

KRISHNAN RETNA & ASSOCIATES

Chartered Accountants

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023/2018-2019

Ret. :

Date: 22.05.2019

To
The Managing Committee,
District Mineral Foundation Trust, Kanyakumari District
Nagercoil

Dear Sir,

Sub: District Mineral Foundation Trust, Kanyakumari District – Audit of Books of Accounts - Half - yearly Report submitted to Trustees for the period ended 31.03.2018 .

We have been appointed as the auditor of the Trust by the Governing Council of the Trust to conduct Half-yearly Audit vide its meeting dated 06/08/2018 and proceeding note of the District Collector Rc.No 220/G&M/2017 dated 03/10/2018 for 3 years.

We have carried out Half-yearly Audit of the above Institution for the period ended 31.03.2018 and we give below our observations during the course of 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.

1. Trust Deed :-

The Trust Deed has been executed on 24th September, 2017 by the nominated trustees as appointed by the Government to promote the object of the Trust.

2. Meeting of the Governing Council :

As per the provisions of clause (8) of the Trust Deed, meeting of the Governing Council shall be held at least twice in a year. However, no meeting has been taken place during the reporting period.

3. Meeting of the Managing Committee:

As per the provisions of clause (10) of the Trust deed, meeting of the Managing Committee shall be held at least six times in a financial year. However, no meeting has been taken place during the reporting period.

4. Bank Account:

The settler of the Deed/District Collector/Chairperson vide his proceeding note no: Rc No 220/G&M/2017(1) dated 19/09/2017 has authorized the Trust to open a Bank account with State Bank of India , jointly operated by the District Collector and Deputy/Assistant Director of Geology and Mining. Viz-a-viz , Trust has opened a Bank account on 17.10.2017 with SBI- Main Branch, Distillery Road ,Nagercoil vide Account Number 37232889842

5. Books of Accounts

a. As per the provisions of the sub-clause (iii) of the Cluase 16 of Trust Deed, The Managing Committee is responsible for maintain or cause to be maintained proper Books of accounts, documents and records of the Trust Fund. The responsible officials of Directorate of Geology and Mining have prepared the Receipt Register-Arrear &Regular (Excel Sheet Form) and maintain Bank Statements. Demand ,Collection and Balance statement for the period ended 31.03.2018 showing the Demand (Regular & Arrear) of Rs 2,91,06,942/-, Collection of Rs 1,57,70,271/- and the Balance receivable for Rs 1,33,36,671/- . Trust has not prepared and maintained the Challan Register, hence we could not counter check the same with Banks statements to ensure that all the challans received have been properly deposited in to Bank account or not. Saving Bank account has earned an Interest of Rs 1,27,840/- during the reporting period. We have further noted that Challan dated 23/10/2017 and 27/11/2017 for Rs 12825/- and Rs 700/- respectively have not been credited in to Bank

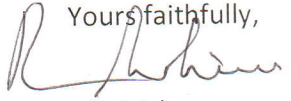
b

account. Collection accounted as Other Receipts for Rs 236364/- could not be associated with appropriate Head of Account due to non-availability of Challans for the said amount.

b. The Trust has also not prepared the approved Budget, annual plan for the next financial year and quarterly progress statement to be published in the website of the District Administration and District Panchayat.

6. Application of Income

The Trust has no approved projects scheme framed in line with order of Government of India No 16/7/2015-M VI (Part) dated 16th September 2015 and followed by The Tamilnadu District Mineral Foundation Rules ,2017, which is mandating the application of Trust Fund not less than 60 % to the welfare of mine affected people and areas.

Yours faithfully,

R. Krishnan
(Partner)

DISTRICT MINERAL FOUNDATION TRUST, KANYAKUMARI DISTRICT
Receipts and Payments Account for the period from 01.10.2017 to 31.03.2018

Receipts	Rs. P.	Rs. P.	Payments	Rs. P.	Rs. P.
To Regular Collection	4560692.00		By Bank Charges		261.00
" Arrear Contribution Collection(as per DCB)	10452664.00		" <u>Closing Balances</u>		
" Arrear Interest Collection(as per DCB)	<u>756915.00</u>	15770271.00	State Bank of India		
" Direct Deposit to Bank			A/c No.37232889842		16512279.00
Direct Remittance		320000.00			
Challan Deposit Earth Permit		58065.00			
" Other Receipts		236364.00			
" Bank Interest		127840.00			
Total		<u>16512540.00</u>	Total		<u>16512540.00</u>

Income and Expenditure account for the half year ended 31.03.2018

Expenditure	Rs. P.	Income	Rs. P.	Rs. P.
To Bank Charges	261.00	By Regular Collection	4560692.00	
To Audit Fee	23600.00	" Arrear Contribution Collection(as per DCB)	21354472.00	
To Excess of Income Over Expenditure	29825350.00	" Arrear Interest Collection(as per DCB)	<u>3191778.00</u>	29106942.00
		" Direct Deposit to Bank		
		Direct Remittance		320000.00
		Challan Deposit Earth Permit		58065.00
		" Other Receipts		236364.00
		" Bank Interest		127840.00
Total	<u>29849211.00</u>	Total		<u>29849211.00</u>

Balance Sheet as at 31.03.2018

Liabilities	Rs. P.	Assets	Rs. P.
<u>General Fund</u>		Arrear Contribution Receivable as per DCB	10901808.00
Excess of Income Over Expenditure	29825350.00	Arrear Interest Receivable as per DCB	<u>2434863.00</u>
Audit Fee Payable	23600.00	" <u>Closing Balances</u>	
		State Bank of India	
		A/c No.37232889842	16512279.00
Total	<u>29848950.00</u>	Total	<u>29848950.00</u>

Total
29/5/19
Assistant Director (I/c)
Geology and Mining
Kanyakumari District

