



## INDEPENDENT AUDITORS REPORT

To the member of Municipal Board, Rajgarh

We have audited the accompanying financial statements of **Municipal Board, Rajgarh**, which comprise the Balance Sheet as at **March 31, 2014** 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 Board** 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.

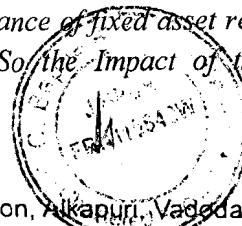
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the **Municipal Board'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 Board'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 Municipal Board Rajgarh, Alwar has not charged depreciation or made any provision for depreciation in its books of accounts, and due to Voluminous, incompleteness of data and non maintenance of fixed asset register, we are unable to quantify the amount of depreciation. So the Impact of the same on Income & Expenditure a/c is unascertainable.*



#### Offices :

- 74-76, Gayatri Chambers, RC Dutt Road, Near Railway Station, Alkapuri, Vadodra, Gujarat-390005  
Phone : 0265-2331056, 2334365 | bapnasc@gmail.com
- 501, 5th Floor, Arcadia, Nariman Point, Mumbai, Maharashtra-400021 Phone: 022-22845755, 099209 14577
- 179, Sector No 3, Hiran Magri, Udaipur, Rajasthan-313001



**2. Opening Balances**

- The Municipal Board has not made available audited accounts for the previous financial year i.e. 2012-13. So we have considered the Opening Balances taken in the Books of accounts while auditing the financial statements for the year 2013-14 as provided by the Municipal Board.

**3. Provisions, Contingent Liabilities and Contingent Assets :**

- The Municipal Board has not made any Provision regarding Salaries, Accounting Fees & some other heads. Contingent Liabilities are not disclosed in the notes.

**4. Party wise details:**

- The Municipality 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.

**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:

- in the case of the Balance Sheet, of the state of affairs of the **Municipal Board** as at **March 31, 2014** and
- in the case of the Income and Expenditure Account, of the excess of expenditure over income for the year ended on that date;

We further report that:

- 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;
- in our opinion proper books of account as required by law have been kept by the **Municipal Board** so far as appears from our examination of those books;
- the Balance Sheet and Income and Expenditure Account, dealt with by this Report are in agreement with the books of account;
- 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"**

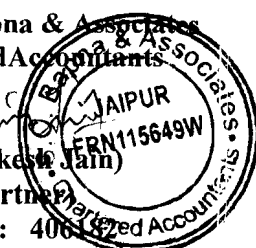
**Place: Jaipur**  
**Date: 21.01.2017**

For S.C.Bapna & Associates  
Chartered Accountants

(CA Vikash Jain)  
(Partner)

M No.: 4061872

FRN No.: 115649W



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**Municipal Board, Rajgarh**

**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. Information related to grant sanctioned and deductions is not available with the 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;	No Complete details not Maintained
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 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 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 statutory dues has been deposited yet, including Gratuity, Pension, NPS, Labour Cess etc.(Details attached)
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 (Details attached)
14. Whether the year-end and reconciliation procedures have been carried out;	No
15. Whether Opening Balances have been taken from Last Year Audited Accounts?	No Last year accounts were not audited



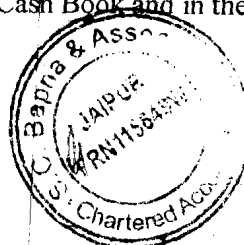
1. During the Audit we have found that Statutory Liabilities have not been deposited during the year and some Statutory Liabilities have a Opening Balances from the previous year, these are as follows:

Name of Statutory Liabilities	Balance as on 01.04.2013	During the Year	Balance as on 31.03.2014
Gratuity	6,56,747.00	2,98,756.00	9,55,503.00
NPS	74,147.00	-	74,147.00
Other Deductions from Employees	16,08,014.00	5,44,138.00	21,52,152.00
Pension	15,55,356.00	13,25,639.00	28,80,995.00
Labour Cess @1%	-	3,00,593.00	3,00,593.00

2. Details relating to Other Deductions from the Salary were not maintained by the Municipality in the books of account and no details were provided by the Municipality.
3. Bank Reconciliation Statement provided, but details relating to cheques pending for clearance not provided to us:

Bank A/c	Balance as per Cash Book	Balance as per Pass Book	Difference
Axis Bank A/c No. 4314	21,06,892.00	20,70,012.00	36,880.00
BRKG Bank	27,748.00	47,248.00	19,500.00
P.D. A/c No. 8448	60,09,207.00	1,16,86,207.00	56,77,000.00
SBBJ Bank A/c 461416	1,20,47,431.00	1,20,63,018.51	15,587.51
SBI Rajgarh A/c 66818	11,079.67	98,224.97	87,145.30
PNB A/c 2488	27,71,586.00	26,07,912.69	1,63,673.31

