



INDEPENDENT AUDITORS' REPORT

IW-1820271
24/4/18

To the member of Nagarpalika, Mundwa (Nagaur, Raj.)

We have audited the accompanying financial statements of **Nagarpalika, Mundwa** , which comprise the Balance Sheet as at March 31, 2017 and the Income and Expenditure Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Nagarpalika in accordance with the Rajasthan Municipal Accounts Manual. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Nagarpalika's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Nagarpalika's internal control. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

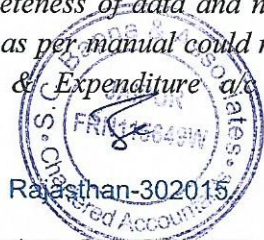
I. We invite attention to:

1. Fixed Asset

- *As per Rajasthan Municipal Accounts manual "Depreciation on the fixed assets shall be provided on straight line method uniformly on all assets having useful life of more than one year with respect to prescribed rates of depreciation guided by the Income tax Act , 1961 and rules subject to 95 % of their book value (cost less residual value 5%). However the Nagarpalika of Mundwa, Nagaur has not charged or made provision for depreciation and due to Voluminous, incompleteness of data and non maintenance of fixed asset register , the actual depreciation as per manual could not be quantified. So the Impact of the same on Income & Expenditure a/c is uncertainable.*

Offices :

- Jaipur : "Arihant" "C-44/45", Greater Kailash Colony, Lal Kothi, Tonk Road, Jaipur, Rajasthan-302015
Phone: 0141-2741824, 4038223 | Fax : 0141-4034824
Vadodara : 74-76, Gayatri Chambers, RC Dutt Road, Near Railway Station, Alkapuri, Vadodara, Gujarat-390005
Phone : 0265-2331056, 2334365
New Delhi : Plot No. 3-Th-78, No. A4, Maiden Garhi, New Delhi-110068
Udaipur : 179, Sector No 3, Hiran Magri, Udaipur, Rajasthan-313001



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2. Provisions, Contingent Liabilities and Contingent Assets :

- *The Nagar Palika has not made any Provision regarding Salary & some other heads. Contingent Liabilities are not disclosed in the notes.*

3. Liabilities that may arise on account of late filing of return , late payment, short or non deduction and mismatching of TDS ,RVAT , Royalty and labour cess has not been ascertained and hence not considered. To this extent surplus of income over expenditure is overstated and liabilities are understated.

4. Debit Balances of Liability side items:

There are some account heads in asset side of accounts while they should be in Liability Side, like Income Tax Deduction which should always be in liability side while it is in asset side by Rs. 6448.00. which shows that payment has been made but no deductions has been made.

5. Liabilities or recovery on account of Pending Cases and/or notices filed against or by Nagarpalika by/against third parties is not ascertainable and hence not considered. Financial impact of such cases has not been ascertained and hence we are unable to comment on correctness or otherwise of income expenditure, assets or liabilities to this extent. Contingent Liabilities, if any, arising out of these cases has not been estimated by the Nagarpalika nor has been disclosed in notes to accounts.

6. Closing stock of stores has not been determined by the Nagarpalika and hence not considered in the accounts. To this extent both, Surplus of income over expenditure and assets are understated.

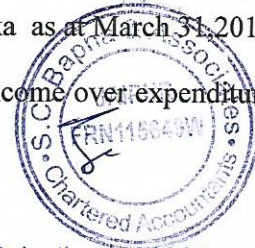
7. Party wise details:

- *The Nagarpalika has not made accounting entries of Earnest Money and Security Deposits party Wise , because of that we are unable to find out or reconcile the party wise receipts and refunds .In this case there may be chances that municipality has paid excess refund to parties.*

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matters described in the Basis for Qualified Opinion mentioned above* the financial statements give a true and fair view in conformity with the Rajasthan Municipal Accounts Manual:

- a) in the case of the Balance Sheet, of the state of affairs of the Nagarpalika as at March 31, 2017 and
b) in the case of the Income and Expenditure Account, of the excess of income over expenditure for the year ended on that date;



