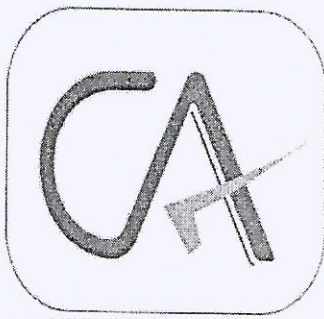




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K. K. Chanani & Associates

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To,
The Commissioner,
Municipal Board, Nathdwara
Rajasthan

Report to Financial Statement

We have audited the accompanying financial statements of **Municipal Board, Nathdwara, Rajasthan** which comprise the Balance Sheet as at March 31, 2015, the Income and Expenditure Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 and 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


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depend on the auditor's judgment, 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

Subject to statement on additional matters as given in Annexure-A attached herewith, and the following :

- a) Liabilities that may arise on account of late filing of return, late payment, short or non-deduction and mismatching of TDS, RVAT, Royalty and Labour cess has not been ascertained and hence not considered. To this extent Surplus of Income over Expenditure is overstated and Liabilities are understated.*
- b) Liabilities or recovery on account of pending cases and/or notices filed against or by municipal board by/against third parties is not ascertainable and hence not considered. Financial impact of such cases has not been ascertained and hence we are unable to comment on correctness or otherwise of Income, Expenditure, Assets or Liabilities to this extent. Contingent Liabilities, if any, arising out of these cases has not been estimated by the municipal board nor has been disclosed in notes to accounts.*
- c) Closing Stock of Stores has not been determined by the municipality and hence not considered in the accounts. To this extent both, Surplus of Income over Expenditure and Assets are understated.*


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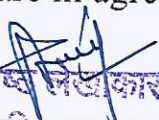
- d) *Bank Reconciliation, in respect of several bank accounts, have not been provided since long. Hence, treatment of differences arising out of reconciliation remains unaccounted for. Besides, bank charges as also interest income on deposit in saving account remains unaccounted for. The amount has not been determined by the management. To this extent accounts does not reflect true and fair view.*
- e) *The amount receivable on account of Urban Development Tax has not been determined and not considered as income of the year. As such, Income and Assets are understated to this extent.*
- f) *All expenses except salary, contribution towards new pension scheme, accounting charges and audit fee are accounted for on cash basis. Similarly, all incomes are accounted for on cash basis. Receipts in PD Accounts (treasury) by deposit of amount directly by the tax payers are taken into account on verification with treasury irrespective of the year of receipt.*

in our opinion and to the best of our information and according to the explanations given to us, 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, 2015; and
- b) in the case of the Income and Expenditure Statement, of the surplus for the year ended on that date.

We further report that:

- a) we have obtained all the available information and explanation 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 and Income & Expenditure Account dealt with by this Report are in agreement with the books of account;


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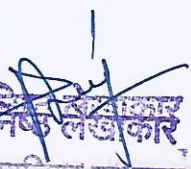


d) in our opinion, the Balance Sheet and Income & Expenditure Account comply with the Rajasthan Municipal Accounts Manual.

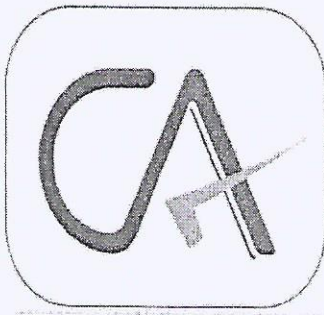

Krishna Kumar Chanani
Partner, K K Chanani & Associates
Chartered Accountants
FRN NO. 322232E
Membership No .056045

Kolkata, the 6nd April 2018




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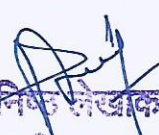
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Annexure A to Auditor's Report (2014-15)

Additional Matters to be reported by the financial statement auditor

1. In our opinion and according to records examined by us and to the best of our knowledge and belief all sums due to and received by the Municipality have been brought to account on Cash Basis except for certain expenditure which are brought to accounts on accrual basis and have been *generally* appropriately classified;
2. In our opinion 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 on cash basis, and where any deduction is made out of such grants towards any dues of the Municipality, *in some cases such deductions have not been properly accounted. As such income and expenditure are understated to that extent.*
3. Earmarked Funds have been created by the Municipality for Gratuity and Provident Fund, According to the information and explanations given to us Earmarked Funds have been utilized for the purposes for which they were created. *However, contribution to these funds in respect of previous year is yet to be made and for which amount has not been ascertained.*


