



An ISO 9001:2008
Certified Firm

K. K. Chanani & Associates

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To,
The Commissioner,
Municipal Board, Nathdwara
Rajasthan

दि 2016-17

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, 2017, 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



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.***



- 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, 2017; 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;



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


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



Kolkata, the 18nd June 2018


अमृत
नगरपालिका, नाथद्वारा



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Annexure A to Auditor's Report (2016-17)

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.*



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.



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 NEFT 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 various 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 royalty payable to the Government, ESI, PF etc.***



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




अधुक्त
नगरपालिका, नाथद्वारा

Kolkata, the 18th June 2018

Balance Sheet of Municipal Board Nathdwara As on 31 March 2017

PARTICULARS		Schedule	2016-17 (Amount in Rs.)	2015-16 (Amount in Rs.)
I - LIABILITIES				
RESERVE & SURPLUS				
Municipal (General) Fund	1		325,917,269	371,107,093
Earmarked Funds	2		25,127,343	22,525,780
Total Reserve & Surplus (A)			351,044,612	393,632,873
GRANT/ CONTRIBUTION FOR SPECIFIC PURPOSE (B)				
LOANS	3		131,442,978	34,233,379
Secured Loans	4		39,737,500	39,737,500
Total Loans (C)			39,737,500	39,737,500
CURRENT LIABILITIES & PROVISIONS				
Sundry Deposits	5		58,299,104	60,731,906
Sundry Creditors	6		-	-
Statutory Liabilities	7		5,275,756	1,805,369
Other Liabilities	8		42,388,664	31,131,078
Total Current Liabilities and Provisions (D)			105,963,524	93,668,353
TOTAL LIABILITIES (A+B+C+D)			628,188,614	561,272,106
II - ASSETS				
FIXED ASSETS				
Gross Block	9		425,361,054	412,745,088
Depreciation Fund	10		134,486,423	101,932,056
Net Block			290,874,631	310,813,032
Capital Work In Process	11		30,813,181	-
Total Fixed Assets (A)			321,687,812	310,813,032
INVESTMENTS				
General Fund Investments	12		162,367,551	81,949,707
Specific Fund Investments	13		25,127,343	22,525,780
Total Investments (B)			187,494,894	104,475,487
CURRENT ASSETS, LOAN & ADVANCES				
Cash & Bank Balances	14		118,540,441	145,518,120
Loans, Advances & Deposits	15		465,467	465,467
Total Current Assets, Loans & Advances(C)			119,005,908	145,983,587
TOTAL ASSETS(A+B+C)			628,188,614	561,272,106

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: - 18.06.2018

Place: - Nathdwara



For and Behalf on Nagar Palika

(Signature)
Executive Officer)

अनुमोदित
नगरपालिका, नाथद्वारा

Income and Expenditure Account of Municipal Board Nathdwara For the Year Ending 31 March 2017

PARTICULARS	Schedule	2016-17 (Amount in Rs.)	2015-16 (Amount in Rs.)
INCOME			
Income From Taxes	16	5,406,849	143,640
Assigned Compensations	17	25,831,000	22,514,000
Rental Income from Municipal Properties	18	3,136,145	6,558,157
Fees and User Charges	19	38,480,528	21,060,246
Income from Corporation Assets and Investment	20	5,729,470	2,120,187
Miscellaneous Income	21	13,070,791	13,614,488
Total Income - I		91,654,783	66,010,718
EXPENDITURE			
Establishment Expenses	22	63,894,545	40,602,370
General Administrative Expenses	23	8,126,698	28,306,937
Miscellaneous Expenses	24	32,268,997	21,834,242
Depreciation During the Year		32,554,367	34,511,931
Total Expenditure - II		136,844,607	125,255,480
Surplus\ (Deficit) before adjustment of prior period items and Depreciation		-45,189,824	-59,244,762
Less; Prior Period Items			
Less: Prior Period adjustment of Depreciation			
Less: Transfer to Reserve Fund			
NET SURPLUS\ DEFICIT		-45,189,824	-59,244,762

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: - 18.06.2018

Place: - Nathdwara

For and Behalf on Nagar Palika


(Executive Officer)
नगरपालिका, नथद्वारा

**Schedule forming part of Balance Sheet of Municipal Board Nathdwara
As on 31 March 2017**

PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 1		
MUNICIPAL (GENERAL) FUND		
Opening balance		
Add : - Addition during the year	371,107,093	430,351,855
Less:- Deduction during the year	-	-
Add: Excess of Income over Expenditure	-45,189,824	-59,244,762
Total	325,917,269	371,107,093
Schedule - 2		
EARMARKED FUND		
Gratuity Fund	192,586	528,259
General Provident Fund	24,934,757	21,997,521
Total	25,127,343	22,525,780
Schedule - 3		
GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE		
Special Grant for 13/14th Financial Commission	33,629,600	-
Special Grant from MJSA	532,000	-
Special Grant from PHD	51,173,378	33,069,379
Special Grant from SBM	16,329,000	1,164,000
Special Grant from S.F.C.	29,779,000	-
Total	131,442,978	34,233,379
Schedule - 4		
SECURED LOANS		
Loan from RUIDFCO	39,737,500	39,737,500
Total	39,737,500	39,737,500



