

**PRAMOD K SHARMA & CO.  
CHARTERED ACCOUNTANTS**

**CERTIFICATE ACCOMPANYING AUDIT REPORT**

**"Certificate** that the accounts from 01.04.2015 to 31.03.2016 of Jamshedpur Notified Area Committee have been audited by us and found correct with the exception of the items mentioned in Annexure and appendix-". In this regard we report as under

- a. The postings for the entries in the books of original entry have been correctly made in the respective ledger accounts
- b. All the books of accounts and supplementary registers that are prescribed in the Accounts Manual/ other applicable regulations have been properly maintained by the ULB.
- c. The Quarterly Financial Statements have not been compiled by the ULB on the basis of the actual entries in the books of accounts.
- d. Period end reconciliation Procedure has been carried out properly by the ULB for all Bank accounts including Treasury Municipal Fund.
- e. Bank Reconciliation Statements have been prepared by the ULB and the same is found appropriate subject to appendix-9 which is annexed.
- f. All the grants from Government have been accounted at gross value with proper entries to various accounts.

Pramod K Sharma & Co.  
Chartered Accountants  
FRN: 007857C

*Pramod Sharma*

Pramod Sharma  
M.No.076883  
Partner



Place: Bhopal

Date: 12/5/2017

**PRAMOD K SHARMA & CO.**  
**CHARTERED ACCOUNTANTS**

**Auditor's Report**

We have examined the Balance Sheet as on 31<sup>st</sup> March, 2016, the Income and Expenditure Account and the Cash Flow Statement for the period beginning from 1<sup>st</sup> April 2015 to ending on 31<sup>st</sup> March 2016, prepared by M/s U.S. Prasad & Co. (CA Firm) of Jamshedpur Notified Area Committee (ULB), Jharkhand.

We Certify that the Balance Sheet, the Income and expenditure Account and the Cash Flow Statement are in agreement with the books of accounts.

We report that subject to our observations/comments attach in Annexure "A" herewith

- (A) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
- (B) In our opinion, proper books of accounts as required by Authority, the relevant act, the Accounts Manual, the Rules and any other stipulations have been kept by the ULB so far as it appears from our examination of books of accounts.
- (C) 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, if any give a true and fair view:-
  - (i) In the case of the Balance Sheet, of the state of affairs of the entity as at 31<sup>st</sup> March, 2016.
  - (ii) In the case of income and Expenditure Account of the loss of the entity for the year ended of that date.
  - (iii) In the case of Receipts and Payments Statement, of the receipts and payments of the entity for the year ended on that date.
  - (iv) In the case of Cash Flow Statement, of the cash flows of the entity for the year ended on that date.
- (D) In our opinion and according to the information and explanations given to us, the ULB has adequate internal control systems commensurate with the size and nature of the ULB.
- (E) In our opinion and according to the information and explanation given to us, all the payments have been made by ULB in accordance with the law.
- (F) In our opinion and according to the information and explanation given to us, no loss of assets/ deficiency has been caused during the year of audit.
- (G) In our opinion and according to the information and explanation given to us, all the sums which ought to have been brought into account by the ULB have been properly brought into account.
- (H) In our opinion and according to the information and explanation given to us no material impropriety or irregularity has been observed during the course of audit of accounts.

**Pramod K Sharma & Co.**  
**Chartered Accountants**  
FRN: 007857C

*Pramod Sharma*

**Pramod Sharma**  
M.No.076883  
Partner



Place: Bhopal

Date: 12/5/2017

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## Annexure to the Auditor Report of the Accounts of Jamshedpur NAC for the year 2015-16

Referred to in paragraph 3 of the audit report of even date, we further state as under:-

### 1. Budget

- 1.1 Budget has been prepared by the ULB for the year and we observed some variances in between Budgeted and Actual revenue expenditure and income, capital receipt and grants. Detail is annexed in appendix-8.