4. There is a difference in Bank Balance shown in Cash Book and in the Accounts maintained in Tally amounted Rs. 1608/-.



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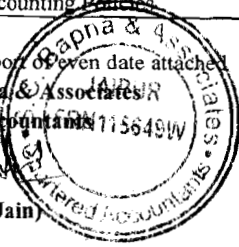
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MUNICIPAL BOARD, RAJGARH  
BALANCE SHEET AS AT 31.03.2014

LIABILITIES	Schedule	As At 31 March 2014
<b>RESERVE &amp; SURPLUS</b>		
Municipal (General) Fund	1	49,546,859.02
<b>Total Reserve &amp; Surplus (A)</b>		<b>49,546,859.02</b>
<b>GRANTS &amp; CONTRIBUTIONS</b>	2	142,580.00
<b>Total Grants &amp; Contributions (B)</b>		<b>142,580.00</b>
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
Sundry Deposits	3	4,153,760.00
Statutory Liabilities	4	6,842,274.00
Other Current Liabilities	5	87,929.00
<b>Total Current Liabilities and Provisions (C)</b>		<b>11,083,963.00</b>
<b>TOTAL LIABILITIES (A+B+C)</b>		<b>60,773,402.02</b>
<b>ASSETS</b>		
<b>FIXED ASSETS</b>		
Gross Block	6	36,315,731.00
<b>Net Block</b>		<b>36,315,731.00</b>
<b>Total Fixed Assets (A)</b>		<b>36,315,731.00</b>
<b>CURRENT ASSETS, LOAN &amp; ADVANCES</b>		
Cash & Bank Balances	7	23,298,035.02
Loans & Advances	8	1,159,636.00
<b>Total Current Assets, Loans &amp; Advances (B)</b>		<b>24,457,671.02</b>
<b>TOTAL ASSETS(A+B)</b>		<b>60,773,402.02</b>

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 Vikesh Jain)  
Partner  
M.No. 406182  
FRN : 115649W  
Date: 19.01.2017  
Place: Jaipur



For & on behalf of Board of Directors

अध्यक्ष (Chairman)  
न० बा० राजगढ़ (राजगढ़)  
(Executive Officer)  
नगर पालिका राजगढ़ (राजगढ़)

**MUNICIPAL BOARD, RAJGARH**

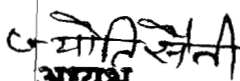
**STATEMENT OF INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED ON 31 MARCH 2014**


PARTICULARS	Schedule	For the Year Ended 31.03.2014 (Amount in Rs.)
<b>INCOME</b>		
Income From Taxes	9	8,421,912.00
Fees and User Charges	10	1,992,727.00
Revenue Grants, Contributions and Subsidies	11	34,152,500.00
Miscellaneous Income	12	1,281,888.00
<b>Total Income</b>		<b>45,849,027.00</b>
<b>EXPENDITURE</b>		
Establishment Expenses	13	19,754,156.00
General Administrative Expenses	14	1,852,406.00
Public Works	15	2,417,614.00
Miscellaneous Expenses	16	5,161.00
<b>Total Expenditure</b>		<b>24,029,337.00</b>
Surplus\ Deficit before adjustment of prior period items and Depreciation		21,819,690.00
Less: Prior Period Items		-
Less: Prior Period adjustment of Depreciation		-
<b>NET SURPLUS\ DEFICIT</b>		<b>21,819,690.00</b>
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 Vikesh Jain)  
Partner  
M.No. 406182  
FRN : 115649W  
Date: 19.01.2017  
Place: Jaipur

For & on behalf of Board of Directors


  
 अध्यक्ष  
 (Chairman)  
 न० पा० राजगढ़ (राजगढ़) नगर पालिका राजगढ़ (राजगढ़)

  
 (अधिकाारी अधिकारी)  
 न० पा० राजगढ़ (राजगढ़) नगर पालिका राजगढ़ (राजगढ़)

