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Certified Firm

K. K. Chanani & Associates

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the member of **Municipal Corporation, Kota (Rajasthan)**

We have audited the accompanying financial statements of **Municipal Corporation, Kota (Rajasthan)**, which comprise the Balance Sheet as at **March 31, 2015** 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, financial performance and cash flows of the **Municipal Corporation** 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 **Municipal Corporation'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 **Municipal Corporation'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:

- a) in the case of the Balance Sheet, of the state of affairs of the **Municipal Corporation** as at **March 31, 2015** and
- b) in the case of the Income and Expenditure Account, of the surplus/ deficit for the year ended on that date;

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 **Municipal Corporation** 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" & Annexure "B"**

Place : New Delhi

Date : 9th March 2017

For K K Chanani & Associates

Chartered Accountants



**Krishna Kumar Chanani
(Partner)**

Membership No. 056045

FRN No. 322232E

Annexure "A" - 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;	Accounting is as per cash book maintained by ULB
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;	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;	Yes
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;	No
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;	N.A.
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;	No - There is no procedure for physical verification



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;	No
8. Whether advances given to municipal employees and interest thereon are being regularly recovered;	Yes
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 thereof	No
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;	No
12. Whether any personal expenses have been charged to the Municipality'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 Municipality;	No
14. Whether the year-end and reconciliation procedures have been carried out;	Yes



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

1. Interest on GPF should be recognized in GPF a/c but currently it is recognized part of normal profit & loss a/c.
2. Interest on Gratuity should be recognized in Gratuity a/c but currently it is recognized part of normal profit & loss a/c.
3. Gratuity fund a/c show debit balance of Rs 10,51,62,246.
4. Specific Fund Investment like Gratuity Investment a/c, GPF a/c are not match with respective Earmarked fund like Gratuity payable, GPF Payable and Pension fund.
5. Following balance shows debit balance Income tax (TDS) payable-Rs.1313453 Dr, Cess-Rs48609 Dr, Commercial tax payable-Rs17681551 Dr, Service tax deduction-Rs11492098 Dr, TCS-Rs20947 Dr as on 31st march 2015.



NAGAR NIGAM KOTA, KOTA
NEW ADMINISTRATIVE BUILDING, RAJEEV GANDHI BHAWAN
CAD CIRCLE, DUSKERA GROUND, KOTA
BALANCE SHEET AS ON DATE 31ST MARCH, 2015

(Figures In Rupees)

PARTICULARS	SCHEDULE	31st March 2015	31st March 2014
LIABILITIES			
CAPITAL FUND			
Municipal (General) Fund	1	11,562,901,366.21	11,341,458,964.87
Earmarked Fund	2	745,555,988.48	640,788,427.48
Reserve & Surplus			
Reserve & Surplus	3	-	-
Total Capital Fund (A)		<u>12,308,457,354.69</u>	<u>11,982,247,392.35</u>
GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE (B)	4	726,960,223.00	689,510,576.00
LOAN LIABILITY			
Secured Loans	5	-	-
Unsecured Loans	6	-	-
Total Loans (C)		<u>-</u>	<u>-</u>
CURRENT LIABILITIES & PROVISION			
Sundry Deposits	7	221,754,416.00	211,409,074.00
Sundry Creditors	8	19,342,725.50	34,626,584.50
Statutory Liabilities	9	(26,873,534.00)	(30,539,949.00)
Other Liabilities	10	(154,544,333.78)	(63,580,142.78)
Provision	11	75,262,495.00	73,683,688.00
Total Current Liabilities and Provisions (D)		<u>134,941,768.72</u>	<u>225,599,254.72</u>
TOTAL LIABILITIES (A+B+C+D)		<u><u>13,170,359,346.41</u></u>	<u><u>12,897,357,223.07</u></u>
ASSETS			
FIXED ASSETS			
Gross Block	12	10,886,820,768.28	10,757,807,680.28
Depreciation Fund	13	-	-
Net Block		<u>10,886,820,768.28</u>	<u>10,757,807,680.28</u>
Capital Work In Progress		<u>44,692,743.00</u>	<u>44,692,743.00</u>
Total Fixed Assets (A)		<u><u>10,931,513,511.28</u></u>	<u><u>10,802,500,423.28</u></u>
INVESTMENTS			
General Fund Investments	14	186,891,789.40	179,693,887.40
Specific Fund Investments	15	-	-
Total Investments (B)		<u>186,891,789.40</u>	<u>179,693,887.40</u>
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	16	-	-
Sundry Debtors/Receivables	17	308,297,865.61	275,512,790.61
Cash & Bank Balances	18	1,450,207,041.18	1,424,840,592.84
Loans, Advances & Deposits	19	293,449,138.94	214,809,528.94
Total Current Assets, Loans & Advances (C)		<u>2,051,954,045.73</u>	<u>1,915,162,912.39</u>
TOTAL ASSETS (A+B+C)		<u><u>13,170,359,346.41</u></u>	<u><u>12,897,357,223.07</u></u>