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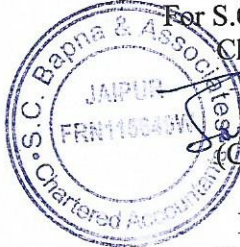


We further report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Nagarpalika so far as appears from our examination of those books:
 - c) the Balance Sheet and Income and Expenditure Account, dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet and Income and Expenditure Account comply with the Rajasthan Municipal Accounts Manual;
- A statement on additional matters is given in the Annexure "A"

Place : Jaipur
Date : 16.04.2018

For S.C.Bapna & Associates
Chartered Accountants

(CA J.P Gupta)
(Partner)
M No.88903
FRN No.115649W



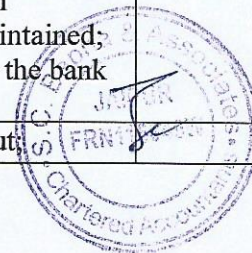
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Nagarpalika, Mundwa

Annexure "A" - Additional matters to be reported by the financial statements auditor

1. Whether all sums due to and received by the Nagarpalika have been brought to account and have been appropriately classified;	Accounting is as per cash book maintained by ULB
2. Whether all grants sanctioned or received by the Nagarpalika during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the Nagarpalika whether such deductions have been properly accounted;	Accounting is as per cash book maintained by ULB
3. Whether any Earmarked Funds have been created as per the provision of any statute and, if so, whether such Earmarked Funds have been utilized for the purposes for which they were created;	No
4. Whether the Nagarpalika is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;	No
5. Whether in case of leasehold property given by the Nagarpalika, whether lease rentals are collected regularly by the Nagarpalika and that the lease agreements are renewed after their expiry;	No Complete details not Maintained
6. Whether physical verification has been conducted by the Nagarpalika at reasonable intervals in respect of stores; Whether the procedures of physical verification of stores followed by the Nagarpalika are reasonable and adequate if not, state the inadequacies in such procedures; Whether any material discrepancies have been noticed on physical verification of stores as compared to stores records, and if so, whether the same have been properly dealt with in the books of account;	No - There is no procedure for physical verification
7. Whether the parties to whom loans or advances have been given by the Nagarpalika are repaying the principal amounts as stipulated and are also regular in payment of the interest and if not, whether reasonable steps have been taken by the Nagarpalika for recovery of the principal and interest;	No Complete details not Maintained
8. Whether advances given to municipal employees and interest thereon are being regularly recovered;	No Complete details not Maintained
9. Whether there exists an adequate internal control procedure for the purchase of stores, fixed assets and services	No
10. Whether there exists an adequate internal control procedure for the contracting of works and projects, periodic inspections and measurements, quality checks and payments there for	No
11. Whether the Nagarpalika is regular in depositing statutory dues including tax deducted at source, works contract tax, cess payable to the Government, ESI, PF etc., and if not, the nature and cause of such delay and the amount not deposited;	No
12. Whether any personal expenses have been charged to the Nagarpalika's accounts; if so, the details thereof;	No
13. Whether the books and registers specified under the Rajasthan Municipal Accounts Manual and other applicable acts and rules have been properly maintained; whether Bank Reconciliation statements have been properly prepared for all the bank accounts of the Nagarpalika;	No
14. Whether the year-end and reconciliation procedures have been carried out;	No



MUNDWA NAGARPALIKA
BALANCE SHEET AS AT 31.03.2017

PARTICULARS	Schedule	As At 31 March 2017	As At 31 March 2016
LIABILITIES			
RESERVE & SURPLUS			
Municipal (General) Fund	1	30,107,191	18,289,843
Total Reserve & Surplus (A)		30,107,191	18,289,843
GRANTS & CONTRIBUTIONS			
Grants & Contributions for specific purpose	2	6,429,300	3,177,300
Total Grants & Contributions (B)		6,429,300	3,177,300
CURRENT LIABILITIES & PROVISIONS			
Sundry Deposits	3	5,334,207	3,856,423
Statutory Liabilities	4	11,261,176	10,490,712
Other Current Liabilities	5	444,434	660,794
Total Current Liabilities and Provisions (C)		17,039,817	15,007,929
TOTAL LIABILITIES (A+B+C)		53,576,308	36,475,071
ASSETS			
FIXED ASSETS			
Gross Block	6	15,975,981	14,277,472
Less: Depreciation		(126,342)	(126,342)
Net Block		15,849,639	14,151,130
Total Fixed Assets (A)		15,849,639	14,151,130
CURRENT ASSETS, LOANS & ADVANCES			
Cash & Bank Balances	7	37,720,221	22,323,941
Other Current Assets	8	6,448	-
Total Current Assets, Loans & Advances (B)		37,726,668	22,323,941
TOTAL ASSETS(A+B)		53,576,308	36,475,071