**Notes on Financial Statements for the year ended 31st March, 2014**

Particulars	For the period ending on 31.03.2014
<b>Schedule-1</b>	
<b>MUNICIPAL (GENERAL) FUND</b>	
Opening balance	27,727,169.02
Add: Excess of Income over Expenditure	21,819,690.00
<b>Total</b>	<b>49,546,859.02</b>
<b>Schedule- 2</b>	
<b>Grants &amp; Contribution</b>	
Grant Recieved for Census	142,580.00
	<b>142,580.00</b>
<b>Schedule- 3</b>	
<b>SUNDRY DEPOSITS</b>	
Earnest Money Deposit	839,962.00
Security Deposits Payable	2,690,704.00
Performance Security	623,094.00
	<b>4,153,760.00</b>
<b>Schedule- 4</b>	
<b>STATUTORY LIABILITIES</b>	
PF Payable	30,025.00
Gratuity Payable	955,503.00
Pension Payable	2,880,995.00
Labour Cess @ 1%	300,593.00
Royalty Payable	154,246.00
Sales Tax Payable	55,000.00
TDS Payable	239,613.00
NPS Payable	74,147.00
Other Deduction From Employee-2011-15	2,152,152.00
<b>Total</b>	<b>6,842,274.00</b>
<b>Schedule- 5</b>	
<b>CURRENT LIABILITIES</b>	
Other Current Liabilities	20,400.00
Provision for Audit Fees	39,675.00
Sundry Creditors	27,854.00
	<b>87,929.00</b>
<b>Schedule- 6</b>	
<b>GROSS BLOCK</b>	
Computer & Accessories	81,607.00
Construction of Road , Building, Wall, Shed	34,810,551.00
Furniture	60,565.00
Inverter	30,000.00
Lamp Post	179,249.00
New Building Construction	685,168.00
Electric Equipment	114,200.00
Toilet & Rooms	13,421.00
Wheel Barrow with Caps	118,000.00
Looter Trolley	222,970.00
	<b>36,315,731.00</b>



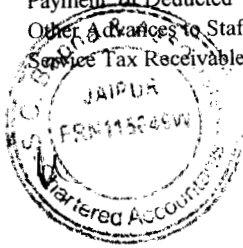
  
**अधिकाारी अधिकारी**  
**नगर पालिका राजगढ़ (राजगढ़)**

**Schedule- 7****CASH & BANK BALANCES**

Cash in Hand	78,910.11
<b>Balances in Saving &amp; Current a/cs</b>	
Axis Bank A/c (4314)	2,106,892.00
Axis Bank (Mukhyamantri Shahri BPL AAVAS)- 6017	(17,715.00)
Bachat Khata SBBJ	331.67
Baroda Rajasthan Kshetriya Gramin Bank	27,748.00
Government Treasuroy-8338 A/c 31 PF	107,950.00
Government Treasuroy-8338 A/c 64/95 Lease	75,575.00
Oriental Bank of Commerce A/C-0069	50,120.00
Personal Deposit A/c -8448	6,009,207.00
Post Office	1,097.65
Punjab National Bank	24,991.00
Punjab National Bank A/C-2488	2,771,585.85
Sbbj Bank A/c-461416 (Vikash Khata)	12,047,430.91
SBI Rajgarh A/c-66818	11,079.67
State Bank of Bikaner & Jaipur	1,884.43
State Bank of India	946.73

**Total****23,298,035.02****Schedule- 8****LOANS & ADVANCES**

Difference in Cash Book	1,608.00
Loan Given to Employee Against P.F 2011-15	1,044,936.00
Loan on Vehicle Agreement A/c	25,000.00
Rajsthan Information Secretary	30,000.00
Other Advances	25,000.00
Payment of Deducted Royalty, Commercial Tax ,TDS	5,322.00
Other Advances to Staff	20,367.00
Service Tax Receivable	7,403.00
	<b>1,159,636.00</b>



*[Signature]*  
अभिशाषी अधिकारी  
सगर नालका राजगढ़ (राज...)



**Notes on Financial Statements for the year ended 31st March, 2014**

Particulars	For the period ending on 31.03.2014
<b>Schedule - 9</b>	
<b>INCOME FROM TAXES</b>	
Compensation in Lieu of Octroi	7,392,000.00
Urban Development Tax	1,029,897.00
State Grant Token Money	15.00
<b>Total</b>	<b>8,421,912.00</b>
<b>Schedule - 10</b>	
<b>FEES AND USER CHARGES</b>	
Other Fees	1,992,727.00
<b>Total</b>	<b>1,992,727.00</b>
<b>Schedule - 11</b>	
<b>REVENUE GRANT, CONTRIBUTION, SUBSIDIES</b>	
Annual Aid by Govt.	5,494,000.00
Grant from State Govt.	18,651,500.00
13th State Finance Corporation	5,276,000.00
MLA MP Fund	1,824,000.00
Director Of Local Bodies (SSV)	2,907,000.00
<b>Total</b>	<b>34,152,500.00</b>
<b>Schedule - 12</b>	
<b>MISCELLANEOUS INCOME</b>	
Interest Received-171	418,690.00
Other Income-180	863,198.00
<b>Total</b>	<b>1,281,888.00</b>
<b>Schedule - 13</b>	
<b>ESTABLISHMENT EXP.</b>	
Corporator (Parshad) Allowance	59,700.00
Salary and Other Payment	19,694,456.00
<b>Total</b>	<b>19,754,156.00</b>
<b>Schedule - 14</b>	
<b>GENERAL ADMINISTRATION EXP.</b>	
Audit Fees	39,675.00
Advertisement Expenses	463,275.00
Printing & Stationery Exp-220-21	91,660.00
Others Exp	1,043,381.00
Repairing of Computer Expenses 05	20,810.00
Court Expenses	30,345.00
Repair & Maintenance	87,846.00
Travelling Bill Reimbursement	75,414.00
<b>Total</b>	<b>1,852,406.00</b>