K.K. Chanani & Associates
Chartered Accountants
Partner, Krishna Kumar Chanani
Membership No. 56045



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NAGAR NIGAM KOTA, KOTA
NEW ADMINISTRATIVE BUILDING, RAJEEV GANDHI BHAWAN
CAD CIRCLE, DUSHERA GROUND, KOTA
INCOME & EXPENDITURE STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	SCHEDULE	31st MARCH 2015	31st MARCH 2014
INCOME			
Income From Taxes	21	26,243,677.00	71,658,554.00
Assigned Compensation	22	1,126,387,000.00	1,023,988,000.00
Rental Income From Municipal Properties	23	20,182,669.00	15,039,619.00
Fees And User Charges	24	30,273,947.10	40,834,261.00
Revenue Grants, Contributions and Subsidies	25	-	90,461,482.00
Income from Corporation Assets and Investments	26	74,140,061.00	54,251,615.00
Miscellaneous Income	27	3,010,205.00	5,466,144.00
Sale & Transportation Charge	28	13,059,754.00	61,514,425.00
Total Income		1,293,297,313.10	1,363,214,100.00
EXPENDITURE			
Establishment Expenses	29	791,039,336.00	749,988,284.00
General Administrative Expenses	30	49,654,770.00	84,863,258.00
Miscellaneous Expenses	31	-	-
Operational & Maintenance exp.	32	77,518,472.00	179,065,217.00
Interest & Financial Exp.	33	5,882.76	487,630.38
Festival Expenses	34	17,342,082.00	19,468,652.00
Depreciation During The Year	35	136,294,369.00	141,608,394.87
Total Expenditure		1,071,854,911.76	1,175,481,436.25
Surplus / Deficit before Adjustment of prior period items and depreciations		221,442,401.34	187,732,663.75
Less:- Prior Period Items		-	-
Less:- Prior Period Adjustments of Depreciation		-	-
NET SURPLUS/ (DEFICIT)		221,442,401.34	187,732,663.75

K.K. Chanani & Associates
Chartered Accountants
Partner, Krishna Kumar Chanani
Membership No. 56045



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NAGAR NIGAM KOTA, KOTA
NEW ADMINISTRATIVE BUILDING, RAJEEV GANDHI BHAWAN
CAD CIRCLE, DUSHERA GROUND, KOTA

Schedule Forming Part of Balance Sheet of Nagar Parishad Jhalawar as on Dated 31st March 2015

PARTICULARS	31st MARCH 2015	31st MARCH 2014
Schedule-1		
MUNICIPAL (GENERAL) FUND 310-10		
Opening balance	11,341,458,964.87	11,153,726,301.12
Add:- Addition during the Year	-	-
Less:- Deduction during the Year	-	-
Add:- Excess of Income Over Expenditure 31-90	221,442,401.34	187,732,663.75
Total (Rs)	11,562,901,366.21	11,341,458,964.87
Schedule-2		
EARMARKED FUND		
Gratuity Fund	(105,162,246.52)	(85,432,975.52)
Pension Fund	464,373,176.00	402,317,125.00
Provident Fund	386,345,059.00	323,904,278.00
Total (Rs)	745,555,988.48	640,788,427.48
Schedule-3		
RESERVE & SURPLUS		
Opening balance	-	-
Add:- Addition During The Year	-	-
Less:- Withdrawal during The Year	-	-
Total (Rs)	-	-
Schedule-4		
GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE		
Grant From MLA/MP Fund	13,349,135.00	20,208,524.00
Special Grant for 11/12th Financial Commission	40,264,867.00	45,980,370.00
Special Grant for 13th Financial Commission	53,467,398.00	82,278,316.00
Grant from I.H.S.D.P.	(51,092,479.00)	(16,960,993.00)
Special Grant For Swarn Jayanti Sahari Rojgar Sch.	86,522,706.00	62,741,706.00
Special Grant From S.F.C	71,313,948.00	28,643,805.00
BPL Residancial Youjna	327,099,000.00	330,398,000.00
Grant Under RUIDP	115,614,677.00	65,739,677.00
Other Grant (Crises Management)	70,420,971.00	70,481,171.00
Total (Rs)	726,960,223.00	689,510,576.00
Schedule-7		
SUNDRY DEPOSITS		
Earnest Money Deposit	83,673,772.00	82,586,703.00
Securities Deposit	133,307,740.00	124,299,952.00
Deposit for Income	-	-
Performance Security	4,772,904.00	4,522,419.00
Total (Rs)	221,754,416.00	211,409,074.00
Schedule-8		
SUNDRY CREDITORS 350		
Contractor Control Account 350-10-03	19,342,725.50	34,626,584.50
Creditor for Expenses	-	-
Total (Rs)	19,342,725.50	34,626,584.50

