

AUDIT REPORT

We have examined the Balance Sheet as at 31st March, 2014 and the Income and Expenditure A/c for the year ended on 31-03-2014 attached herewith of NAGAR NIGAM, JHANSI.

We report the following observations/comments/discrepancies/ inconsistencies ---

- (i) These financial statements are the responsibility of the Nigam's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- (ii) We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (iii) Our observations are annexed in Annexure 'A'.

Subject to above, we report that ----

- (A) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit.
- (B) In our opinion and to the best of our information and according to the explanations given to us the said accounts, read with notes thereon, give a true and fair view.
 - (i) in the case of Balance Sheet, give a true and fair view of the state of affairs of Nagar Nigam, Jhansi as on 31-03-2014.
 - (ii) in the case of the Income and Expenditure account the income over expenditure / expenditure over income of Nagar Nigam, Jhansi for the year ended on 31-03-2014.

For A. Singhal & Associates
Chartered Accountants

Dated : 29-11-2014
Place: Jhansi



Ajay Singhal
(Partner)
(M.No. 400190)

JHANSI NAGAR NIGAM

Annexure 'A' forming part of Audit Report

Balance Sheet as on 31-03-2014

- 1) **Special Funds/Grants:-** The Balances of the Funds and Grants were not kept in separate bank accounts. In our opinion these Funds should be kept in separate bank accounts.
- 2) **Land schedule B-11:-** A register should be maintained to show particulars of land, area, dimension, location, cost & particular of occupants for effective control and supervision.
- 3) **Building Schedule- B-11:-** A register should be maintained to show particulars of building, area, dimension, location, cost, life & particular of occupants for effective control, supervision and calculation of depreciation.
Valuation of various Building has been taken as valued by officers of Nagar Nigam including engineers. Value of land should be shown separately.
- 4) **Lakes and Ponds Schedule- B-11:-** A register should be maintained to show particulars of Lakes and Ponds, area, dimension, location, cost & particular of occupants for effective control, supervision and calculation of depreciation.
- 5) **Roads & Bridges Schedule- B-11:-** A register should be maintained to show particulars of Roads & Bridges, area, dimension, location, cost & life for effective control, supervision and calculation of depreciation.
- 6) **Sewerage & Drainage Schedule- B-11:-** A register should be maintained to show particulars of Sewerage & Drainage, area, dimension, location, cost & life for effective control, supervision and calculation of depreciation.
- 7) **Public Lighting Schedule- B-11:-** A register should be maintained to show particulars of Public Lighting, area, location, cost & life for effective control, supervision and calculation of depreciation.
- 8) **Plant & Machinery Schedule- B-11:-** Valuation of Old Plant & machine should be assessed by engineer and if it is not usable it should be disposed off as per government guidelines. A register should be maintained to show particulars of Plant and Machinery, specification, cost, life & Location installation for effective control, supervision and calculation of depreciation.
- 9) **Office equipments Schedule- B-11:-** A register should be maintained to show particulars of Office equipments, cost, life & particular of departments where it

has been installed for effective control, supervision and calculation of depreciation.

10) Furniture and fixture Schedule- B-11:- A register should be maintained to show particulars of Furniture and fixtures, location, cost & life for effective control, supervision and calculation of depreciation.

11) Inventory Schedule- B-14:- Old item are to be identified, if these items are not in usable condition, then these items should be disposed off as per government guidelines.

12) Sundry Debtors and Receivables Schedule- B-15:- Individual reconciliation should be needed for assessment of receivables for various heads. Sundry debtors are to be reconciled with the Ledgers/House tax registers /Rent registers of individual's debtors/assessee/Tenants.

13) Depreciation:- Depreciation has been charged as per W.D.V. method on the assets of the Nagar Nigam as per rates mentioned here under:

S.No.	Particulars	Rate of Dep.
A	Buildings	10%
B	Furniture	10%
C	Urban Infrastructure Assets	15%
D	Plant & Machinery	15%
E	Computer Hardware & Software	60%
F	Vehicles	15%

In our opinion assets are to be valued by registered Chartered Valuer and life of asset is to be ascertained and depreciation should be charged according to life of the asset.

14) The first Balance Sheet of the Nagar Nigam was prepared as on 01-04-2009 and thereafter the following Balance Sheets are being prepared on the base of Opening Balance Sheet as on 01-04-2009. Therefore, there might be chances that some Assets/ Liabilities, Provisions of Income and Expenditures are not incorporated in the Balance Sheet and Income & Expenditure Account because it is compiled on the basis of information & records made available by officers/ staff of Jhansi Nagar Nigam.