

HARISH AVINASH & ASSOCIATES

CHARTERED ACCOUNTANTS

CHAL CHOWK, HMG ROAD, MARUDHAR ENTERPRISES,

SRI GANGANAGAR.

PH- 08107466991

INDEPENDENT AUDITOR'S REPORT

The Executive officer,
Gajsinghpur Municipality
(Rajasthan)

We have audited the accompanying financial statements of Gajsinghpur Municipality (Rajasthan), which comprise the Balance Sheet as at March 31, 2016, the Income and Expenditure Account for the year the ended, and a summary of significant accounting policies and other explanatory information and notes to accounts.

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 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.

Opinion



In our opinion and to the best of our information and according to the explanations given to us and subject to notes to account & significant policies, 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 ULB as at March 31, 2016
- b) in the case of the Income and Expenditure Account, of the Deficit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

We further report that:

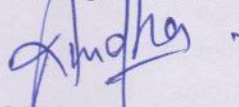
- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the ULB so far as appears from our examination of those books;
- c) the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

A statement on additional matters is given in the annexure.

For HARISH AVINASH & ASSOCIATES

Chartered Accountants

Firm Regn. D18284N



CA. Avinash Midha
Partner, M No. 98416



Place : Sri Ganganagar

Date :

Additional Matters to be reported by the financial statement auditor:

1. In our opinion and according to records examined by us all sums due to and received by the municipality have been brought to account and have been appropriately classified;
2. In our opinion and on the basis of test check and according to the information and explanations given to us all grants sanctioned or received by the Municipality during the year, have been accounted properly and where such deduction is made out of such grants towards any dues of the Municipality such deductions have been properly accounted;
3. In our opinion and according to the information and explanations given to us, earmarked funds have been created by the Municipality for Gratuity and Provident Fund and earmarked Funds have been utilized for the purposes for which they were created;
4. In our opinion and according to the information and explanations given to us, Municipality is not maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
5. In our opinion and according to the information and explanations given to us, lease rentals are collected and accounted on cash basis.
6. In our opinion and according to the information and explanations given to us, no proper record of store is maintained by the Municipality.
7. According to information and explanations given to us, parties to whom loans or advances have been given by the municipality during the year are repaying the principal amounts as stipulated. No interest is charged by the municipality on such loans and advances during the year.
8. In our opinion and according to the information and explanations given to us, the municipality has granted loans to his employees against provident fund and no record is maintained by the municipality level. No comment can be made on deduction from salary towards the repayment of principal of loans and interest thereon.
9. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the municipality with regards to the purchase of stores, fixed assets and services.
10. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure for the contracting of works and projects, periodic inspections and measurements, quality checks and payment there for.
11. According to the records of the municipality and information and explanations given to us, the municipality has not been regular in depositing undisputed statutory dues including TDS, cess, Works Contract, Royalty and any other statutory dues with the appropriate authorities during the year. TDS Default is as under

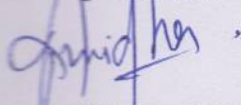


12. In our opinion and according to the information and explanations given to us, no personal expenses have been charged to the Municipality's accounts.
13. In our opinion and according to the information and explanations given to us, the books and registers specified under the Rajasthan Municipal Accounts Manual and other applicable acts and rules have been properly maintained. Bank Reconciliation statements are Not prepared for all bank accounts of the Municipality.
14. In our opinion and according to the information, explanations given to us and to the best of our knowledge, the year end and reconciliation procedures have been carried out by the Municipality.

For HARISH AVINASH & ASSOCIATES

Chartered Accountants

Firm Regn. 018284N



CA. AVINASH MIDHA
Partner, M No. 98416



Place : Sri Ganganagar

Date :

MUNICIPALITY GAJSINGHPUR
BALANCE SHEET AS ON 31-03-2016

LIABILITIES	SCHEDULE	Current Year (AMOUNT IN RS.)	Previous Year (AMOUNT IN RS.)
<u>RESERVE & SURPLUS :-</u>			
Municipal (General) Fund	1	47651356	35464357
Earmarked Funds	2	0	0
RESERVE & SURPLUS	3	0	0
Total Reserve & Surplus (A)		47651356	35464357
<u>GRANT / CONTRIBUTION FOR SPECIFIC PURPOSE (B) :-</u>	4	3552624	5028446
<u>LOANS :-</u>			
Secured Loans	5	0	0
Unsecured Loans	6	0	0
Total Loans ©		0	0
<u>CURRENT LIABILITIES & PROVISIONS :-</u>			
Sundry Deposits	7	5652401	4594218
Sundry Creditors	8	0	0
Statutory Liabilities	9	48541	23493
Other Liabilities	10	157554	119728
Provisions	11	0	0
Total Current Liabilities and Provisions (D)		5858496	4737439
TOTAL LIABILITIES (A+B+C+D)		57062476	45230242