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Schedule-9

STATUTORY LIABILITIES

Income Tax (TDS) Payable	(1,313,453.00)	(3,625,308.00)
State Insurance	167,459.00	167,459.00
Cess	(48,609.00)	(48,609.00)
Commercial Tax Payable	(17,681,551.00)	(18,324,533.00)
Service Tax Deduction	(11,492,098.00)	(10,951,190.00)
Journalist Fund	4,158.00	10,689.00
Royalty	54,566.00	(178,849.00)
TCS	(20,947.00)	(20,947.00)
Labour Cess Deduction	3,456,941.00	2,431,339.00
Total (Rs)	(26,873,534.00)	(30,539,949.00)

Schedule-10

OTHER LIABILITIES

Payable to Other Departments & Agency Recoveries	(154,544,333.78)	(63,580,142.78)
Total (Rs)	(154,544,333.78)	(63,580,142.78)

Schedule-11

PROVISIONS

Provisions	75,262,495.00	73,683,688.00
Total (Rs)	75,262,495.00	73,683,688.00

Schedule-12

GROSS BLOCK

Immovable Assets

Land	8,485,753,477.00	8,448,072,165.00
Office Building	1,103,297,002.80	1,142,994,083.80
	9,589,050,479.80	9,591,066,248.80

Infrastructure Assets

Roads & Bridge	364,385,611.00	207,000,699.00
Sewerage & Drainage	75,013,503.20	-
Others	700,151,653.18	794,764,028.63
	1,139,550,767.38	1,001,764,727.63

Moveable Assets

Furniture & Fixtures	75,848,686.80	70,862,745.55
Vehicles	82,370,834.30	94,113,958.30
	158,219,521.10	164,976,703.85

Total (Rs)

10,886,820,768.28	10,757,807,680.28
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Schedule-13

DEPRECIATION FUND

Opening Balance	-	-
Add:- Dep. Provided During the Year	-	-
Less:- Depreciation For The Previous Year	-	-

Total (Rs)

Schedule-14

GENERAL FUND INVESTMENT

P.D Account	853,903,962.15	179,693,887.40
Total (Rs)	853,903,962.15	179,693,887.40

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Schedule-17

SUNDRY DEBTORS/RECEIVABLES

SUNDRY DEBTORS/RECEIVABLES

308,297,865.61

275,512,790.61

Total (Rs)

308,297,865.61

275,512,790.61

Schedule-18

CASH & BANK BALANCES

Cash In Hand

Balances In Saving & Current A/Cs

Balance with Nationalized Banks

200,067,516.17

783,541,928.42

Balance with Schedule Bank

106,630,164.16

143,526,844.42

Balance with Co-Operative Bank

51,927.10

43,856.00

Balance with Post Offices

476,445,261.00

497,727,964.00

Balance with FDR

Total (Rs)

783,194,868.43

1,424,840,592.84

Schedule-19

LOANS, ADVANCES & DEPOSITS

Loans to Staff (PF Loan)

291,259,426.00

213,169,825.00

Advance to Staff

1,427,446.94

877,437.94

Advances to others

762,266.00

762,266.00

Total (Rs)

293,449,138.94

214,809,528.94

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NAGAR NIGAM KOTA, KOTA
NEW ADMINISTRATIVE BUILDING, RAJEEV GANDHI BHAWAN
CAD CIRCLE, DUSHERA GROUND, KOTA

Schedule Forming Part of Income & Expenditure of Nagar Parishad Jhalawar as on Dated 31st March, 2015

