



AGRAWAL GUPTA & ASSOCIATES

Chartered Accountants

Head Office: 1ST Floor, Masnet 6, Sec-1 Shanker Nagar,
RAIPUR, (C.G). 492007

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INDEPENDENT AUDITOR'S REPORT

To,
The Executive Officer,
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, 2018, 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, 2018; 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.

Santosh Kumar Sharma
Partner, Agrawal Gupta & Associates
Chartered Accountants
FRN No. 005244C
Membership No.411510
Raipur, the 19 August. 2019





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Annexure A to Auditor's Report (2017-18)

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.*

Santosh Kumar Sharma
Partner, Agrawal Gupta & Associates
Chartered Accountants
FRN No. 005244C
Membership No.411510

Raipur, the 19 August 2019



Balance Sheet of Municipal Board Nathdwara

As on 31 March 2018

PARTICULARS	Schedule	2017-18	2016-17
		(Amount in Rs.)	(Amount in Rs.)
I - LIABILITIES			
RESERVE & SURPLUS			
Municipal (General) Fund	1	10,30,81,081	32,59,17,269
Earmarked Funds	2	8,48,68,742	2,51,27,343
Total Reserve & Surplus (A)		18,79,49,823	35,10,44,612
GRANT/ CONTRIBUTION FOR SPECIFIC PURPOSE (B)	3	19,84,25,257	13,14,42,978
LOANS			
Secured Loans	4	3,97,37,500	3,97,37,500
Total Loans (C)		3,97,37,500	3,97,37,500
CURRENT LIABILITIES & PROVISIONS			
Sundry Deposits	5	6,49,29,466	5,82,99,104
Sundry Creditors	6	-	-
Statutory Liabilities	7	86,91,437	52,75,756
Other Liabilities	8	4,87,88,269	4,23,88,664
Total Current Liabilities and Provisions (D)		12,24,09,172	10,59,63,524
TOTAL LIABILITIES (A+B+C+D)		54,85,21,752	62,81,88,614
II - ASSETS			
FIXED ASSETS			
Gross Block	9	47,16,00,865	42,53,61,054
Depreciation Fund	10	16,84,89,035	13,44,86,423
Net Block		30,31,11,830	29,08,74,631
Capital Work In Process	11	4,53,88,434	3,08,13,181
Total Fixed Assets (A)		34,85,00,264	32,16,87,812
INVESTMENTS			
General Fund Investments	12	8,40,96,781	16,23,67,551
Specific Fund Investments	13	2,76,70,329	2,51,27,343
Total Investments (B)		11,17,67,110	18,74,94,894
CURRENT ASSETS, LOAN & ADVANCES			
Cash & Bank Balances	14	8,67,84,406	11,85,40,441
Loans, Advances & Deposits	15	14,69,972	4,65,467
Total Current Assets, Loans & Advances (C)		8,82,54,378	11,90,05,908
TOTAL ASSETS(A+B+C)		54,85,21,752	62,81,88,614

Notes to Accounts and Accounting Policies

For Agrawal Gupta & Associates

Chartered Accountants
Firm Regn. No. - 005244C

Santosh Kumar Sharma
(Partner)
Membership No. - 411510

Date: - 19.08.2019
Place: - Raipur

For and Behalf on Nagar Palika


(Executive Officer)



Income and Expenditure Account of Municipal Board Nathdwara

For the Year Ending 31 March 2018

PARTICULARS	Schedule	2017-18	2016-17
		(Amount in Rs.)	(Amount in Rs.)
INCOME			
Income From Taxes	16	2,85,020	54,06,849
Assigned Compensations	17	5,66,24,081	2,58,31,000
Rental Income from Municipal Properties	18	8,26,900	31,36,145
Fees and User Charges	19	3,96,40,621	3,84,80,528
Revenue Grants, Contributions and Subsidies	20	66,308	-
Income from Corporation Assets and Investment	21	8,63,447	57,29,470
Miscellaneous Income	22	59,62,048	1,30,70,791
Total Income - I		10,42,68,425	9,16,54,783
EXPENDITURE			
Establishment Expenses	23	5,28,86,110	6,38,94,545
General Administrative Expenses	24	5,65,03,820	81,26,698
Miscellaneous Expenses	25	28,40,990	3,22,68,997
Depreciation During the Year		3,40,02,612	3,25,54,367
Total Expenditure - II		14,62,33,532	13,68,44,607
Surplus\ (Deficit) before adjustment of prior period items and Depreciation		-4,19,65,107	-4,51,89,824
Less; Prior Period Items			
Less: Prior Period adjustment of Depreciation			
Less: Transfer to Reserve Fund			
NET SURPLUS\ DEFICIT		-4,19,65,107	-4,51,89,824