ASSETS	SCHEDULE	Current Year (AMOUNT IN RS.)	Previous Year (AMOUNT IN RS.)
<u>FIXED ASSETS :-</u>			
Gross Block	12	64081291	42462330
Depreciation Fund	13	11337221	7602477
Net Block		52744070	34859853
Capital Work In Process	14	0	0
Total Fixed Assets (A)		52744070	34859853
<u>INVESTMENTS :-</u>			
General Fund Investments	15	0	0
Specific Fund Investments	16	0	0
Total Investments (B)		0	0
<u>CURRENT ASSETS, LOAN & ADVANCES :-</u>			
Inventories	17	0	0
Sundry Debtors / Receivables	18	544568	904658
Cash & Bank Balances	19	3727160	9462231
Loans, Advances & Deposits	20	46678	3500
Total Current Assets, Loans & Advances ©		4318406	10370389
TOTAL ASSETS (A+B+C)		57062476	45230242

NOTES TO ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES

Notes referred to above and notes attached there to form an integral part of Balance Sheet
This is the Balance Sheet referred to in our Report of even date.

Signature of the Chartered Accountants
Membership No.98416

Date:-

Place:-Sriganganagar



Signature of EO

Signature of AO

MUNICIPALITY GAJSINGHPUR
INCOME & EXPENDITURE FOR THE YEAR ENDED 31-03-2016

PARTICULARS	SCHEDULE	Current Year (AMOUNT IN RS.)	Previous Year (AMOUNT IN RS.)
<u>INCOME :-</u>			
Income From Taxes	21	85667	129597
Assigned Compensations	22	12984000	11804000
Rental Income From Municipal Properties	23	15162	3066
Fees and User Charges	24	3862939	1650334
Revenue Grants, Contributions and Subsidies	25	515000	75000
Income From Corporation Assets and Investment	26	7117131	476531
Miscellaneous Income	27	1377755	829249
Total Income		25957654	14967777
<u>EXPENDITURE :-</u>			
Establishment Expenses	28	13636493	10506098
General Administrative Expenses	29	561814	126649
Decrease In Stores / (Increase In Stock)			
Public Works	30	1845011	1015393
Miscellaneous Expenses	31	1051024	388964
Interest & Financial Exp			
Depreciation During The Year		11337221	7602477
Total Expenditure		28431563	19639581
Surplus / Deficit before adjustment of prior period items and Dep.		-2473909	-4671804
Less : Prior Period Items			
Less : Prior Period Adjustment of Depreciation			
NET SURPLUS / DEFICIT		-2473909	-4671804

Notes to Accounts and Accounting Policies

[Handwritten Signature]

Signature of the Chartered Accountants

Membership No.98416

Date:-

Place:-Sriganganagar



Signature of EO

Signature of AO

MUNICIPALITY GAJSINGHPUR

As On 31.03.2016

	Current Year (AMOUNT IN RS.)	Previous Year (AMOUNT IN RS.)
SCHEDULE - 1		
MUNICIPAL (GENERAL) FUND :-	47651356	35464357
Opening Balance	35464357	28722347
Add:- Profit Tfr to Municipal Fund		
Add :- Addition during the year	14660908	11413814
Less :- Excess Of Expenditure Over Income	2473909	4671804
Add : Excess Of Income Over Expenditure		

SCHEDULE - 2		
EARMARKED FUND :-	0	0
Gratuity Fund		
General Provident Fund		

SCHEDULE - 3		
RESERVE & SURPLUS	0	0
Opening Balance		
Add :- Addition During the Year		
Less :- Withdrawal during the Year		

SCHEDULE - 4		
GRANT/ CONTRIBUTION FOR SPECIFIC PURPOSE	3552624	5028446
Special Grant for 13th/14th Financial Commission	1983486	1826402
BPL Saree & Kambal	111358	625000
BPL Avas Ayogna		381358
4th/5th Rajay Vit Ayog		292901
Swach Bharat Mission	1457780	
Janganna and Pashu ganna		8081
SJSRY Fund		1881504
Panadhya Yojna		13200

Signature of EO

Signature of AO



MUNICIPALITY GAJSINGHPUR

As On 31.03.2016

	Current Year	Previous Year
	(AMOUNT IN RS.)	(AMOUNT IN RS.)

