



SRAM & CO

Chartered Accountants

CA Mohit Jain

FRN : 008244C, MRN : 424619

## INDEPENDENT AUDITOR'S REPORT

Executive Officer,  
Nagar Palika Anta, Baran,  
Disct. Baran, Rajasthan

We have audited the accompanying financial statements of Nagar Palika Anta, Baran which comprise the Balance Sheet as at March 31, 2017, 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.

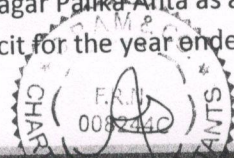
### Auditor's Responsibility

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:

- In the case of the Balance Sheet, of the state of affairs of the Nagar Palika Anta as at March 31, 2017.
- In the case of the Income and Expenditure Account, of the deficit for the year ended on that date; and



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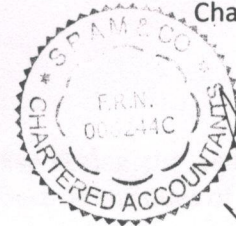
ner report that:

- 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 Anta 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:** 21/08/2018  
**PLACE:** KOTA

**For SRAM & CO.**  
Chartered Accountants



*Mohit Jain*  
**CA MOHIT JAIN**  
Partner

Membership Number: 424619



SRAM & CO.

Chartered Accountants

CA Mohit Jain

FRN : 008244C, MRN : 424619

### 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 have created earmarked funds regarding employee's dues but that funds do not match with outstanding liabilities of respective employees.

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;

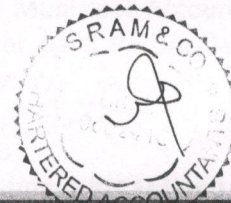
**Comment:**

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 have never physically verified their assets. Municipality has not charged depreciation for previous years which is a violation of Accounting Standards issued by The Institute of Chartered Accountants of India.

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.



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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 found 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:**

Loans or advances have been given by the Municipality are regular in nature.

8. 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.

9. 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.

10. 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:**

Department is not paying statutory dues on time, huge amount is pending which have to be deposited on time details of which is as follows :

Tds : 92,868

Sales Tax : 12,333

Royalty : 19,116

Tds on Salary : 19,200

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

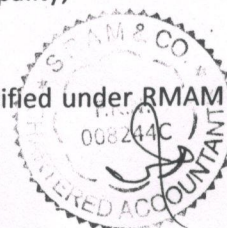
**Comment:**

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

12. 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.



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

**Comment:**

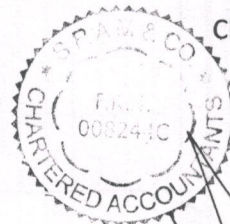
Yes, municipality is carried out year-end reconciliation procedures.

**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 quantative detail in any other mode. They should maintain separate fixed assets register showing quantative details and situation of fixed assets.
2. At the time of our audit we found that municipality is charging depreciation of assets, purchased from grants received from government, from income generated by its own resources. Respective depreciation should be charge from respective grants.
3. At the time of our Audit we found there are many entries in Bank account and there is no bank details provided, during our enquiry from Municipality we did not get any response regarding those entries.
4. During our audit many entries have been passed through Suspense A/c, when enquired about such entries no proper response from Municipality.

**DATE:** 21/08/2018

**PLACE:** KOTA



**For SRAM & CO.**  
Chartered Accountants

*Mohit Jain*  
**CA MOHIT JAIN**  
Partner

Membership Number: 424619

**NAGAR PALIKA ANTA, BARAN**  
**BALANCE SHEET**  
AS ON 31/03/2017


LIABILITIES		Amount		ASSETS		Amount	
<b>310 General Municipal Fund</b>		<b>78,62,24,170.18</b>	<b>410 Fixed Assets</b>		<b>87,00,87,292.00</b>		
31010 Municipal fund	78,62,24,170.18		41010 Land	77,92,77,665.00			
			41020 Building	71,29,431.00			
<b>320 Special Purpose Grant</b>		<b>8,19,66,375.71</b>	41030 Road & Bridge	6,01,06,977.00			
32020 SPG from State Government	8,19,66,375.71		41031 Footpath & Naliya	1,98,48,536.00			
			Public Lighting	52,25,075.00			
<b>350 Current Liabilities</b>		<b>60,74,421.70</b>	Waterways	8,57,010.00			
35011 Sundry Creditors			Other Fixed Assets	14,94,632.00			
35020 Statutory Liabilities			Furniture & Fixtures	8,41,919.00			
35030 Other Liabilities	60,74,421.70		Vehicle	6,66,899.00			
			Office Equipment	3,43,253.00			
<b>312 Reserve Fund</b>		<b>2,83,94,757.00</b>	41011 Accumulated Depreciation	-57,04,105.00			
31210 Capital Contribution	2,83,94,757.00						<b>10,83,32,679.27</b>
			<b>450 Current Assets</b>				
<b>340 Deposits</b>		<b>80,00,819.00</b>	450 Cash & Bank	10,83,32,679.27			
34010 Deposits from Contractors	80,00,819.00						
34020 Deposits for Income			<b>460 Advances</b>				<b>5,26,900.00</b>
			460 advances, loan & Deposit	5,26,900.00			
<b>331 Loans (Liability)</b>		<b>42,500.00</b>					
33150 Unsecured Loans	42,500.00		<b>Investments</b>				
			General fund Investments				
<b>Suspense A/c</b>		<b>7,13,456.00</b>					
Suspense	7,13,456.00						
<b>Surplus (Excess Of Income over Exp.)</b>		<b>6,75,30,371.68</b>					
Opening Balance	6,85,26,530.16						
Current Year	-9,96,158.48						
<b>TOTAL</b>		<b>97,89,46,871.27</b>	<b>TOTAL</b>				<b>97,89,46,871.27</b>

For:- NAGAR PALIKA ANTA, BARAN

E.O.