### 2. Jharkhand Municipal Accounting Manual (JMAM)

- 2.1 In our opinion in preparation of accounts the provision of Jharkhand Municipal Accounting Manual has been followed except in the cases mentioned below

- During our verification we have observed that no provision has been made in the books of accounts on the old balances of receivable a provision need to be made as per Jharkhand Accounting Manual as per the rate given below:  
For 2-3 year 25%  
For 3-4 year 50%  
For 4-5 year 75%  
More than 5 years 100%
- As per Jharkhand Municipal Accounting Manual Capital Assets should be booked after statutory deductions such as Security Deposit, TDS, Sales Tax, Royalty and Labour Cess. Following are the transactions which are booked directly without any deductions.

Department	Contractor Name	Amount (₹)	Date of Booking	Remark
R&M	Roads & Pavement	2,29,122.00	02.12.2015	Nothing Deducted
R&M-Lighting	Rajesh Kumar	96,711.00	12.10.2015	Nothing Deducted
R&M-Vehicle	Vishal Sales	23,40,235.00	25.02.2016	Nothing Deducted
R&M-Vehicle	Santanu Ghosh	1,00,710.00	01.12.2015	Nothing Deducted
Roads-Other	Jai Maa Durga Enter.	2,94,042.00	26.07.2015	Nothing Deducted
	<b>Total</b>	<b>30,60,820.00</b>		

- As per Section 53(2) of Jharkhand Municipal Act 2011, no cash payment should be made to the party, if necessary upto ₹ 5000/- per voucher to a single party on a given day can be paid. Similarly, as per section 53(4), all payment to the employees should be made through direct transfer to the bank accounts of the employees. Refer to the above section, we observed many of the cash payment/withdrawal above ₹ 5,000/- is made during the audit period. Detail is mentioned below.

No such case of cash payment found during our audit period.



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- We observed that refund of EMD amount of ₹ 1,05,649 is wrongly booked under ledger head fuel.
- We further observed that excess amount of depreciation charged in previous financial year has been reversed to rectify of ₹ 600/- but ledger head of posting is not appropriate. It should be in Provision for excess depreciation written off.
- We further observed that Lamp Post (depreciation) has been booked by crediting Lamp Post (CWIP) for ₹ 16.86 lakh, wrong treatment done by CA Firm. It should be Lamp Post (Fixed Assets) debited instead of Lamp Post (Depreciation).
- During the audit we found Bank accounts, Allahabad Bank A/C No.80996 and Canara Bank A/C No.31501 showing credit balance in books of account at year end which is not practically possible. Bank is also reconciled by CA Firm in credit balance outstanding, no further clarification is provided by ULB and CA Firm.
- We found prior period income worth ₹ 25,72,730 has been booked as Interest Income by CA firm during the year.

### 3. Statutory Compliances

- 3.1 According to books of accounts, the ULB has deducted Provident Fund, Gratuity, GIC and Professional Tax as per statutory requirement.
- 3.2 According to books of accounts, the ULB is not regular in depositing tax deducted at source (Income tax, Sales Tax, Royalty & Labour Cess), the detailed calculation and payment is attached in appendix-2, 3, 5 & 6.
- 3.3 TDS, sales tax and other statutory deduction has been deducted from contract value as per rates prescribed in respective authority or Act.
- 3.4 Cashier Cash Book, Accountant Cash Book and other registers are duly checked and signed by competent authority.



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**4. Revenue Loss to the ULB**

4.1 In our opinion and according to information and explanation given to us all the transactions of Income, Expenditures, Assets and Liabilities has been correctly classified in the books of accounts *except* the cases where we observe the revenue loss to the ULB.

- We further observed that Lamp Post (depreciation) has been booked by crediting Lamp Post (CWIP) for ₹ 16.86 lakh, wrong treatment done by CA Firm. It should be Lamp Post (Fixed Assets) debited instead of Lamp Post (Depreciation). Therefore, revenue loss worth ₹ 16.86 is recognised during the year.

**5. Grant Utilization**

- 5.1 In our Opinion and according to the information and explanation given to us, the entire specific grant has been utilised for the specific purposes only as stated in the grant sanction order. We do not observe any diversion of funds.
- 5.2 We have observed that total amount of Grants (Central, State & Other Agencies) which was unutilised till 31.03.2016 is ₹ 6480.03 lakh as per First In First Out Method. (refer to appendix-11)

**6. Inventory or Store**

- 6.1 The Stores has not been physically verified by the ULB during the year under audit neither any manual stores register/ledger maintained by ULB.
- 6.2 In our opinion and according to the information and explanations given to us there is no proper system to identify unserviceable or damaged stores. Further loss if any in this respect has not been made in the accounts.