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4. As explained to us the Municipality is maintaining records showing full particulars, including quantitative details. However, *situation* of fixed assets has not been specified in the records so maintained.
Management of ULB has not carried out *physical verification of fixed assets*. As such we are unable to comment on material discrepancies, if any, on physical verification and its treatment in books of accounts.
5. The Municipality *is not maintaining proper records showing full particulars of leasehold property*. Lease Rentals are therefore not verified.
6. As explained to us, physical verification has been conducted by the Municipality at reasonable intervals in respect of stores.
In our opinion and according to the information and explanations given to us, the procedures of physical verification of stores followed by the Municipality are reasonable.
In our opinion and according to the information and explanations given to us, no material discrepancies have been noticed on physical verification of stores as compared to stores records. *However, neither the stores has been verified at the year-end nor has same been recognized in the accounts prepared for the year under report.*
7. As explained to us, there are no parties other than the employees to whom loans or advances have been given by the Municipality.
8. The Municipality has granted loans to the employees against PF. Deduction from salary are made towards the loans and interest.
9. In our opinion and according to the information and explanations given to us, there exists an adequate internal control procedure for the purchase of stores, fixed assets and services.


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10. In our opinion and according to the information and explanations given to us, there exists an adequate internal control procedure for the contracting of works and projects, periodic inspections and measurements, and payments there for. *However, according to information and explanation given to us, works contracts are not subject to quality checks. Besides, some weakness in internal control procedures* which require immediate attention of the management are as under:

- a) In PWA Form 278, Pan No. and Aadhar Card No. should be given at suitable place along with details of bank account where MPTT payment is to be done. Besides, such Form should be signed under the seal of the firm and passing authority should also affix their seal.
- b) The suppliers of materials and/ or providers of services should submit their bill within 30 days of the completion of their supply and/or job and the concerned passing authority should pass the bill or otherwise do necessary action within a further period of 30 days. Any delay on either part should be penalized with fine as deemed necessary by the competent authority. This will help in determining liability as and when arises to a great extent.
- c) Payment Voucher Serial No. is as per voucher issued by works department. Voucher No. and date should be specified on each voucher separately on the basis of date of issue of cheques. Cheques should be prepared only after the sanction by competent authority.

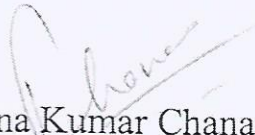
11. *The Municipality is not regular in depositing undisputed statutory dues including tax deducted at source, works contract tax, cess and amount payable to the Government, ESI, PF etc.*


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12. To the best of our knowledge and according to information and explanation given to us, no personal expenses have been charged to the Municipality's accounts.
13. To the best of our knowledge and according to information and explanation given to us, the books and registers specified under the Rajasthan Municipal Accounts Manual and other applicable acts and rules have been properly maintained. *However, Bank Reconciliation statements have not been prepared for the bank accounts of the Municipality. Accounting effect of bank charges debited by Bank, Non- collection of cheques, Interest credited by Bank, Cancellation of stale cheques not Presented has not been determined and considered in accounts.*
14. To the best of our knowledge and according to information and explanation given to us, year-end procedures have been carried out but *reconciliation procedures at year end have not been carried out.*


Krishna Kumar Chanani
Partner, K K Chanani & Associates
Chartered Accountants
FRN No. 322232E
Membership No .056045