**Schedule forming part of Balance Sheet of Municipal Board Nathdwara
As on 31 March 2017**

PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 5		
SUNDRY DEPOSITS		
Security & Amanat Payable		
From Contractors	10,830,529	17,649,595
From Others	6,936,854	3,788,511
	40,531,721	39,293,800
Total	58,299,104	60,731,906
Schedule - 6		
SUNDARY CREDITORS		
Creditors For supplies	-	-
Other Creditors	-	-
Total	-	-
Schedule - 7		
STATUTORY LIABILITIES		
Income Tax (TDS) Payable	1,935,545	1,965,826
Commercial Tax Payable	1,388,458	1,534,145
Salary Payable	-	-
Labour Cess Deduction	1,951,753	-1,694,602
Total	5,275,756	1,805,369
Schedule - 8		
OTHER LIABILITIES		
Royalty Payable	-3,298	38,893
Employee Liabilities	42,391,962	31,092,185
Total	42,388,664	31,131,078



**Schedule forming part of Balance Sheet of Municipal Board Nathdwara
As on 31 March 2017**

PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 9		
GROSS BLOCK		
Immovable Assets		
Land		
Office Building	602,136	602,136
Residential Building	82,619,017	82,619,017
Other fixed assets	6,083,733	6,083,733
Shops	154,726,947	188,791,083
	34,064,136	-
Infrastructure Assets		
Roads & Bridge	78,020,602	75,819,873
Sewerage & Drainage	15,722,763	7,754,606
Public Lighting	4,170,490	2,495,357
Others	41,417,410	41,181,060
Moveable Assets		
Plant & Machinery		
Vehicles	3,348,139	3,348,139
Furniture & Fixture	2,692,867	2,692,867
Office Equipment	1,469,937	1,045,837
Computers	168,400	168,400
	254,477	142,980
Total	425,361,054	412,745,088
Schedule - 10		
DEPRECIATION FUND		
Opening Balance	101,932,056	67,420,125
Add:- Depreciation provided during the year	32,554,367	34,511,931
Less:- Depreciation for the previous year	-	-
Total	134,486,423	101,932,056
Schedule - 11		
CAPITAL WORK IN PROGRESS		
Development of 13th Finance Commission	57,000	-
Public Toilet	6,600,385	-
Roads	24,155,796	-
Total	30,813,181	-



**Schedule forming part of Balance Sheet of Municipal Board Nathdwara
As on 31 March 2017**

PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 12		
GENERAL FUND INVESTMENT		
P.D Account with Interest	142,211,967	61,794,123
Non-Interest Bearing PD A/c	20,155,584	20,155,584
Total	162,367,551	81,949,707
Schedule - 13		
SPECIFIC FUND INVESTMENT		
Employee's GPF Accounts	24,934,757	21,997,521
Gratuity P.D A/c	192,586	528,259
Total	25,127,343	22,525,780
Schedule - 14		
CASH & BANK BALANCES		
Cash in Hand	61,319	227,560
Balances in Saving & Current a/cs	118,479,122	145,290,560
Total	118,540,441	145,518,120
Schedule - 15		
LOANS, ADVANCES & DEPOSITS		
Advance to Contractors and Suppliers	465,467	465,467
Total	465,467	465,467



**Schedule forming part of Income and Expenditure Account of Municipal Board Nathdwara
For the Year Ending 31 March 2017**

PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 16		
INCOME FROM TAXES		
Urban Development Tax		-
Other taxes	305,365	143,640
Sewerage Tax	-	-
Vehicle Tax	305,700	-
	4,795,784	-
Total	5,406,849	143,640
Schedule - 17		
ASSIGNED COMPENSATION		
Octroi Compensations	25,831,000	22,514,000
Total	25,831,000	22,514,000
Schedule - 18		
RENTAL INCOME FROM MUNICIPALE PROPERTIES		
Income from Rent and Teh Bazari	721,750	947,090
Rent from lease of lands	1,933,899	4,945,539
Other rents	480,496	665,528
Total	3,136,145	6,558,157



**Schedule forming part of Income and Expenditure Account of Municipal Board Nathdwara
For the Year Ending 31 March 2017**

PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 19		
FEES AND USER CHARGES		
Cattle House	40,500	-
Copy Fees	5,939	126,451
License Fees Construction and Development Work	21,225	24,057
Empanelment & Registration Charges	11,225,037	13,730
Fees for Certificate or Extract	3,056,610	3,776,368
Fees for Grant of Permit	4,229,158	1,571,368
Development Charges	3,483,103	5,384,747
Regularisation Fees	12,052,041	8,518,515
Penalties and Fines	213,374	964,369
Other Fees	1,760,709	-
Service / Administrative Charges	43,888	-
Other Charges	2,348,944	680,641
Total	38,480,528	21,060,246
Schedule - 20		
INCOME FROM CORP.ASSET/INVESTMENT		
Profit in Sale of Investments	22,267	-
Interest from Bank Accounts	5,707,203	2,120,187
Total	5,729,470	2,120,187
Schedule - 21		
MISCELLANEOUS INCOME		
Income from Maintenance of Sewer	-	2,220
Cleaning of Gutters	109,500	311,100
Sale of Forms & Publications	585,300	3,087,445
Sale of Others	55,260	-
Advertisement Fee	175,120	119,829
INCOME FROM PSP BILL	9,235,379	6,085,067
B S U P FUNDS	1,193,164	1,408,893
Others	1,717,068	2,599,934
Total	13,070,791	13,614,488



**Schedule forming part of Income and Expenditure Account of Municipal Board Nathdwara
For the Year Ending 31 March 2017**

PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 22		
ESTABLISHMENT EXP.		
Corporator (Parishad) Allowance		
Salary and Other Payment	713,624	301,811
Travelling Reimbursement	60,221,120	38,108,470
Other Terminal & Retirement Benefits	5,513	29,708
	2,954,288	2,162,381
Total	63,894,545	40,602,370
Schedule - 23		
GENERAL ADMINISTRATION EXP.		
Advertisement Expenses		
Audit fees	717,555	1,342,303
Cleaning & Garbage Transportation on Contract	-	210,000
Contingencies Expenses	795,340	993,509
Court Expenses	986,798	-
Dress	113,100	438,680
Communication Expenses	-	127,950
Printing and Stationery	63,011	71,246
Travelling & Conveyance	298,509	1,014,155
Professional and other Fees	7,000	384,300
Other Administrative Expenses	358,735	157,096
Power & Fuel	-	288,671
Bulk Purchases	2,236,864	15,767,853
Water Expenses	277,275	-
Repairs & maintenance – Vehicles	19,730	642,536
Repairs & maintenance – Others	-	997,259
	2,252,781	5,871,379
Total	8,126,698	28,306,937
Schedule - 24		
MISCELLANEOUS EXPENSES		
Chara Dana Expenses	176,370	205,350
Own Programmes	2,798,503	1,658,706
Training Expense	-	26,220
Payable from SPS (Jal Shulk)	29,276,797	16,832,414
Labour charges expenses	-	1,182,609
Other Miscellaneous Expenses	17,327	1,928,943
Total	32,268,997	21,834,242

(Signature)
मानविक, नथद्वारा



MUNICIPAL BOARD
NATHDWARA (2016-17)

SCHEDULE 25

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (2016-17)

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.



MUNICIPAL BOARD
NATHDWARA (2016-17)

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/-



MUNICIPAL BOARD
NATHDWARA (2016-17)

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

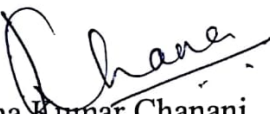
- 1. Balance of the Deposits received from contractors/suppliers is on the basis of receipts issued against deposit and deduction made from payments to them and has been taken from the register maintained in computer.
- 2. Balance of Loan against Provident Fund given to employees are subject to their 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. 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.
8. There is non-availability of information relating to utilization of grants, so capital contribution and specific fund utilization entries not considered for accounting.
9. There is loans and advances balance are taken as per information provided by ULB.
10. There is PD account closing balance considered as per General cashbook.
11. There is Balance mismatch account maintained for shown Difference in various Bank accounts which maintained in General Cash Book.
12. There is Some Liabilities Balance are Dr. (Royalty Payable, DA Payable and MD Fifth Deposit).
13. There is RUDIFCO LOAN Outstanding till 31.3.2017.
14. There is Beautific Cash Book in account maintained ICICI Fund (846) Balance are 16587097Rs Cr.

Signatories to Schedule 1 to 25


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



In confirmation and witness of facts
For Municipal Board: Nathdwara, Rajasthan


EO/Commissioner
आयुक्त
नगरपालिका, नाथद्वारा

Kolkata, the 18th June 2018

CAO/ Sr . A.O.