Other notes forming part of Financial Statements
Significant Accounting Policies

As per our Report of even date attached

For S.C.Bapna & Associates

Chartered Accountants


(CA J.P. Gupta)

Partner

M.No 088903

FRN : 115649W

Date:16.04.2018

Place:Jaipur




(Executive Officer)
अध्यक्ष, नगरपालिका,
मुन्दवा

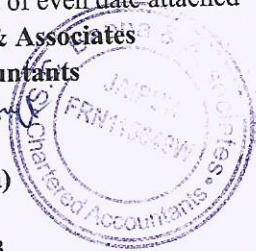

(Chairman)
नगरपालिका, मा. मुन्दवा

MUNDWA NAGARPALIKA
STATEMENT OF INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED ON 31 MARCH 2017

PARTICULARS	Schedule	For the Year Ended 31.03.2017 (Amount in Rs.)	For the Year Ended 31.03.2016 (Amount in Rs.)
INCOME			
Revenue Grants, Contributions and Subsidies	9	51,546,455	35,710,830
Fees and User Charges	10	4,678,554	3,296,827
Income From Taxes	11	220,959	286,151
Miscellaneous Income	12	306,122	375,390
Total Income		56,752,090	39,669,198
EXPENDITURE			
Establishment Expenses	13	15,409,753	15,105,286
General Administrative Expenses	14	2,536,781	2,202,635
Public Works	15	26,988,208	9,613,795
Depreciation	6	-	-
Total Expenditure		44,934,742	26,921,716
Surplus\ Deficit before adjustment of prior period items		11,817,348	12,747,482
Less; Prior Period Items		-	-
NET SURPLUS\ DEFICIT		11,817,348	12,747,482
Other notes forming part of Financial Statements Significant Accounting Policies			

As per our Report of even date attached
For S.C.Bapna & Associates
Chartered Accountants

Jai Prakash Gupta
(CA J.P Gupta)
Partner
M.No. 088903
FRN : 115649W
Date: 16.04.2018
Place: Jaipur



23
(Executive Officer)
उपनिर्देशक अधिकारी
नगर पालिका, ना. मुण्डवा

Shankar Jay
(Chairman)
अध्यक्ष
नगर पालिका, ना. मुण्डवा

MUNDWA MUNICIPAL BOARD

Notes on Financial Statements for the year ended 31st March, 2017

Particulars	For the period ending on 31.03.2017	For the period ending on 31.03.2016
<u>Schedule-1</u>		
<u>MUNICIPAL (GENERAL) FUND</u>		
Opening balance	18,289,843	5,542,361
Add: Excess of Income over Expenditure	11,817,348	12,747,482
Total	30,107,191	18,289,843
<u>Schedule 2</u>		
<u>GRANTS & CONTRIBUTIONS FOR SPECIFIC PURPOSE</u>		
<u>Swacch Bharat Mission</u>		
Opening Balance	3,177,300	-
Received during the Year	8,104,000	3,629,000
Used during the Year	(4,852,000)	(451,700)
Balance	6,429,300	3,177,300
<u>Schedule- 3</u>		
<u>SUNDRY DEPOSITS</u>		
Security & Amanat Payable	5,334,207	3,856,423
	5,334,207	3,856,423
<u>Schedule- 4</u>		
<u>STATUTORY LIABILITIES</u>		
GPF Loan	2,289,254	1,996,191
Cess Deduction	145,501	95,552
Gratuity Payable	2,708,900	2,483,482
Insurance Deduction	271,881	271,881
Labour Cess	5,881	5,881
Other Deductions	20,339	20,339
Pension Payable	3,745,022	3,048,182
Prasanik Deduction	548	387
Provident Fund (Employ)	1,696,549	2,486,749
Royalty	209,809	59,962
Sales Tax Deduction	167,492	17,645
TDS on Contractors Bill	-	4,461
Total	11,261,176	10,490,712