**7. Verification of Fixed Assets**

- 7.1 We have physically verified the fixed assets on sampling basis and we observe that there is no discrepancy with Fixed Assets Register.
- 7.2 The ULB has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- 7.3 As explained to us, all the fixed Assets have been physically verified by the management of the ULB during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets. As informed no material discrepancies have been noticed on such verification.



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**8. Loans & Advances**

8.1 As we observed advance given during the year and amount lying as on 01.04.2015 ₹ 1,48,66,054 for the scheme Expense which has been utilised and adjusted with ₹ 65,41,095 and rest balance still lying at year end.

**9. Provision for Expenses**

9.1 No provision is done for outstanding Government liabilities such as electricity bills and telephone bills in books of account.

**10. Unsecured Loan**

10.1 Unsecured loan received by ULB from any state government for the payment of salary ₹ 36,51,521 during the year.

**11. Analysis of Own Source Revenue**

12.1 During the year we observed net increase of ₹ 336.30 lakh in own revenue of ULB, detail is calculated of incremental revenue is attached in appendix-10

**12. Scheme wise Account Analysis**

12.1 Scheme Wise accounts have been analysed and attached in Appendix-1

**13. Other Observations**

13.1 According to information and explanations given to us we observe that all the sums which are due to and received by the ULB have been brought to account within the prescribed time limit.

13.2 Proper Certificates has been furnished in respect of all the bills for charge on account of all the works and expenditures of ULB, further no deviation has been observed from the sanctioned plans and the estimates without the sanction of the competent authority.



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13.3 No special funds have been created by the ULB during the year under audit as per the provision of relevant statutes.

13.4 In our opinion and according to the information and explanations given to us there exists adequate internal control procedure for the purchase of stores, including components plant and machinery, equipment and other assets.

13.5 In our opinion and according to the information and explanations given to us no personal expenses have been charged to revenue account.

13.6 All vouchers are properly maintained and the supporting of the voucher is properly enclosed with it.

13.7 Detailed observation and discrepancy are mentioned in appendix attached.

CA



Name of the Urban Local Body:- Jamshedpur N.A.C  
Project Wise/Scheme Wise Audited Statement of Accounts for the year 2015-16

**Appendix**

**Appendix-1**

**Details of the grant which were received from the central government**

Particulars	Name of Scheme			
	SJSRY	10th Finance Commission Grant	JNNURM (central)	SBM (central)
	Amount (₹)	Amount (₹)	Amount (₹)	Amount (₹)
Opening Balance of Fund as on 01.04.2015				
Add: Fund Received During the year	1,72,50,721	4,000	12,61,74,353	-
<b>Total</b>	<b>1,72,48,820</b>	<b>-</b>	<b>-</b>	<b>1,13,93,699</b>
Less: Expenditure during the year	3,44,99,541	4,000	12,61,74,353	1,13,93,699
	2,31,25,759	-	10,70,95,000	1,12,53,220
<b>Closing Balance of Fund as on 31.03.2016</b>	<b>1,13,73,782</b>	<b>4,000</b>	<b>1,90,79,353</b>	<b>1,40,479</b>

**Appendix-2**

**Detail of Payment of Tax Deducted at Source**

Month	Tax Deducted in the month (₹)	Due Date of payment	Actual Payment Amount (₹)	Actual Payment Date
April-2015	1,26,371.00	07-May	-	
May-2015	2,39,515.00	07-Jun	-	
June-2015	5,07,554.00	07-Jul	1,09,564.00	10-06-2015
July-2015	2,88,324.00	07-Aug	-	23-06-2015
August-2015	6,23,998.00	07-Sep	56,000.00	19-08-2015
September-2015	3,10,174.00	07-Oct	12,000.00	09-03-2015
October-2015	4,74,062.00	07-Nov	-	
November-2015	80,960.00	07-Dec	-	
December-2015	6,23,257.00	07-Jan	-	
January-2016	2,77,857.00	07-Feb	-	
February-2016	5,80,008.00	30-Mar	-	
March-2016	2,63,901.00	07-Apr	41,93,549.00	23-03-2016 28-03-2016 31-03-2016
<b>Total</b>	<b>43,95,981</b>		<b>43,71,113</b>	