Kolkata, the 6nd April 2018


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नगरपालिका, नाथद्वारा


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नगरपालिका, नाथद्वारा

Balance Sheet of Municipal Board Nathdhawara As on 31 March 2015

PARTICULARS	Schedule	2014-15	2013-14
		(Amount in Rs.)	(Amount in Rs.)
I - LIABILITIES			
RESERVE & SURPLUS			
Municipal (General) Fund	1	432,797,855	403,661,072
Earmarked Funds	2	20,127,947	20,008,996
Total Reserve & Surplus (A)		452,925,802	423,670,068
GRANT/ CONTRIBUTION FOR SPECIFIC PURPOSE (B)	3	-	17,054,900
LOANS			
Secured Loans	4	39,737,500	39,737,500
Total Loans (C)		39,737,500	39,737,500
CURRENT LIABILITIES & PROVISIONS			
Sundry Deposits	5	55,651,165	51,600,227
Sundry Creditors	6	-	-
Statutory Liabilities	7	1,684,416	648,895
Other Liabilities	8	28,384,498	24,443,605
Total Current Liabilities and Provisions (D)		85,720,079	76,692,727
TOTAL LIABILITIES (A+B+C+D)		578,383,381	557,155,195
II - ASSETS			
FIXED ASSETS			
Gross Block	9	385,104,394	327,301,484
Depreciation Fund	10	67,420,125	32,210,497
Net Block		317,684,269	295,090,987
Total Fixed Assets (A)		317,684,269	295,090,987
INVESTMENTS			
General Fund Investments	11	85,608,584	84,874,768
Specific Fund Investments	12	20,127,947	20,008,996
Total Investments (B)		105,736,531	104,883,764
CURRENT ASSETS, LOAN & ADVANCES			
Cash & Bank Balances	13	154,497,114	156,704,977
Loans, Advances & Deposits	14	465,467	475,467
Total Current Assets, Loans &Advances(C)		154,962,581	157,180,444
TOTAL ASSETS(A+B+C)		578,383,381	557,155,195

Notes to Accounts and Accounting Policies

For K.K Chanani & Associates

Chartered Accountants

Firm Regn. No. 322232E

Krishna Kumar Chanani

(Proprietor)

Membership No. 056045

Date: - 06.04.2018

Place: - Nathdhawara



For and Behalf on Nagar Palika

(Executive Officer)


नगरपालिका नाथद्वारा


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नगरपालिका, नाथद्वारा

Income and Expenditure Account of Municipal Board Nathdhawara For the Year Ending 31 March 2015

PARTICULARS	Schedule	2014-15	2013-14
		(Amount in Rs.)	(Amount in Rs.)
INCOME			
Income From Taxes	15	332,487	605,275
Assigned Compensations	16	22,965,000	6,469,000
Rental Income from Municipal Properties	17	7,771,404	18,476,356
Fees and User Charges	18	9,004,860	44,751,737
Revenue Grants, Contributions and Subsidies	19	81,329,900	71,344,600
Income from Corporation Assets and Investment	20	2,308,775	7,162,821
Miscellaneous Income	21	15,640,645	9,557,065
Total Income - I		139,353,071	158,366,854
EXPENDITURE			
Establishment Expenses	22	38,479,662	33,361,747
General Administrative Expenses	23	30,393,981	103,624,100
Public Works	24	-	5,324,971
Interest & Financial Exp.	25	-	146
Miscellaneous Expenses	26	6,133,016	2,028,329
Depreciation During the Year		35,209,628	32,210,497
Total Expenditure - II		110,216,287	176,549,790
Surplus\ (Deficit) before adjustment of prior period items and Depreciation		29,136,784	-18,182,936
NET SURPLUS\ DEFICIT		29,136,784	-18,182,936

Notes to Accounts and Accounting Policies

For K.K Chanani & Associates

Chartered Accountants

Firm Regn. No. 322232E

Krishna Kumar Chanani
(Proprietor)

Membership No. 056045



Date: - 06.04.2018

Place: - Nathdhawara

For and Behalf on Nagar Palika

(Executive Officer)

(Signature)
कनिष्क लेखाकार
नगरपालिका नाथधारा

(Signature)
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नगरपालिका, नाथधारा

Schedule forming part of Balance Sheet of Municipal Board Nathdhawara
As on 31 March 2015

PARTICULARS	2014-15	2013-14
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 1		
MUNICIPAL (GENERAL) FUND		
Opening balance	403,661,072	421,844,008
Add : - Addition during the year	-	-
Less:- Deduction during the year	-	-
Add: Excess of Income over Expenditure	29,136,784	-18,182,936
Total	432,797,855	403,661,072
Schedule - 2		
EARMARKED FUND		
Gratuity Fund	288,728	570,315
General Provident Fund	19,839,219	19,438,681
Total	20,127,947	20,008,996
Schedule - 3		
GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE		
Special Grant from PHED	-	17,054,900
Total	-	17,054,900
Schedule - 4		
SECURED LOANS		
Loan from RUIDFCO	39,737,500	39,737,500
Total	39,737,500	39,737,500




नगरपालिका नाथधारा


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नगरपालिका, नाथधारा

Schedule forming part of Balance Sheet of Municipal Board Nathdhawara
As on 31 March 2015

