

**AUDIT REPORT ON THE ANNUAL FINANCIAL STATEMENTS
OF KOLKATA MUNICIPAL CORPORATION
FOR THE YEAR ENDED 31ST MARCH 2015**

We have audited the Balance Sheet of the Kolkata Municipal Corporation (KMC) as at 31st March 2015 along with Income & Expenditure Account and Receipts & Payments Account for the year ended on that date under section 160 and 161 of the Kolkata Municipal Corporation Act, 1980. Preparation of these financial statements is the responsibility of the KMC Management. Our responsibility is to express an opinion on these financial statements based on our audit findings.

2. This Audit Report contains the comments of the Examiner of Local Accounts (ELA) on the accounting treatment with regard to classification, conformity with the best accounting treatment, accounting practices, accounting standards and disclosure norms, etc. Audit observation on financial transactions with regard to compliance with the Laws, Rules and Regulations (Propriety and Regularity Audit) and efficiency-cum-performance aspects, etc., are reported through Inspection Reports/ Audit Reports separately.

3. We have conducted our audit in accordance with the Auditing Standards generally accepted in India. These standards require that we plan and perform audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences 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 presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. Based on our audit, we report that:

i. 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.

ii. In our opinion, proper books of accounts and other relevant records have been maintained by the KMC as required under provision of the KMC Act 1980 in so far as it appears from our examination of such books and subject to the observations made below.

iii. We further report that -

