CUTTACK MUNICIPAL CORPORATION
GOVERNMENT OF ODISHA

Audited Books of Accounts of Cuttack Municipal Corporation
For the Year 2015-16

Raghu Nath Rai & Co.

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To
The Mayor
Cuttack Municipal Corporation

Report on the Financial Statement

We have audited the accompanying financial statement of **Cuttack Municipal Corporation ("Corporation")**, which comprise the balance sheet as at 31st March 2016, the statement of Income & Expenditure and the Receipt & Payment account, and a summary of significant accounting policies and explanatory information.

Management's Responsibility for the financial statement

The Corporation's governing council is responsible for the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and receipt & payment statement of the corporation in accordance with the accounting principles generally accepted in India, including the rules as specified in OMAR, 2012 ("rules"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the rule for safeguarding the assets of the corporation and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and 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 have taken into account the provisions of the Rule, the accounting and auditing standards and matters that are required to be included in the audit report under the provisions of the Rules made there under.

We conducted our audit in accordance with the standards on auditing specified by Institute of Chartered Accountants of India ("ICAI"), those standards require that we comply with ethical

Raghu Nath Rai & Co. Bhubaneswar Chartered Accountants 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 the 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 statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the corporation's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the corporation has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Corporation 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 on the standard financial statements.

Observations

1. ***Reserve & surplus includes accumulated depreciation up to 31.03.2012 amounting to Rs. 30,08,52,792.***
2. ***Though income of CMC is not taxable as per Income Tax Act. But TDS has been deducted by Banks & others from different Investments made with them. The amount of TDS deducted till 2015-16 e is Rs.23,61,152.***
3. ***As explained to us, No physical verification of fixed assets and inventories amounting to Rs.107.65cores and Rs.80.16 Lakhs respectively has been carried out during the year. Hence we are unable to comment on the existence usability and physical condition of such fixed assets and inventories.***
4. ***Service tax of Rs.14,69,736 received by the Corporation but not yet deposited in Government Account.***
5. ***The corporation has not maintained/produced any sub ledger relating to advance to contractors, loans and advance, security deposit, EMD etc. Hence we are unable to comment on the completeness and accuracy of such record and information'***
6. ***Rs.8.12Crores & Rs.29.86 Crores. credited and debited respectively to account code 3100000 against which no proper record has been made available to us for our verification.***
7. ***No proper records have been made available to us for Rs 3.99 Crores transfer to reserve from Income and Expenditure account.***

Raghu Nath Rai & Co. Bhubaneswar Chartered Accountants

8. ***The following ledgers ate subject to reconciliation and confirmation and the effect of the same has not been ascertained***

- ***Loans and advances to Employees - House Building Advance Rs.1,43,296***
- ***Loans and advances to Employees - Medical Advance Rs.1,77,000***
- ***Advance to JE Rs.30,000***
- ***Advance to Suppliers and Contractors – Others Rs.70,000***

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 matter described in the 'Observations' paragraph the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Corporation as at 31st March 2016 and its income & expenditure and its receipt & payment for the year ended on that date.