Special Grant for Natural Hazards
 Special Grant for Road and Gutters
 Special Grant for Swarna Jayanti Sahari Rojgar Sch.
 Special Grant From SFC
 Urban Development Grant

SCHEDULE 5

SECURED LOANS :-

0

0

State Government (From ADB through RUIDP)
 Secured Loan From RUIDP
 Loan From RUIDFCO
 Loan From HUDCO (Secured by Govt. Guarantee)
 Loan From RUIFCO For JCTSL (Interest Free Loan)

SCHEDULE-6

UNSECURED LOAN :-

0

0

Bank Of Rajasthan (Long Term Loan)

SCHEDULE-7

SUNDARY DEPOSITS :-

5652401

4594218

Security & Amanant Payable

5652401

4594218

SCHEDULE-8

SUNDARY CREDITORS :-

0

0

Creditors For Supplies
 Other Creditors

Signature of EO

Signature of AO



MUNICIPALITY GAJSINGHPUR

As On 31.03.2016

	Current Year	Previous Year
	(AMOUNT IN RS.)	(AMOUNT IN RS.)

SCHEDULE-9

STATUTORY LIABILITIES :-

	48541	23493
Income Tax (TDS) Payable	16558	464
Royalty	31983	13068
Sales Tax Payable		9961
Salary Payable		
Labour Cess Deduction		

SCHEDULE-10

OTHER LIABILITIES :-

	157554	119728
Sundry Creditors		
Labour Cess	157554	119728

SCHEDULE-11

PROVISIONS :-

	0	0
Audit Fees Payable		
Electricity Expenses Payable		

SCHEDULE-12

GROSS BLOCK

64081291	42462330
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IMMOVABLE ASSETS

	123475	123475
Land	123475	123475

Signature of EO Signature of AO



MUNICIPALITY GAJSINGHPUR

As On 31.03.2016

	Current Year (AMOUNT IN RS.)	Previous Year (AMOUNT IN RS.)
Residential Building		
Infrastructure Assets	62346953	41252219
Roads & Bridge	51216547	38407447
Nali Construction	1333135	675880
Shamshan	170586	189540
Pool and Puliya	1937074	906896
Community Center	694487	771652
Diggi	37749	41943
Toilet Construction	472253	
Others Construction	6485122	258861
Movable Assets	1610863	1086636
Plant & Machinery	547963	644662
Hatha Rehdi	34824	38694
Electricity Equipments	883776	267576
Furniture & Fixture	140506	126220
Computers	3794	9484
SCHEDULE-13		
DEPRECIATION FUND :-	11337221	7602477
Opening Balance		
Add :- Depreciation Provided during the year	11337221	7602477
SCHEDULE-14		
CAPITAL WORK IN PROGRESS:-	0	0
Carcass Plant		
Cattle House		
Development Work Through SFC		
Development of 12th Finance Commission		
Development of 13th Finance Commission		
Flush Toilet		
Gardens		

Signature of EO

Signature of AO



MUNICIPALITY GAJSINGHPUR

As On 31.03.2016

	Current Year (AMOUNT IN RS.)	Previous Year (AMOUNT IN RS.)
SCHEDULE-18		
SUNDRY DEBTORS / RECEIVABLES	544568	904658
House Tax	208460	291517
Lease	199974	209677
City Development Tax	136134	403464
Less : Provision For Doubtful Recoveries		

SCHEDULE-19		
CASH & BANK BALANCES :-	3727160	9462231
Cash In Hand	49519	40046
Head Office		

Balances In FDR A/c
Deposits Control A/c

Balances in Saving & Current A/c		
SBBJ(232682)	891063	2965223
SBBJ(232933)	7044	1573376
SBBJ(2849) BPL		318459
GKSB	54612	54612
PD A/C		4304000
SBBJ(452823)	232189	102148
OBC(28522)	1453780	
SBBJ(567117)	1038953	104367
Nationalized Banks		

SCHEDULE-20		
LOANS, ADVANCES & DEPOSITS:-	46678	3500
Advances		3500
Sales Tax	46678	