Notes to Accounts and Accounting Policies

For Agrawal Gupta & Associates

Chartered Accountants

Firm Regn. No. - 005244C

Santosh Kumar Sharma

(Partner)

Membership No. - 411510

For and Behalf on Nagar Palika



(Executive Officer)

Date: - 19.08.2019

Place: - Raipur



**Schedule forming part of Balance Sheet of Municipal Board Nathdwara
As on 31 March 2018**

PARTICULARS	2017-18	2016-17
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 1		
MUNICIPAL (GENERAL) FUND		
Opening balance	32,59,17,269	37,11,07,093
Add : - Addition during the year	-	-
Less:- Deduction during the year	18,08,71,081	-
Add: Excess of Income over Expenditure	-4,19,65,107	-4,51,89,824
Total	10,30,81,081	32,59,17,269
Schedule - 2		
EARMARKED FUND		
Gratuity Fund	2,07,223	1,92,586
General Provident Fund	2,74,63,106	2,49,34,757
Special Fund - Other	5,71,98,413	-
Total	8,48,68,742	2,51,27,343
Schedule - 3		
GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE		
Special Grant for 13/14th Financial Commission	2,65,36,600	3,36,29,600
Special Grant from MJSA	2,49,884	5,32,000
Special Grant from SBM	1,46,83,403	1,63,29,000
Special Grant from PHD	8,67,09,370	5,11,73,378
Special Grant from S.F.C.	7,02,46,000	2,97,79,000
Total	19,84,25,257	13,14,42,978
Schedule - 4		
SECURED LOANS		
Loan from RUIDFCO	3,97,37,500	3,97,37,500
Total	3,97,37,500	3,97,37,500



**Schedule forming part of Balance Sheet of Municipal Board Nathdwara
As on 31 March 2018**

PARTICULARS	2017-18	2016-17
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 5		
SUNDRY DEPOSITS		
Security & Amanat Payable	2,22,46,315	1,08,30,529
From Contractors	10,60,366	69,36,854
Santosh Kumar Sharma	4,16,22,785	4,05,31,721
Total	6,49,29,466	5,82,99,104
Schedule - 6		
SUNDARY CREDITORS		
Creditors For supplies	-	-
Other Creditors	-	-
Total	-	-
Schedule - 7		
STATUTORY LIABILITIES		
Income Tax (TDS) Payable	37,54,745	19,35,545
Commercial Tax Payable	14,80,298	13,88,458
Salary Payable	-	-
Labour Cess Deduction	34,56,394	19,51,753
Total	86,91,437	52,75,756
Schedule - 8		
OTHER LIABILITIES		
Royalty Payable	7,92,662	-3,298
Employee Liabilities	4,79,95,607	4,23,91,962
Total	4,87,88,269	4,23,88,664



Schedule forming part of Balance Sheet of Municipal Board Nathdwara
As on 31 March 2018

PARTICULARS	2017-18	2016-17
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 9		
GROSS BLOCK		
Immovable Assets		
Land	6,02,136	6,02,136
Parks & Garden A/c	4,30,852	-
Office Building	8,68,18,809	8,26,19,017
Residential Building	69,32,785	60,83,733
Shops A/c	3,40,64,136	3,40,64,136
Other fixed assets	15,52,63,897	15,47,26,947
Infrastructure Assets		
Roads & Bridge	8,58,31,688	7,80,20,602
Sewerage & Drainage	2,70,85,429	1,57,22,763
Water ways	1,51,75,469	
Public Lighting	54,60,813	41,70,490
Others	4,25,18,879	4,14,17,410
Moveable Assets		
Plant & Machinery	42,91,019	33,48,139
Vehicles	45,30,895	26,92,867
Furniture & Fixture	18,71,509	14,69,937
Office Equipment	3,63,872	1,68,400
Computers	3,58,677	2,54,477
Total	47,16,00,865	42,53,61,054
Schedule - 10		
DEPRECIATION FUND		
Opening Balance	13,44,86,423	10,19,32,056
Add:- Depreciation provided during the year	3,40,02,612	3,25,54,367
Less:- Depreciation for the previous year	-	-
Total	16,84,89,035	13,44,86,423
Schedule - 11		
CAPITAL WORK IN PROGRESS		
Development of 13th Finance Commission	57,000	57,000
Exp. MLA Funds	34,07,986	-
Other Construction works	19,33,657	-
Public Toilet	69,76,255	66,00,385
Roads	3,30,13,536	2,41,55,796
Total	4,53,88,434	3,08,13,181