	31st MARCH 2015	31st MARCH 2014
Schedule-21		
INCOME FROM TAXES 110		
Urban Development Tax 110-80	26,243,677.00	71,658,554.00
Total (Rs)	26,243,677.00	71,658,554.00
Schedule-22		
ASSIGNED COMPENSATION 120		
Octroi Compensation 120-20	1,126,387,000.00	1,023,988,000.00
Total (Rs)	1,126,387,000.00	1,023,988,000.00
Schedule-23		
RENTAL INCOME FROM MUNICIPAL PROPERTIES 130		
Rent From Civil Amenities 130-10	11,334,354.00	5,621,137.00
Other Rent 130-80	8,848,315.00	9,418,482.00
Total (Rs)	20,182,669.00	15,039,619.00
Schedule-24		
FEES AND USER CHARGES 140		
Administration Fee 140-70	1,155,141.00	6,205,874.00
Advertisement Fee 140-70	16,012,220.00	13,667,114.00
Certificate & Duplicate Fees 140-13	1,738,249.10	7,440,651.00
Entry Fees 140-60 (Development)	1,352,938.00	1,483,905.00
Licence Fee 140-11	8,919,849.00	8,478,599.00
Other Fee 140-40	45,000.00	526,325.00
Permit Fee 140-12	726,488.00	2,885,699.00
Penalties 140-20	63,065.00	146,094.00
Nagariya Pariwahan Income	260,997.00	-
Total (Rs)	30,273,947.10	40,834,261.00
Schedule-25		
REVENUE GRANT, CONTRIBUTION, SUBSIDIES 160		
REVENUE GRANT, CONTRIBUTION 160	-	90,461,482.00
Total (Rs)	-	90,461,482.00
Schedule-26		
INVESTMENT INCOME 170+171		
Interest on Investment 170-10	50,346,926.00	30,187,308.00
Interest on bank 171	23,793,135.00	24,064,307.00
Total (Rs)	74,140,061.00	54,251,615.00
Schedule-27		
MISCELLANEOUS INCOME 180		
Sundry income 180-80	3,010,205.00	5,466,144.00
Total (Rs)	3,010,205.00	5,466,144.00
Schedule-28		
SALE & TRANSPORTATION CHARGE 150		
Sale of Products 150-10	11,008,425.00	58,790,887.00
Sale of Stores & Scraps 150-12	341,150.00	300,722.00
Vehicle hire Charges 150-40	847,199.00	1,122,000.00
Sale of Forms & Formates 150-11	862,980.00	1,300,816.00
Total (Rs)	13,059,754.00	61,514,425.00

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Schedule-29

ESTABLISHMENT EXP. 210

Salary, Wages & Bonus 210-10	773,562,172.00	739,158,700.00
Allowance 210-20	4,959,173.00	5,183,086.00
Pension 210-30	12,517,991.00	5,646,429.00
Total (Rs)	791,039,336.00	749,988,284.00

Schedule-30

GENERAL ADMINISTRATION EXP. 220

Rent, Rates & Taxes 220-10	4,594,103.00	18,402,326.00
Office Arrangement 220-11	19,246,611.00	23,975,872.00
Communication Exp 220-12	713,515.00	644,758.00
News Paper 220-20	617,679.00	538,805.00
Printing & Stationery 220-21	3,118,113.00	3,818,080.00
Travelling & Conveyance 220-30	15,553,892.00	21,867,332.00
Insurance Exp. 220-40	1,019,544.00	3,332,053.00
Audit fee 220-50	776,625.00	-
Legal Exp. 220-51	480,203.00	629,481.00
Professional Fee 220-52	262,698.00	79,002.00
Advertisement Exp. 220-60	2,907,220.00	10,814,955.00
Membership Fee 220-61	41,600.00	50,000.00
Other Administrative Exp. 220-80	322,967.00	710,594.00
Total (Rs)	49,654,770.00	84,863,258.00

Schedule-31

MISCELLANEOUS EXPENSES

Other Misce. Exp.

Total (Rs)

Schedule-32

OPERATIONAL & MAINTINANCE EXPENSES 230

Hire Charges 230-40	17,713,245.00	9,483,110.00
Repair & Maintenance 230-50	7,392,704.00	70,699,342.00
Repair & Maintenance 230-51	10,128,179.00	12,123,505.00
Repair & Maintenance 230-52	873,335.00	5,344,042.00
Repair & Maintenance 230-53	8,061,477.00	17,713,617.00
Repair & Maintenance 230-59	8,783,072.00	28,277,259.00
Operational & Maintenance 230-80	24,566,460.00	35,424,342.00
Total (Rs)	77,518,472.00	179,065,217.00

Schedule-33

Interest & Financial Expenses 240

Bank interest 240-50	-	339,799.00
Bank Charges 240-70	5,882.76	147,831.38
Total (Rs)	5,882.76	487,630.38

Schedule-34

Festival Expenses 250

Festival Exp. 250	17,342,082.00	19,468,652.00
Total (Rs)	17,342,082.00	19,468,652.00

Schedule-35

DEPRECIATION 272

DEPRECIATION 272	136,294,369.00	141,608,394.87
Total (Rs)	136,294,369.00	141,608,394.87

K.K. Chanani & Associates
Chartered Accountants
Partner, Krishna Kumar Chanani
Membership No. 56045



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