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Signature of AO



MUNICIPALITY GAJSINGHPUR

As On 31.03.2016

	Current Year (AMOUNT IN RS.)	Previous Year (AMOUNT IN RS.)
SCHEDULE-21		
INCOME FROM TAXES	85667	129597
City Development tax	85667	129597
SCHEDULE-22		
ASSIGNED COMPENSATION	12984000	11804000
Octroi Compensations	12984000	11804000
Entertainment Tax Compensation		
SCHEDULE-23		
RENTAL INCOME FROM MUNICIPLE PROPERTIES :-	15162	3066
Income From Rent and tah. Bazari	15162	3066
SCHEDULE-24		
FEES AND USER CHARGES		
Nakal Fees	3862939	1650334
Permit Fees	4679	
Application Fees	99543	
Niyaman	1178472	692429
BSUP Fees	370750	
Property Tax		3675
Bone Contract	139100	35000
Building Constuction Approval		5750
Certificate	115726	144402
Duplicate Copy Fees	816	
Tamir	3200	
Registration of patta		1000
Tender Fees	63400	86320
Dividation Fees	6051	
Pentality	13546	
Mutation Fees (Aggrl land)	621321	681758
Development Fees/ Master Plan Fees	1246335	
License Fees Construction and Development Work		
SCHEDULE-25		
REVENUE GRANT, CONTRIBUTION, SUBSIDIES		
BPL Avas Yojn & Sarre kambal Revanue	515000	75000
SJSRY Revanue	515000	
Annual Aid by Gov.		75000



Signature of EO

Signature of AO

MUNICIPALITY GAJSINGHPUR

As On 31.03.2016

	Current Year (AMOUNT IN RS.)	Previous Year (AMOUNT IN RS.)
SCHEDULE-26		
INCOME FROM CORP. ASSET/INVESTMENT :-	7117131	476531
Sales of Scrap	5496	
Waste water income	214000	427143
Sale Of Land	6897635	49388
SCHEDULE-27		
MISCELLANEOUS INCOME :-	1377755	829249
Interest From Bank	178375	142183
Audit Recovery	8413	
Other Interest	16439	46600
Interest on Lease	1090096	217473
Lease		94850
Ration Card	270	
Misc. income	84128	327441
R.T.I	34	702
SCHEDULE-28		
ESTABLISHMENT EXP. :-	13636493	10506098
Corporator (Parishad) Allowance	390250	380750
Salary and Other Payment	13127578	10125348
Travelling Reimbursement	118665	
SCHEDULE-29		
GENERAL ADMINISTRATION EXP :-	561814	126649
Advertisement Exp	189578	116558
Legal Expenses	9850	
Audit Fees	348400	
Books and Newspaper	13986	10091

Signature of EO

Signature of AO



MUNICIPALITY GAJSINGHPUR

As On 31.03.2016

	Current Year (AMOUNT IN RS.)	Previous Year (AMOUNT IN RS.)
SCHEDULE-30		
PULIC WORKS :-	1845011	1015393
BPL Avas yojana & Saree Exp	515000	
Clearing Exp and repair	818772	528513
Street Light Maintance	17627	195563
Park Equipment Repair and Maintance	177795	242142
Road Safty Expenses	2910	
Jangnna Expesnes	2250	
Repair and Maintance	297177	24300
Rain Basra exp	13480	24875
SJSRY Exp.		
SCHEDULE-31		
MISCELLENOUS EXP:-	1051024	388964
Election exp	155083	960
Photo state Exp		15067
Electricity Bill	144787	42260
Festvial exp	74640	100225
Misc Exp.	414312	
Vehciles Expenses	25875	
Petrol/ Desial	108804	103578
Computer Exp	1800	17934
Stationary	35967	57476
Telephone/ Postage Exp	56650	31664
Water Bills	13304	
Medical and Finnal Exp	19802	19800

Signature of EO

Signature of AO



Municipality Gajsinghpur (Rajasthan)

**NOTES FORMING PART OF AUDIT REPORT & FINANCIAL STATEMENT
FOR THE YEAR ENDED ON 31.03.2016**

Accounting policies

The financial statements are prepared on a going concern and historical cost basis. The method of accounting is the accrual based double entry accounting system.