Place: Cuttack
Date: 22nd April, 2017

Raghu Nath Rai & Co. Bhubaneswar Chartered Accountants

For Raghu Nath Rai & Co.
Chartered Accountants
FRN: 000451N

CA. Sugyan Kumar Sahoo
Partner
Mem. No: 222541

Cuttack Municipal Corporation

Balance Sheet as on 31-03-2016

Particulars	Schedule No.	Current Year (Amount Rs.)	Previous Year (Amount Rs.)
1	2	3	4
SOURCES OF FUNDS			
Reserves and Surplus			
Municipal (General) Fund	B-1	59,458,109	320,600,937
Earmarked Funds	B-2	-	-
Reserves	B-3	1,163,128,080	887,806,095
Grants, Contributions for Specific Purpose	B-4	1,544,421,304	1,106,014,516
Loans			
Secured loans	B-5	-	-
Unsecured loans	B-6	-	-
TOTAL OF SOURCES OF FUNDS		**2,767,007,493**	**2,314,421,548**
APPLICATION OF FUNDS			
Fixed Assets including Statues & Heritage Assets	B-11		-
Gross Block		1,827,189,964	1,551,923,303
Less: Accumulated Depreciation		750,648,839	610,584,986
Net Block		1,076,541,125	941,338,317
Capital Work In Progress investments:			
Investment General Fund	B-12	-	-
Investment Other Funds	B-13	-	-
Current assets, loans & advances			
Stock in hand (Inventories)	B-14	8,016,589	8,093,321
'Sundry Debtors (Receivables):	B-15	-	-
Gross amount outstanding		45,499,945	42,812,425
Less: Accumulated provision against bad and doubtful		9,007,668	15,185,185
Prepaid expenses	B-16	-	-
Cash and Bank Balances	B-17	1,766,151,813	1,443,706,352
Loans, advances and deposits'	B-18	15,605,309	42,428,420
Total of Current Assets (A)		1,826,265,989	1,521,855,333
Current Liabilities and Provisions:			
Deposits received	B-7	62,949,128	55,907,128
Deposit Works	B-8	173,800	73,800
Other liabilities (Sundry Creditors)	B-9	72,676,693	92,791,174
Provisions	B-10	-	-
Total of Current Liabilities (B)		135,799,621	148,772,102
Working Capital (Current Assets less Current liabilities		1,690,466,368	1,373,083,231
Other Assets	B-19		
Miscellaneous Expenditure (to the extent not written off)	B-20		-
Capital Deficit			
TOTAL OF APPLICATION OF FUNDS		**2,767,007,493**	**2,314,421,548**

Notes to accounts & Significant accounting policies are forming the Balance Sheet.

For Raghu Nath Rai & Co.
Chartered Accountants
F.Reg No: 000451N

Raghu Nath Rai & Co. Bhubaneswar Chartered Accountants

CA. Sugyan Ku Sahoo
Partner
Mem No: 222541

Date:22nd April, 2017
Place: Cuttack

For Cuttack Municipal Corporation, Cuttack

Finance Officer
Cuttack Municipal Corporation
Finance Officer

Municipal Commissioner,
Cuttack Municipal Corporation
Comissioner

Cuttack Municipal Corporation

Income & Expenditure Statement of Cuttack Municipal Corporation for the Year ended 31-03-2016

Particulars	Sch No	2015-2016 Amount (Rs)	2014-2015 Amount (Rs)
INCOME			
Tax Revenue	IE1	83,206,868	47,744,805
Assigned Revenues and Compensations	IE2	533,620,000	703,857,000
Rental Income from Municipal Properties	IE3	9,920,411	9,956,212
Fees and User Charges	IE4	81,666,852	18,728,833
Sale and Hire Charges	IE5	4,847,397	3,857,724
Revenue Grants, Contribution and Subsidies	IE6	251,857,720	53,378,719
Income from Investments	IE7	-	161,627
Interest Earned	IE8	5,900,493	3,240,154
Other Income	IE9	6,341,301	471,144
TOTAL INCOME		**977,361,042**	**841,396,218**
EXPENDITURE			
Establishment Expenses	IE10	525,958,715	476,178,612
Administrative Expenses	IE11	44,259,340	49,366,316
Operations and Maintenance	IE12	309,868,161	262,020,225
Interest and Finance Charges	IE13	11,060	6,935
Programme Expenses	IE14	4,091,134	6,485,557
Revenue Grants, Contribution and Subsidies	IE15	0	0
Provisions and Write off	IE16	0	7,137,446
Miscellaneous Expenses	IE17	7,416,103	2,603,644
Depreciation		140,063,853	124,406,446
TOTAL EXPENDITURE		**1,031,668,366**	**928,205,181**
Gross surplus/ (deficit) of income over expenditure before Prior Period Items		-54,307,324	-86,808,963
Add/Less: Prior period Items (Net)	IE18	-29429146	7,936
Gross surplus / (deficit) of income over expenditure after Prior Period Items		-83,736,469	-86,801,027
Less: Transfer Reverse Fund		39,978,574	67,765,812
Net balance being surplus/ deficit carried over to Municipal Fund		**-43,757,895**	**-19,035,215**
Notes to accounts & Significant accounting policies are forming the Income & Expenditure Account.			

For Raghu Nath Rai & Co.
Chartered Accountants
F.Reg No: 000451N

Raghu Nath Rai & Co. Bhubaneswar Chartered Accountants

CA. Sugyan Ku Sahoo
Partner
Mem No: 222541

Date:22nd April, 2017
Place: Cuttack

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