PARTICULARS	2014-15	2013-14
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 5		
SUNDRY DEPOSITS		
Security & Amanat Payable	15,454,580	10,385,347
From Contractors	5,560,645	6,805,500
From Others	34,635,940	34,409,380
Total	55,651,165	51,600,227
Schedule - 6		
SUNDARY CREDITORS		
Creditors For supplies	-	-
Other Creditors	-	-
Total	-	-
Schedule - 7		
STATUTORY LIABILITIES		
Income Tax (TDS) Payable	1,025,278	72,869
Commercial Tax Payable	249,347	214,061
Labour Cess Deduction	198,082	150,256
Service Taxes	211,709	211,709
Total	1,684,416	648,895
Schedule - 8		
OTHER LIABILITIES		
Royalty Payable	382,255	372,391
Employee Liabilities	22,391,252	18,757,225
Government Dues Payable	5,610,991	5,313,989
Total	28,384,498	24,443,605




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Schedule forming part of Balance Sheet of Municipal Board Nathdhawara
As on 31 March 2015

PARTICULARS	2014-15	2013-14
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 9		
GROSS BLOCK		
Immovable Assets		
Land	602,136	602,136
Office Building	79,662,310	78,636,940
Residential Building	6,083,733	6,083,733
Other fixed assets	183,711,306	182,424,630
Infrastructure Assets		
Roads & Bridge	69,169,556	40,912,485
Sewerage & Drainage	1,058,123	696,480
Others	39,976,507	13,202,711
Moveable Assets		
Plant & Machinery	1,628,479	1,628,479
Vehicles	2,306,766	2,306,766
Furniture & Fixture	594,098	517,099
Office Equipment	168,400	168,400
Computers	142,980	121,625
Total	385,104,394	327,301,484
Schedule - 10		
DEPRECIATION FUND		
Opening Balance	32,210,497	
Add:- Depreciation provided during the year	35,209,628	32,210,497
Less:- Depreciation for the previous year	-	
Total	67,420,125	32,210,497




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Schedule forming part of Balance Sheet of Municipal Board Nathdhawara
As on 31 March 2015

PARTICULARS	2014-15	2013-14
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 11		
GENERAL FUND INVESTMENT		
P.D Account with Interest	65,453,000	65,016,186
Non-Interest Bearing PD A/c	20,155,584	19,858,582
Total	85,608,584	84,874,768
Schedule - 12		
SPECIFIC FUND INVESTMENT		
Employee's GPF Accounts	19,839,219	19,438,681
Gratuity P.D A/c	288,728	570,315
Total	20,127,947	20,008,996
Schedule - 13		
CASH & BANK BALANCES		
Cash in Hand	25,340	136,190
Balances in Saving & Current a/cs	154,471,774	156,568,787
Total	154,497,114	156,704,977
Schedule - 14		
LOANS, ADVANCES & DEPOSITS		
Advance to Contractors and Suppliers	465,467	475,467
Total	465,467	475,467




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**Schedule forming part of Income and Expenditure Account of Municipal Board Nathdhawara
For the Year Ending 31 March 2015**

PARTICULARS	2014-15	2013-14
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 15		
INCOME FROM TAXES		
Urban Development Tax	53,987	258,225
Cleaning Tax	278,500	347,050
Total	332,487	605,275
Schedule - 16		
ASSIGNED COMPENSATION		
Octroi Compensations	22,965,000	6,469,000
Total	22,965,000	6,469,000
Schedule - 17		
RENTAL INCOME FROM MUNICIPALE PROPERTIES		
Income from Rent and Teh Bazari	858,511	763,320
Rent from lease of lands	2,020,633	7,463,142
Other rents	4,892,260	10,249,894
Total	7,771,404	18,476,356
Schedule - 18		
FEES AND USER CHARGES		
Copy Fees	282,441	936,093
License Fees Construction and Development Work	28,505	35,632
Empanelment & Registration Charges	46,150	25,190
Fees for Certificate or Extract	106,836	198,143
Fees for Grant of Permit	155,709	169,271
Development Charges	3,318,927	35,635,437
Regularisation Fees	4,987,745	7,539,988
Penalties and Fines	37,357	206,298
Service / Administrative Charges	25,600	1,250
Other Charges	15,590	4,435
Total	9,004,860	44,751,737




जनसुध लखार
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**Schedule forming part of Income and Expenditure Account of Municipal Board Nathdhawara
For the Year Ending 31 March 2015**