Recognition of Revenue

- a) Property and other taxes are recognized in the period in which they become due and demands are ascertainable.
- b) Revenue in respect of Contract/License Fees is accrued in the year to which it pertains and when Demands are raised.
- c) Assigned revenues like Octroi, Duty / Surcharge on transfer of Immovable properties, Tender Fee, Development fee, etc. are accounted during the year only upon actual receipt.
- d) Lease Rental and interest on lease rental are accounted during the year on actual receipt basis.
- e) Interest received on Bank Deposit is accounted as actual receipts during the year.
- f) Other Incomes, which are of an uncertain nature or for which the amount is not ascertainable or where demand is not raised in regular course of operations, is recognised on actual receipt.

Recognition of Expenditure

- a) Expenses on Salaries are account on April to March and bonus and other allowances are recognised as and when they are due for payment.
- b) All other major revenue expenditures are treated as expenditures in the period in which they are incurred.
- c) In case of works, expenditures are accrued as soon as the work has been measured are becomes due for payment.
- d) Provision for expenses are made at the year-end for all bills received up to & cut off date.
- e) Provision for pensions is not made at municipality level.
- f) Bank charges are accounted on cash basis.



Fixed Assets

i. Recognition

- a) All Fixed Assets are carried at cost less accumulated depreciation. The cost of fixed assets include cost incurred/ money spent in acquiring or acquisition or construction qualifying fixed assets up to the date of commissioning of the assets and other incidental and indirect expenses incurred up to that date.
- b) All assets costing less than Rs.5,000/- would be expensed / charged to income & Expenditure Account in the year of purchase.

ii. Depreciation

- a) Depreciation is provided on WDV method using the rates prescribed in Income Tax Act 1961.

iii. Revaluation of Fixed Assets

The Municipality has not made any Revaluation of Fixed Assets during the year as there was no such need for revaluation.

Inventories : Inventory is NIL as at the end of financial year.

Grants

- a) Grants, which are re-imbursement of specific expenditure is recognised and transferred to Income Side of Income & Expenditure Account in the accounting period in which the corresponding expenditure is incurred.
- b) Grant received towards capital expenditure is treated as a liability till such time the fixed asset is constructed or acquired. On construction /acquisition of fixed asset, the grant corresponding to the value of the asset so constructed / acquired is treated as capital receipt and transferred to Municipal general fund.

Employee benefits

Separate Funds are formed for meeting the provident and the retirement benefits including Gratuity.

Statutory deductions

Statutory deduction from claimants (Salary, Works, Supplier etc.,) which includes TDS, Sales tax (VAT), provident fund contribution etc., are to be recognized as liability in the same period in which the corresponding claim is recognized as expense.

Notes on Accounts and other disclosures :

- a). Previous period figures have been recast / restated to confirm to the classification of the current period. Negative figures shown in brackets. Figures are rounded off to the nearest rupee.



- b). In the opinion of the Management of Municipality and to the best of their knowledge and belief, the value on realisation of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance sheet.
- c). There are no fixed assets purchased out of borrowed money. So, there is no question of Borrowing Cost.
- d). There are no investments held by the Municipality during the year except Employee's GPF Accounts and Gratuity PD A/c. There are no long-term investments standing in the name of Municipality.
- e). Fixed assets, inventories & Stationeries item are valued, certified and physically verified by management. Initial recognition of fixed assets is taken as certified by the Municipality and subject to verification. No physical verification of fixed assets and inventories is conducted by us.
- f). All outstanding of third parties balances are subject to confirmation.
- g). Necessary adjustment for writing off of accounts receivable is not made. Further no provisions are made against outstanding receivables during the year.
- h). The entries in the cash book for bank transactions under General Ledger in Double Entry Accrual Accounting are compared with the entries on the bank statements and no differences are noted.
- i). Contingent liability, Judgment and Claims: No estimate of the liability for unsettled claims has been reported by the Municipality.
- j). Security Deposit and EMD: Party wise detail of security deposits / EMD is not available subject to verification.
- k). Sale proceeds of land are treated as income under "Income from Corp Assets/Investment" in absence of cost of the respective assets.

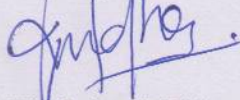


l). Bank Reconciliation statements are Not prepared for all bank accounts of the Municipality.

For HARISH AVINASH & ASSOCIATES

Chartered Accountants

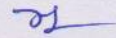
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CA. Avinash Midha
Partner, M No. 98416



Executive officer


Account Officer

Place : Sri Ganganagar

Date :