNL).
- Strengthening Flood Management Capacity, through the Water Resources Department(WRD)
- Livelihood Restoration and Enhancement is implemented by Bihar Rural Livelihood Project(BRLP)
- Improving Emergency Response Capacity, through Bihar Aapda Punarwas Evam Punarnirman Society (BAPEPS) ; and
- Project Management and Technical Assistance through Bihar Aapda Punarwas Evam Punarnirman Society (BAPEPS).

BAPEPS was formed on 7th July, 2010. Before the Society was formed, an amount of Rs 110.90 Crores was contributed by the Planning & development Department, Government of Bihar for the Project. The financial statement incorporate the transactions pertaining to the Project prior to the date of formation of the Society.

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 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 are stated at their cost of acquisition including taxes, duties, freight and other incidental expenses relating to their acquisition and substantial expenditure on subsequent improvements thereto. Fixed assets received in kind are stated at a nominal value of Re 1/- only.

In case of fixed assets acquired through Project grants and owned by BAPEPS, an amount equivalent to the cost of acquisition is credited to Capital Fund and shown in the Balance Sheet. On disposal of such fixed asset, equivalent amount is reduced from the Capital Fund.

Fixed assets acquired through project grants but are owned by or vested in other line/departments/agencies are not accounted for as fixed assets and are shown as Project expenditure.

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

4. Revenue Recognition

Grant received and spent during the period is recognized in the Income & expenditure Account. Unutilised grant is carried forward in the Balance Sheet.

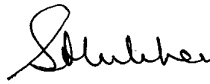
Interest earned on balances on project bank accounts and other income arising from the Project are recognized as liability in the balance sheet and pending decision of the Executive committee/ Governing Body.

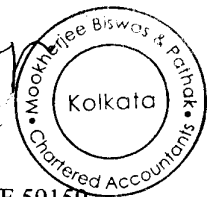
5. Fund Transfer under the Housing Component

Funds released to beneficiaries against milestones under the Housing Component of the project are recognized as expenditure at the time of release.

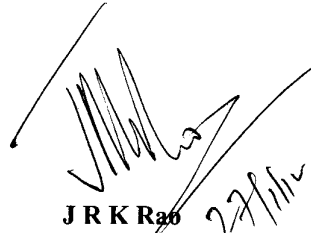
6. This being the first year, previous year's figures are not available for comparison.


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


(S Mukherjee)
Partner
Membership No: F 59159



Patna
January 27, 2012


J R K Rao
Project Director
परियोजना निदेशक
बिहार आपदा पुनर्वास एवं
पुनर्निर्माण सोसाईटी,
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N Kumar
Accounts Officer