**Appendix-3**

**Detail of Sales Tax**

Month	Sales Tax collected in the month (₹)	Due Date of payment	Actual Payment Amount (₹)	Actual Payment Date
April	2,96,595.00	21-Apr	-	
May	4,64,506.00	21-May	-	
June	6,44,215.00	21-Jun	-	
July	4,39,297.00	21-Jul	-	
August	9,44,088.00	21-Aug	-	
September	5,52,394.00	21-Sep	-	
October	4,85,418.00	21-Oct	-	
November	1,61,891.00	21-Nov	-	
December	7,03,988.00	21-Dec	-	
January	6,32,091.00	21-Jan	-	
February	6,32,155.00	21-Feb	-	
March	2,89,458.00	21-Mar	58,81,662.00	23-03-2016 31-03-2016
<b>Total</b>	<b>6246096.00</b>		<b>5881662.00</b>	



**Appendix-4**  
**Filling of Quarterly TDS Statement**

Quarters	Period	Due Date	Whether filed within due date
First Quarter	April to June	31th July	Return not provided to us
Second Quarter	July to September	31th October	
Third Quarter	October to December	31th January	
Fourth Quarter	January to March	31th May	

**Appendix-5**  
**Detail of Royalty**

Month	Royalty deducted in the month	Actual Payment Amount (₹)	Actual Payment Date
April	Royalty is not deducted by ULB		
May			
June			
July			
August			
September			
October			
November			
December			
January			
February			
March			
<b>Total</b>		<b>0.00</b>	<b>0.00</b>

**Appendix-6**  
**Detail of Labor Cess**

Month	Cess deducted in the month	Actual Payment Amount (₹)	Actual Payment Date
April	14,54,291.00		
May	14,10,610.00		
June	2,75,949.00		
July	4,17,736.00		
August	3,62,988.00		
September	1,77,451.00		
October	4,10,513.00		
November	10,04,542.00		
December	10,22,107.00		
January	5,50,869.00		
February	6,50,839.00		
March	2,37,181.00		
<b>Total</b>	<b>79,75,076.00</b>		

**Appendix-7**  
**Maintainance of Books at ULB**

SL No.	Books Type	Maintained (Yes/No)	Remark
1	Cash Book	Yes	Manual & Electronic
2	Ledger Book	Yes	Only Electronic
3	Cheque Book Register	Yes	Manual
4	Cashier Cash Book	Yes	Manual
5	Trial Balance	No	
6	Monthly BRS	No	
7	Annual BRS	Yes	
8	Fixed Assets Register	No	
9	Consumable Stock Register	Yes	Electronic
10	Bank Counterfoil (in case of collected cash deposited)	Yes	Manual
11	Utilization Certificate Register	Yes	Manual
12	Advance Register	No	
13	Daily Collection Register	Yes	Manual



**Appendix-8**

**Variances in Actual & Budgeted amount**

Particulars	(Amount in Lakh)		
	Actual	Budgeted	Variances
Collections & own Receipt			
Grants (Central & State)	513.94	520.80	6.86
Revenue Expenditure	4,386.09	3,210.00	(1,176.09)
Capital Expenditure	773.32	408.55	(364.77)
	1,516.58	2,722.00	1,205.42