PARTICULARS	2014-15	2013-14
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 19		
REVENUE GRANT, CONTRIBUTION, SUBSIDIES		
Revenue Grant	81,329,900	71,344,600
Total	81,329,900	71,344,600
Schedule - 20		
INCOME FROM CORP. ASSET/INVESTMENT		
Interest from Bank Accounts	2,308,775	7,161,821
Interest on Loans and advances to Employees	-	1,000
Total	2,308,775	7,162,821
Schedule - 21		
MISCELLANEOUS INCOME		
Income from Maintenance of Sewer	11,330	11175
Cleaning of Gutters	68,500	30750
Penalties	1,504,430	235178
Sale of Forms & Publications	552,750	256500
Sale of Land	4,987,147	2219723
Advertisement Fee	126,115	201553
Labour Charges Income	911,312	861866
Income from Contract of Dead Animal	55,250	91800
Income from Vatika	11,000	21000
Income from PSP Bill	7,322,211	5018660
Consutancy Charges	-	216930
Others	90,600	391930
Total	15,640,645	9,557,065
Schedule - 22		
ESTABLISHMENT EXP.		
Corporator (Parishad) Allowance	-	352800
Salary and Other Payment	37,341,933	32689690
Travelling Reimbursement	1,608	7653
Other Terminal & Retirement Benefits	1,136,121	311604
Total	38,479,662	33,361,747


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**Schedule forming part of Income and Expenditure Account of Municipal Board Nathdhawara
For the Year Ending 31 March 2015**

PARTICULARS	2014-15	2013-14
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 23		
GENERAL ADMINISTRATION EXP.		
Advertisement Expenses	430,744	1106325
Books and Newspaper	618	1596
Contingencies Expenses	2,271,324	1654849.52
Court Expenses	212,108	100725
Dress	144,300	154800
Communication Expenses	81,299	95146
Printing and Stationery	506,514	960696
Travelling & Conveyance	22,013	-
Power & Fuel	20,150,820	4702779
Bulk Purchases	1,663,697	5213835
Water Expenses	293,317	15395172
Finayal Expenses	243,650	200400
Repairs & maintenance – Buildings	1,843,717	3865986
Repairs & maintenance – Vehicles	167,025	-
Repairs & maintenance – Others	2,362,835	282708
Other operating & maintenance expenses	-	69889082
Total	30,393,981	103,624,100
Schedule - 24		
PUBLIC WORKS		
Construction of Electricity Lines	-	58687
Expenses against MP, MLA Fund	-	279496
Garbage Clearance Expenses	-	3161138
Swama Jayanti Roj gar Yojna Expenses	-	1825650
Total	-	5,324,971
Schedule - 25		
INTEREST AND FINANCE CHARGES		
Bank Charges	-	146
Total	-	146
Schedule - 26		
MISCELLENOUS EXPENSES		
Chara Dana Expenses	77,300	87,811
Own Programmes	2,584,092	1,768,313
Training Expense	858,500	-
Janganana Expense	207,050	-
Labour charges expenses	954,680	-
Other Miscellaneous Expenses	1,451,394	172,205
Total	6,133,016	2,028,329


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SCHEDULE 27

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS(2014-15)

I ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements are prepared on a going concern and under historical cost basis under cash basis of accounting except in case of salary payment, borrowing costs and contractual payments like accounting charges and audit fees and interest earned on bank deposits. The method of accounting is the double entry system.

2. Recognition of Revenue

i. Revenue

- a. Property and Other Taxes are recognized in the period in which they are received
- b. Revenues in respect of Profession Tax on Organization's/entities are determined in the year in which they are received
- c. Advertisement taxes are considered on receipt basis.
- d. Revenue in respect of Trade License Fees are determined in the year in which they are received
- e. Assigned revenues like Entertainment Tax, Duty / Surcharge on transfer of Immovable properties are accounted during the year only upon actual receipt.
- 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 recognized on actual receipt

ii. Provision against payables

- a. Provisions against payables are made based on type of income; age judgment and past experience of the management. Security deposits and earnest money deposit more than three years old and no longer payable due to non-claim by parties or otherwise are being written back and considered as income.


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3. Recognition of Expenditure

i. Expenditure

- a. Expenses on Salaries, bonus and other allowances are recognized as and when they are due for payment
- b. All revenue expenditures are treated as expenditures in the period in which they are paid.
- c. In case of works contracts, expenditures are considered in the year in which the payment has been made.
- d. Provision for expenses are made at the year-end for certain expenses of yearly contractual nature for which the amount is known beforehand like audit fees, accounting charges, computer operator salary, etc.
- e. Retirement benefit viz encashment of leave etc. are recognized on cash basis i.e. when they are due for payment.

ii. Provision against receivables

- a. Provisions against receivables are made based on type of income; age of receivable and judgment and past experience of the management. Incomes that have been accrued and are doubtful of recovery are provided for.