Shambhuji
अध्यक्ष
नगर पालिका, मुण्डवा

अधिसूचना
नगर पालिका, मु. मुण्डवा

Schedule- 5

OTHER CURRENT LIABILITIES

Salary Payable	200	-
Advance to Contractor	200	-
Sundry Creditors	12,600	12,600
Audit fees Payable	180,334	135,794
Accounting Fees Payable	251,100	247,500
Advertisement Expenses Payable	-	264,900
Total	444,434	660,794

Schedule- 7

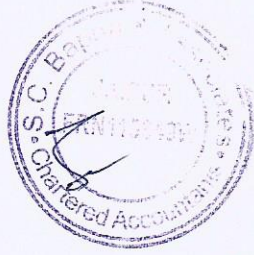
CASH & BANK BALANCES

Cash in Hand	70,307	6,180
Balances in Saving & Current a/cs:	-	-
P.D. Account	21,490,210	20,685,823
SBBJ 51061991104	15,587,746	102,424
ICICI Bank	338,923	810,705
SBI- 8479	107,723	-
ICICI Bank A/c 0064	125,311	718,808
Total	37,720,221	22,323,941

Schedule- 8

OTHER CURRENT ASSETS

TDS	6,448	-
Total	6,448	-



Shankar Jyoti
अध्यक्ष
नगर पालिका, ना. मूण्डवा

23
अभिषेक आंधेकर
नगर पालिका, ना. मूण्डवा

Schedule-6

Tangible Assets	RATE	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK		
		As at 01-Apr-16	Additions	Deductions	As at 31-Mar-17	Upto 01-Apr-16	For the year	Upto 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
Bamda Nirman Karay	0%	330,594	-	-	330,594	-	-	-	330,594	330,594
Divar Nirman	0%	3,013,750	-	-	3,013,750	-	-	-	3,013,750	3,013,750
Hanuman Vautika	0%	6,530,526	-	-	6,530,526	-	-	-	6,530,526	6,530,526
Hanuman Vatika Nirman Karya	0%	3,455,393	-	-	3,455,393	-	-	-	3,455,393	3,455,393
Vehicle	11.88%	177,350	1,010,000	-	1,187,350	41,164	-	41,164	1,146,186	136,186
Computer	19.00%	76,400	-	-	76,400	14,516	-	14,516	61,884	61,884
Office Equipment	19.00%	459,600	62,250	-	521,850	68,400	-	68,400	453,450	391,200
Furniture	9.50%	233,859	85,757	-	319,616	2,261	-	2,261	317,355	231,598
Guard Room Nirman		-	448,002	-	448,002	-	-	-	448,002	-
Air Conditioner		-	92,500	-	92,500	-	-	-	92,500	-
TOTAL		14,277,472	1,698,509	-	15,975,981	126,342	-	126,342	15,849,639	14,151,130



S.C. Bapna
 Chartered Accountant
 10, P. P. Road, W. P. Road

[Signature]
 Chartered Accountant
 10, P. P. Road, W. P. Road

Notes on Financial Statements for the year ended 31st March, 2017

Particulars	For the period ending on 31.03.2017	For the period ending on 31.03.2016
Schedule - 9		
REVENUE GRANT, CONTRIBUTION, SUBSIDIES		
Annual Aid by Govt. (Chungi)	8,784,000	7,985,000
Grant from MP Quota	499,860	500,000
Grant from State Govt.	10,796,000	15,812,000
Rashan Card Mandey	-	23,830
MLA Fund	1,933,561	-
Special Grant for 11/12/13/14th Financial Commission	28,377,000	11,390,000
Samajik Nyay Adhishashi Lekha Bahi	100,404	-
NULM	1,000,000	-
Census	55,630	-
Total	51,546,455	35,710,830