**Bank Detail and Its reconciliation**

SL.NO.	Bank Name	Account No.	Closing Balance of Cash Book	Reconciled (Yes/No)
1	Punjab National Bank - CA(5209)	5209		
2	AXIS -8178	8178	5,52,38,829.16	Yes
3	Allahabad Bank(18486)Mining	18486	57,51,400.00	Yes
4	Bank of India (450010110001774)		2,16,00,000.00	Yes
5	Syndicate Bank (Hording Tax)	450010110001774	23,160.00	Yes
6	PNB-87922-Welfare Fund	7425	25,64,690.00	No
7	BOI (BSUP-02572)	87922	6,458.30	No
8	PNB-Pension Fund-20689	2572	3,52,32,273.00	No
9	HDFC Bank-(97796)	20689	1,05,155.74	Yes
10	PNB-SJSRY(10TH FINANCE)-19912	97796	2,97,640.00	Yes
11	UBI VAMBAY-4889	19912	1,62,965.00	Yes
12	CANARA BANK(JNNURM BUSES	4889	33,97,642.00	Yes
13	Jharkhand Gramin Bank Sjsry-780	31501	4,02,747.00	Yes
14	PNB(BSY-79047)	780	50,54,800.00	Yes
15	PNB(MLA/MP-78464)	79047	8,08,435.00	Yes
16	PNB(SIKHSHA SAILAB-42113)	78464	78,08,602.62	Yes
17	PNB(SJSRY-22023)	42113	29,831.15	No
18	PNB (SJSRY-79056)	22023	3,92,886.00	Yes
19	SBI DM(43059)	79056	1,49,79,471.98	Yes
20	UBI(MLA-06775)	43059	1,571.00	No
21	UBI(SJSRY-02835)	6775	8,145.00	Yes
22	UBI(SJSRY-06804)	2835	2,035.50	Yes
23	Allahabad Bank (Nulm)-80996	6804	16,68,716.00	No
24	Allahabad(Swm)-50027131179	80996	5,40,798.00	Yes
25	Bank Of Baroda (4502)-SBM	50027131179	10,59,79,059.00	Yes
26	Treasury	4502	19,16,280.00	Yes
		PL Account	60,65,74,471.00	Yes

**Appendix-10**

**Detail of Revenue whether Increase or Decrease**

Ledger Code	Particular	2015-16	2014-15	Increase	(Decrease)
110	Tax Revenue				
120	Assigned Revenues & Compensations	37,50,221.00	6,41,433.00	31,08,788.00	-
130	Rental Income From Municipal Properties	2,16,00,000.00	-	2,16,00,000.00	-
140	Fees & User Charges	1,16,72,423.00	55,14,033.00	61,58,390.00	-
150	Sale & Hire Charges	96,86,904.00	71,60,835.00	25,26,069.00	-
170	Income from Investment	9,75,916.00	4,07,380.00	5,68,536.00	-
180	Other Income	30,17,908.00	33,23,795.00		(3,05,887.00)
		4,98,655.00	5,24,270.00		(25,615.00)
	<b>Total</b>	<b>5,12,02,027.00</b>	<b>1,75,71,746.00</b>	<b>3,39,61,783.00</b>	<b>(3,31,502.00)</b>
				<b>Net Increase/ (Decrease)</b>	<b>3,36,30,281.00</b>



**Appendix-11**

**Detail of Grants unutilised for one or more than one year**

<b>Central Government</b>	
32010-01-10 Finance Commission Grant	4,000.00
32010-06 JNNURM-Central Government	1,90,79,353.00
<b>State Government</b>	
32020-08 JNNURM- State Government	1,73,89,400.00
32020-09- Road Transport Grant	22,65,52,363.00
32020-10- Drain Grant	11,24,91,941.00
32020-11- Toilet Grant	1,97,58,529.00
32020-12- Nagrik Suvidha Grants	19,88,56,236.00
32020-13- Office Sudrhhakaran - Grants	28,55,880.00
32020-14- SJSRY Grant- State Grant	96,40,444.20
32020-16- D.P.R Grant	3,10,00,000.00
32020-18- Chapakal / Conservancy Grant	18,31,712.00
32020-19- Gareebi Unmulan	47,37,500.00
32020-20- Abdeas Implementation Grants	20,00,000.00
32020-21 Hand Pump Installation Grant	15,00,000.00
32020-22- Ray Salary Grant	2,52,942.00
32020-23- Manual Scavenger Survey	53,000.00
<b>Total Unutilised Grant for one or more than one year</b>	<b>64,80,03,300.20</b>