4. 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 installing or constructing the fixed asset, interest on borrowings directly attributable to acquisition or construction of 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.
- c. Any Fixed Asset, which has been acquired free of cost or in respect of which no payment has been made, is recorded at nominal value of Re. 1/-


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ii. *Depreciation*

Depreciation is provided on Written down value method as per rates specified in Income Tax Act, 1961 as suggested in Rajasthan Municipal Accounting Manual.

iii. *Revaluation of Fixed Assets:*

- a. Revaluation of fixed assets is undertaken either at the time of issue of municipal bonds or when commercial development / lease of properties is made.
- b. Increase in net book value arising on revaluation is credited to 'Revaluation Reserve Account'. Decrease in net book value is charged to Income and Expenditure account.
- c. Revaluation reserve is amortized by proportionate amount of depreciation charged on the revalued portion of the cost of the fixed assets.

5. **Borrowing cost**

Borrowing cost is recognized as revenue expenditure on accrual basis excepting the case of fixed assets.

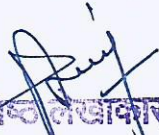
6. **Inventories**

Inventories are valued as follows:

- a. Raw materials are valued at Cost based on first in first out method
- b. Finished goods are valued at lower of the cost or market value.

7. **Grants**

- a. General Grants, which are of revenue nature, are recognized as income on actual receipt
- b. Grants, which are re-imbursement of specific revenue expenditure is recognized as income in the accounting period in which the corresponding revenue expenditure is charged to the Income and Expenditure Account.
- c. 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 a capital receipt and transferred to capital contribution.


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8. Employee benefits

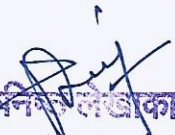
- a. Separate Funds are formed for meeting the provident and gratuity.
- b. Contribution towards Provident and gratuity funds are recognized as and when it is due

9. Investments

- a. All investments are initially recognized at cost. The cost of investment shall include cost incurred in acquiring the investment and other incidental expenses incurred for its acquisition.
- b. Long-term investments are carried at their cost. However in the event of any permanent diminution in their value as on the date of balance sheet, these are provided for.
- c. Short-term investments are carried at their cost or market value (if quoted) whichever is lower.

II NOTES TO ACCOUNTS

1. Balance of the Deposits received from contractors/suppliers is on the basis of receipts issued against deposit and deduction made from payments to them and has been taken from the register maintained in computer.
2. Balance of Loan against Provident Fund given to employees are subject to their confirmation.
3. Balances of Debtors, Creditors and other parties are subject to confirmation


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4. These accounts have been prepared covering receipts of various Grants/Aids/Funds from State Government for specific purpose/scheme. In view of long duration of scheme, utilization of same is subject to verification on completion of scheme
5. The Financials are prepared on the basis of Cash Books maintained by ULB and Information provided by Municipal board.
6. "Security Deposits" are not maintained Party-wise only Control Account is maintained.
7. There is non-availability of information relating to general grants, General grants closing balance considered as nil.
8. The closing balance of specific grants/schemes have been taken from respective cashbook but closing balance of "Some cash book of specific grant/schemes are not maintained at ULB" is considered nil.
9. There is non-availability of information relating to utilization of grants, so capital contribution and specific fund utilization entries not considered for accounting.
10. There is loans and advances balance are taken as per information provided by ULB.
11. There is PD account closing balance considered as per General cashbook.
12. There is "Bank contra" control account maintained for contra entries because some entries withdrawal from one bank and not deposited in another bank and vice-versa.
13. There is information related to depreciation fund is not available, so depreciation charged from the year 2013-14 and onwards.
14. There is Balance mismatch account maintained for shown Difference in various Bank accounts which maintained in General Cash Book.

Signatories to Schedule 1 to 27


Krishna Kumar Chanani For Municipal Board: Nathdwara, Rajasthan
Partner, K K Chanani & Associates
Chartered Accountants

FRN NO. 322232E
Membership No .056045



Kolkata, the 6nd April 2018

In confirmation and witness of facts

EO/Commissioner

CAO/ Sr .A.O.


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