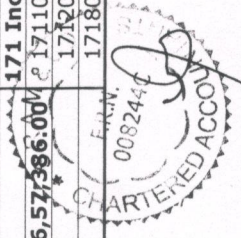
Place: Kota

Date: 21st August, 2018


  
 For SRAM & Co.  
 Chartered Accountant  
 FRN 008244C  
 CA MOHIT JAIN (Partner)  
 M.R.N. 424619

**NAGAR PALIKA ANTA, BARAN**  
**INCOME & EXPENDITURE STATEMENT**  
01-04-2016 to 31-03-2017

Particulars		Amount	Particulars	Amount
<b>210 Establishment Expenses</b>		<b>1,90,09,143.00</b>	<b>110 Tax Revenue</b>	<b>3,32,875.00</b>
21010	Salary Wages & Bonus	1,73,39,050.00	11090	Vehicle Tax
21020	Benefits & Allowances	6,94,447.00		
21040	Other Terminal & Retirement Benefits	9,75,646.00		
<b>220 General Administrative Expenses</b>		<b>14,53,584.00</b>	<b>120 Special Revenue &amp; Compensation</b>	<b>2,39,63,000.00</b>
22010	Rent, Rates & Taxes	1,14,808.00	12020	Octroi Compensation
	Electricity Exp.			
	Office Maintenance	2,00,919.00		
22012	Communication Expenses	28,212.00		
22020	Book & Periodicals	7,696.00		
22021	Printing & Stationary Expenses	1,99,700.00		
22030	Travelling & Conveyance Exp.	2,16,859.00		
22040	Insurance Exp	20,505.00		
	Membership Fees & Contribution			
22050	Auditing Charges	3,000.00		
22051	Legal Expenses	72,076.00		
22060	Advertisement & Publicity	2,51,829.00		
22080	Other Administrative	2,21,094.00		
	Professional & Other Fees	1,16,886.00		
<b>230 Operational &amp; Maintenance</b>		<b>53,55,133.00</b>	<b>140 Fees &amp; Upbhokta Charges</b>	<b>53,400.00</b>
23020	Bulk Purchase	27,720.00	14010	Suchikaran & Registration charges
23040	Hire Charges	2,53,186.00		Licence Fees
23050	Repair & Maintenance (Infra Assets)	13,99,853.00	14012	Permission Fees
23051	Repair & Maintenance Civil Amenities)	6,90,240.00	14013	Certificate & Duplicate fee
23052	Repair Maintenance (Building)	3,83,882.00	14014	Vikas Charges
23053	Repair & Maintenance (Vehicle)	1,13,219.00	14015	Regulation Fee
23059	Repairs & Maintenance (Others)	1,51,251.00	14020	Fine & penalties
23080	Other Operating & Maintenance Exp.	23,35,782.00	14040	Misc. Fee
<b>260 Revenue Grants, Contribution &amp; Subsidies</b>		<b>4,478.00</b>	<b>14050</b>	<b>User Charges</b>
26020	Contributions	4478	14070	Seva/Administration Fees
<b>240 Interest &amp; Financial Expenses</b>		<b>4,556.48</b>		Property Transfer charge
24070	Bank Charges	4,556.48		
<b>250 festival Expenses</b>		<b>6,57,386.00</b>	<b>150 Sale &amp; Transportation Charges</b>	<b>2,29,633.00</b>
25020	Own Programme	6,57,386.00	15010	Sale of Products
			15011	Sale of Forms & Formats
<b>240 Interest &amp; Financial Expenses</b>		<b>4,556.48</b>	<b>160 Revenue Grants, Contribution &amp; Sahayata</b>	<b>40,24,683.00</b>
24070	Bank Charges	4,556.48	16010	Revenue Grants
<b>250 festival Expenses</b>		<b>6,57,386.00</b>	<b>171 Income from corp. Asset/Investment</b>	<b>18,56,055.00</b>
25020	Own Programme	6,57,386.00	17110	Interest on SB a/c
			17120	Interest on Loans & Advances to Employee
			17180	Other Interest



<b>71 Miscellaneous Expenses</b>							
27130 Other Interest	4,089.00					5,000.00	
						7,370.00	
							<b>12,370.00</b>
<b>72 Depreciation</b>							
27220 Depreciation on Building	7,12,943.00						
27230 Depreciation on Road & Bridge	30,05,349.00						
27235 Depreciation on Naliya & Others	9,92,427.00						
Depreciation on Public Lighting	5,22,507.00						
27270 Depreciation on Furniture & Fixtures	84,192.00						
27280 Depreciation on Vehicle	1,00,035.00						
Depreciation on Office Equipments	51,488.00						
Depreciation on Other Fixed Assets	1,49,463.00						
Depreciation on Waterways	85,701.00						
<b>TOTAL</b>	<b>3,21,92,474.48</b>				<b>TOTAL</b>		<b>3,21,92,474.48</b>

**180 Miscellaneous Income**18060 Excess provision Written Back  
18040 Other**Excess of Expenses over Income (LOSS)****9,96,158.48**

or:- NAGAR PALIKA ANTA, BARAN

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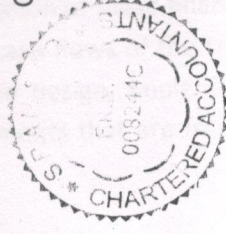
Place: Kota

Date: 21st August, 2018

For SRAM &amp; Co.

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