



CA MOHIT JAIN
Chartered Accountant

S R A M & CO.

Chartered Accountants

4,5 SUGANDHAM TOWER, 1ST FLOOR
OPP. TVS SHOWROOM, JAWAHAR NAGAR,
KOTA, RAJASTHAN-324005

F.R.N.: 008244C, M. N.: 424619

Ph. No.: 0744-2405278 MO. NO.: 07737520884

J.MOHIT29@GMAIL.COM

INDEPENDENT AUDITOR'S REPORT

Executive Officer,
Nagar Palika, K. Patan,
Dist. Bundi, Rajasthan

We have audited the accompanying financial statements of Nagar Palika K.Patan, which comprise the Balance Sheet as at March 31, 2015, the Income and Expenditure 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, financial performance and cash flows of the ULB 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 judgement, 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 ULB'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 ULB'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.



In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the Rajasthan Municipal Accounts Manual subject to some qualifications given in annexure:

- A. In the case of the Balance Sheet, of the state of affairs of the Nagar Palika K.Patan as at March 31, 2015
- B. In the case of the Income and Expenditure Account, of the surplus/ deficit for the year ended on that date; and

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 Nagar Palika K. Patan 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 subject to some qualifications;
- D. In our opinion, the Balance Sheet and Income and Expenditure Account comply with the Rajasthan Municipal Accounts Manual subject to some qualifications;

A statement on additional matters with qualifications is given in the annexure.

DATE: 07/09/2016

PLACE: KOTA

For SRAM & CO.
Chartered Accountants



CA MOHIT JAIN
Partner

Membership Number: 424619



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Annexure to the Audit Report

Additional matters to be reported by the financial statements auditor

1. Whether all sums due to and received by the Municipality have been brought to account and have been appropriately classified;

Comment:

Municipality have recorded all the sums received and sums due.

2. Whether all grants sanctioned or received by the Municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the Municipality whether such deductions have been properly accounted;

Comment:

Municipality have recorded all the grants in a general head, all the payments have been deducted from that head. At the time of making UC they segregate expenses accordingly.

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;

Comment:

Municipality do not have any earmarked fund.

4. Whether the Municipality 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;

Comment:

Municipality does not maintain proper records showing full particulars. Municipality is not maintaining any fixed assets register showing quantitative details and situation of fixed assets. They never physically verified assets.

5. Whether in case of leasehold property given by the Municipality, whether lease rentals are collected regularly by the Municipality and that the lease agreements are renewed after their expiry;

Comment:

Municipality have not any leasehold property.



6. Whether physical verification has been conducted by the Municipality at reasonable intervals in respect of stores; Whether the procedures of physical verification of stores followed by the Municipality 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;

Comment:

E.O. and local auditor have conducted physical verification of stores once in a year. We have not attended any physical verification that's why we are not able to give our opinion on procedure followed by municipality. They did not find any material discrepancy.

7. Whether the parties to whom loans or advances have been given by the Municipality 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 Municipality for recovery of the principal and interest;

Comment:

As on 31/03/2015 ₹ 236102.00 is pending with various contractors and ₹ 361897.00 with various government departments, these advances are pending since very long. Municipality is not taking any steps for recovery.

8. Whether advances given to municipal employees and interest thereon are being regularly recovered;

Comment:

As on 31/03/2015 ₹ 31050.00 is pending against employees which is regular in nature. Municipality is regularly recovering advances and interest thereon given to employees.

9. Whether there exists an adequate internal control procedure for the purchase of stores, fixed assets and services;

Comment:

Municipality is following proper internal control system for purchase of stores, fixed assets and services.

10. Whether there exists an adequate internal control procedure for the contracting of works and projects, periodic inspections and measurements, quality checks and payments thereof;

Comment:

Municipality is following proper internal control system for the contracting of works and projects.

11. Whether the Municipality 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;

Comment:



Generally department is paying statutory dues on time but during audit we found few cases of paying interest on dues like on 09/01/2014 `12964.00 paid by department against interest on TDS.

12. Whether any personal expenses have been charged to the Municipality's accounts; if so, the details thereof;

Comment:

No, during our audit we did not found any personal nature expenses charged to municipality's account.

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 Municipality;

Comment:

Municipality is maintaining adequate books and registers specified under RMAM and other applicable laws including bank reconciliation.

14. Whether the year-end and reconciliation procedures have been carried out;

Comment:

Yes, municipality is carried out year-end reconciliation procedures.

Other observations:

1. At the time of our audit we did not found fixed assets register which is violation of Accounting Standard 10 issued by ICAI. Municipality also not maintaining quantitative detail in any other mode. They should maintain separate fixed assets register showing quantitative details and situation of fixed assets.
2. At the time of our audit we found that municipality is accumulating depreciation amount in separate account which is violation of AS-6 issued by ICAI. They should reduce the cost of fixed assets by depreciation every year.

DATE: 07/09/2016

PLACE: KOTA



For SRAM & CO.
Chartered Accountants

A handwritten signature in blue ink, appearing to read "Mohit Jain".