Schedule - 10

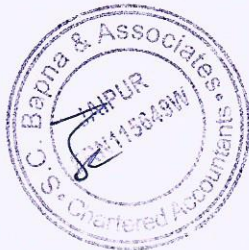
FEES AND USER CHARGES

Registration /Lease/Viniyaman Fees	1,493,034	1,221,909
Advertisement Fees	166,900	234,456
Application Fees	95,592	5,000
Birth Death Registration Fees	2,251	3,507
Died Animals Charges	112,000	88,100
Land Conversion Fees	835,827	847,317
License Fees, Construction and Development Work	1,225,098	225,509
Marriage Registration Fees	21,660	39,900
Nakal Sulk	19,172	9,116
Other Certificate Fees	13,700	17,011
Property Transfer Charges	82,067	24,374
Rental Income	154,200	10,200
Road Cutting Fees	38,708	-
Road Damage & Recovery Charges	-	248,754
Sales Certificate	-	5,100
Septic Tank Clearance Charges	-	45,500
Tamir Ijjajat Fees	75,845	-
Tender Fees	131,600	51,000
Entry Fees	4,800	-
Water & Electricity NOC Fees	206,100	220,074
Total	4,678,554	3,296,827

Schedule - 11

INCOME FROM TAXES

House Tax	49,370	103,516
Urban Development Tax	171,589	182,635
Total	220,959	286,151



Thank you
अध्यक्ष
नगर पालिका, न. मूडका

(Signature)
अध्यक्ष
नगर पालिका, न. मूडका

Schedule - 12**MISCELLANEOUS INCOME**

Other Income	227,869	283,560
Interest from Bank	78,253	91,830
Total	306,122	375,390

Schedule -13**ESTABLISHMENT EXP.**

Salary and Other Payment	15,297,195	15,054,588
Travelling Reimbursement	112,558	50,698
Total	15,409,753	15,105,286

Schedule -14**GENERAL ADMINISTRATION EXP.**

Accounting Fees	75,000	75,000
Advertisement Expenses	47,220	396,942
Audit Fees	44,541	339,741
Cleaning & Garbage Transportation on Contract	1,165,066	39,600
Computer Exp	-	90,000
Dress Expenses	13,200	46,500
Other Exp	1,087,420	977,228
DSC Charges	9,850	
Printing & Stationery Expenses	94,484	136,814
Vehicle Hire Expenses	-	100,810
Total	2,536,781	2,202,635

Schedule- 15**PUBLIC WORKS**

Bhamashah Expenses	-	50,300
Expenses against aid for Roads & Gutter	268,031	756,529
Nalavali Nirman Karya/ Public Toilets/Dustbin	1,100,902	1,654,267
Repair & Main. Of Building	-	144,661
Road Light Development	1,211,243	222,350
Roads & Bridge	24,054,262	6,284,397
Pipe Fitting Exp	2,968	
Sign Board	24,900	
Drains Repairing	102,002	501,291
Construction Work	223,900	
Total	26,988,208	9,613,795



Thank you
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नगर पालिका, सा. मण्डवा

आयुक्त
नगर पालिका, सा. मण्डवा

List

Expenses against aid for Roads & Gutter

Repair & Maintanance	41,125	-
Repair & Maintanance Vehical	226,906	95,950
Roadlight Work Expenses	-	660,579
	268,031	756,529

Other Expenses

Computer Consumables	-	750
Diesel Expenses	233,908	199,509
Election Expenses	-	61,450
Electricity Expn	64,436	44,374
Legal Exp.	73,800	7,300
News Paper Expenses	9,638	6,975
Post Office Exp.	-	1,264
Sundry Expenses	178,589	384,232
Telephone Exp.	47,563	31,929
Utsav & Parv Exp.	311,538	225,000
Ring Bell Expenses	450	-
Paint Exp.	122,885	-
Refreshment Exp.	14,740	-
Water Expenses	29,253	13,440
Bank Charges	620	1,055
	1,087,420	977,228



Thank you
अध्यक्ष
नगर पालिका, मा. मण्डवा

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नगर पालिका, मा. मण्डवा