*[Signature]*  
अभिशाषी अधिकारी  
2 नगर पालिका राजगढ़ (राजगढ़)

**Schedule- 15**

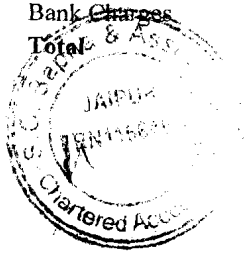
**PUBLIC WORKS**

Swarna Jayanti Rojgar Yojna Expenses	177,500.00
Bakunth Mukti Dham Yojna	7,000.00
Cleaning & Garbage Transportation on Contract S.J.S.R.Y.	913,943.00
Mukhyamantri Shahri B.P.L. Awas A/c	1,600.00
Rain Basera	180,000.00
Repairing of Road Light	15,220.00
Scholarship Payment	440,151.00
Saree Khambal Yojana	27,600.00
<b>Total</b>	<b>654,600.00</b>
	<b><u>2,417,614.00</u></b>

**Schedule- 16**

**MISCELLENOUS EXPENSES**

Bank Charges	5,161.00
<b>Total</b>	<b><u>5,161.00</u></b>



*[Signature]*  
महेशशंकर अग्रवाल  
2A पालिका रोड, (मजगाड़)

**Amount In Rs.****List of Creditors**

M/S Sukhram Contractor

27,854.00

27,854.00**List of Other Fees**

Marriage Registration Fees

12,880.00

Fees for Septic Tank Cleaning

15,250.00

Lease Rent

919,929.00

Fees For Damage Road

21,453.00

Advertisement Fees A/c140/40/01

16,100.00

Inspection Fees

16,757.00

Entrance Fees

4,060.00

Building Construction Permission Fees

2,386.00

Birth &amp; Death Registration Fees

44,706.00

Fees for Duplicate Certificate Fees

2,272.00

Fees For ration &amp; Certificate Fees

810.00

Application Fees and Book Let

5,900.00

Niyman Fees

930,224.00

1,992,727.00**List Of Other Income**

Other Penalties &amp; Fees 140/20/04

106,186.00

Penalties for Agreement A/c 140/20/03

51.00

Penalties From Other Act

1,203.00

Penatiy for Override Rule(Carring Charge) 140/20/01

10,000.00

Consultant Charges

168,429.00

Lease Rent for Other Installment

255,512.00

Lease Rent for Agriculture Land

4,763.00

Rent from Palika Shop

159,989.00

Sale of Tender form

73,400.00

Sale of Product

28,400.00

Income From Lease Transfer

52,244.00

Other Receipts

3,021.00

863,198.00**List Of Interest Income**

Interest From Saving Bank 171/10/02

345,979.00

Other Income 180

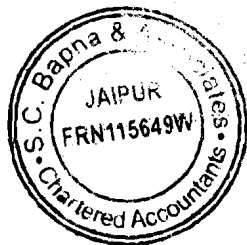
998.00

Interest on 8338

10,641.00

Noc Electricity &amp; Nal

61,072.00

418,690.00

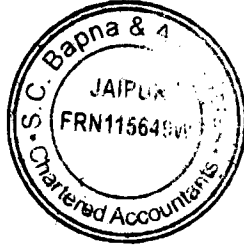
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Chartered Accountant

**List of Other Expenses**

Carriage & Transport Expenses 01 /40	7,183.00
Petrol Diesel & Other Oil Expenses 01	87,668.00
Purchase of Electric Items	413,514.00
Electricity Expense	64,788.00
Meeting Expense	3,805.00
Festival Expenses	200,487.00
Medical Expenses	43,485.00
News Paper & Periodicals	4,195.00
Postage & Telegram Expense	5,500.00
Purchase Of General Equipment	1,480.00
Rent For Building Expenses	100,000.00
Sundry Expenses	62,686.00
Telephone Expenses-220-12	42,919.00
Water Expenses	1,771.00
Purchase of Plant & Seeds	3,900.00
	<u>1,043,381.00</u>

**List For Salary & Other Benefits**

Salary and Benefits to Employer 01	15,279,587.00
Salary and Benefit to Workers 02	1,227,600.00
PF Paid to Employee	802,363.00
Bonus	132,093.00
Benefits to Periodic & Seasonal Worker	30,582.00
Gratuity Payment to Employee	2,138,485.00
LIC Expense	25,185.00
Computer operator Salary	58,561.00
	<u>19,694,456.00</u>



*[Signature]*  
अधिसाधी अधिकारी  
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