CA MOHIT JAIN
Partner

Membership Number: 424619

NAGAR PALIKA, K. PATAN
BALANCE SHEET
AS ON 31/03/2015

LIABILITIES		Amount	ASSETS		Amount
310 General Municipal Fund		8,88,355.32	410 Fixed Assets		6,18,26,000.00
31010 Municipal fund	8,88,355.32		41010 Land	25,69,330.00	
320 Special Purpos Grant		5,35,26,054.00	41020 Building	1,06,94,091.00	
32020 SPG from State Government	5,35,26,054.00		41030 Road & Bridge	4,92,58,297.00	
350 Current Liabilities		1,25,79,279.75	41031 Footpath & Naliya	19,54,931.00	
35011 Employee Liabilities	1,12,68,558.75		41080 Other Fixed Assets	1,11,07,590.00	
35020 Require for Payable	56,435.00		41011 Accumulated Depreciation	-1,37,58,239.00	
35030 Payable Govt. Dues	12,54,286.00		450 Current Assets		22,94,34,549.46
312 Reserve Fund		2,39,26,306.00	450 Cash & Bank	22,94,34,549.46	
31210 Capital Contribution	2,39,26,306.00		460 Advances		6,18,000.00
340 Deposits		1,17,24,545.39	460 advances, loan & Deposit	6,18,000.00	
34010 Deposits from Contractors	1,17,24,545.39				
34020 Deposits for Income	26,740.00				
Surplus (Excess Of Incm. over Exp.)		18,92,07,269.00			
Opening Balance	19,66,55,026.73				
Current Year	-74,47,757.73				
TOTAL	29,18,78,549.46		TOTAL	29,18,78,549.46	

For:- NAGAR PALIKA, K. PATAN

For SRAM & Co.

Chartered Accountant

FRN 008244C



अधिसाथी अधिकारी
नगर पालिका क. पटन

E.O.

Place: Kota

Date: 7th September, 2016

(Signature)
(CA MDHIT JAIN)
Partner

NAGAR PALIKA, K. PATAN
INCOME & EXPENDITURE STATEMENT
01-04-2014 to 31-03-2015

Particulars		Amount	Particulars		Amount
210 Establishment Expenses		2,29,77,120.00	110 Tax Revenue		2,68,563.27
21010 Salary Wages & Bonus	2,25,95,450.00		11007 Vehicle Tax	54,100.00	
21020 Allowances & Benefits	3,81,670.00		11013 Property Tax	32,169.27	
			11001 Commercial Tax	1,82,294.00	
220 Administrative Expenses	35,21,604.00		120 Special Revenue & Compensation		1,56,63,000.00
22010 Rent Exp.	70.00		12020 compensation in lie of Duties	1,56,63,000.00	
22011 Office Expenses	85,594.00				
22012 Communication Expenses	33,463.00				
22020 Book & Periodicals	8,539.00		130 Rental Income From Corp Assets		8,54,322.00
22021 Printing & Stationary Expenses	65,369.00		13010 Rent From Nagrik Suv/dha	4,67,903.00	
22030 Travelling & Conveyance Exp.	1,30,777.00		13040 Rent From Lease Land	3,52,119.00	
22040 Insurance Exp	-		13080 Misc Rentals	34,300.00	
22050 Audit Charges	-				
22051 Legal Expenses	1,43,790.00		140 Fees & Upbhokta Charges		6,31,352.00
22060 Advertisement & Publicity	7,17,360.00		14010 Suchikaran & Registration charges	5,000.00	
22080 Other Administrative	23,36,642.00		14012 Permission Fee	897.00	
22052 Commercial & Other Fees	-		14013 Certificate & Duplicate fee	36,362.00	
			14014 Vikas Charges	97,132.00	
			14015 Regulation Fee	4,23,053.00	
230 Operational & Maintenance	31,33,315.00		14020 Fine & penalties	20,265.00	
23020 Bulk Purchase	3,671.00		14040 Misc. Fee	48,516.00	
23040 Freight Expenses	2,20,516.00		14060 Entry Fee	127.00	
23050 Repair & Maint Infra Assets	4,88,098.00				
23051 Repair & Maintenance	32,000.00		150 Sale & Transportation Charges		1,78,100.00
23052 Repair Maintenance Building	9,14,983.00		15010 Sale of Products	16,100.00	
23053 Vehicle Repair Maintenance	93,363.00		15011 Sale of Forms & Formats	1,62,000.00	
23059 Repaire & Maintenance Others	30,669.00				
23080 Misc Operational & Maintenance	13,50,015.00		160 Revenue Grants, Contribution & Sahayata		5,52,026.00
			16010 Revenue Grants	5,52,026.00	
240 Interest & Financial Expenses	3,268.00				
24070 Bank Charges	3,268.00		171 Accrued Interest		1,28,51,608.00
			17110 Accrued Interest on Banks	1,27,90,205.00	
250 festival Expenses	20,28,888.00		17180 Other Earned Interest	61,403.00	
25010 Election Expenses	8,120.00				




अधिकाारी
नगर पालिका के. पाटन

25020	Festival Expenses Office	20,20,768.00						
271	Miscellaneous Expenses		3,100.00					
27130	Other Misc. Exp.	3,100.00						5,70,737.00
272	Depreciation		73,66,587.00					16,416.00
27220	Depecation on Building	20,20,181.00						
27230	Depecation on Road & Bridge	51,21,324.00						
27235	Depriciation on Computer	24,000.00						
27240	Depriciation on Plant & Machinery	1,35,281.00						
27270	Depriciation on Furniture & Fixtures	65,801.00						
TOTAL			3,90,33,882.00					3,90,33,882.00

For:- NAGAR PALIKA, K. PATAN


अधशाषी अधिकारी
नगर पालिका के. पाटन

E.O.

Place: Kota

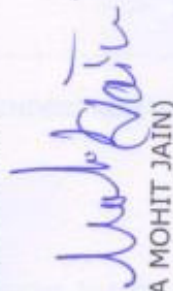
Date: 7th September, 2016

For SRAM & Co.

Chartered Accountant

FRN 008244C




(CA MOHIT JAIN)

Partner