**Schedule forming part of Balance Sheet of Municipal Board Nathdwara
As on 31 March 2018**

PARTICULARS	2017-18	2016-17
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 12		
GENERAL FUND INVESTMENT		
P.D Account with Interest	6,39,41,197	14,22,11,967
Non-Interest Bearing PD A/c	2,01,55,584	2,01,55,584
Total	8,40,96,781	16,23,67,551
Schedule - 13		
SPECIFIC FUND INVESTMENT		
Employee's GPF Accounts	2,74,63,106	2,49,34,757
Gratuity P.D A/c	2,07,223	1,92,586
Total	2,76,70,329	2,51,27,343
Schedule - 14		
CASH & BANK BALANCES		
Cash in Hand	90,493	61,319
Balances in Saving & Current a/cs	8,66,93,913	11,84,79,122
Total	8,67,84,406	11,85,40,441
Schedule - 15		
LOANS, ADVANCES & DEPOSITS		
Advance to Contractors and Suppliers	4,65,467	4,65,467
Others	10,04,505	-
Total	14,69,972	4,65,467



**Schedule forming part of Income and Expenditure Account of Municipal Board Nathdwara
For the Year Ending 31 March 2018**

PARTICULARS	2017-18	2016-17
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 16		
INCOME FROM TAXES		
Urban Development Tax	55,490	3,05,365
Sewerage Tax	2,29,530	3,05,700
Vehicle Tax	-	47,95,784
Total	2,85,020	54,06,849
Schedule - 17		
ASSIGNED COMPENSATION		
Octroi Compensations	5,66,24,081	2,58,31,000
Total	5,66,24,081	2,58,31,000
Schedule - 18		
RENTAL INCOME FROM MUNICIPALE PROPERTIES		
Income from Rent and Teh Bazari	17,835	7,21,750
Rent from lease of lands	3,90,802	19,33,899
Other rents	4,18,263	4,80,496
Total	8,26,900	31,36,145
Schedule - 19		
FEES AND USER CHARGES		
Cattle House	76,700	40,500
Copy Fees	9,183	5,939
License Fees Construction and Development Work	1,18,820	21,225
Empanelment & Registration Charges	-	1,12,25,037
Fees for Certificate or Extract	15,08,378	30,56,610
Fees for Grant of Permit	3,08,32,658	42,29,158
Development Charges	16,03,343	34,83,103
Regularisation Fees	49,97,183	1,20,52,041
Penalties and Fines	52,089	2,13,374
Other Fees	3,37,267	17,60,709
Service / Administrative Charges	-	43,888
Other Charges	1,05,000	23,48,944
Santosh Kumar Sharma	3,96,40,621	3,84,80,528



**Schedule forming part of Income and Expenditure Account of Municipal Board Nathdwara
For the Year Ending 31 March 2018**

PARTICULARS	2017-18	2016-17
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 20		
REVENUE GRANT, CONTRIBUTION, SUBSIDIES		
Revenue Grant	66,308	-
Total	66,308	-
Schedule - 21		
INCOME FROM CORP. ASSET/INVESTMENT		
Profit in Sale of Investments	7,69,500	22,267
Interest from Bank Accounts	93,947	57,07,203
Total	8,63,447	57,29,470
Schedule - 22		
MISCELLANEOUS INCOME		
Cleaning of Gutters	-	1,09,500
Sale of Forms & Publications	14,73,131	5,85,300
Sale of Others	-	55,260
Advertisement fee	1,61,321	1,75,120
B S U P FUNDS	2,71,050	11,93,164
INCOME FROM PSP BILL	37,21,882	92,35,379
Recovery from Employees	5,950	-
Others	3,28,714	17,17,068
Total	59,62,048	1,30,70,791



(17)

**Schedule forming part of Income and Expenditure Account of Municipal Board Nathdwara
For the Year Ending 31 March 2018**

PARTICULARS	2017-18	2016-17
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 23		
ESTABLISHMENT EXP.		
Corporator (Parishad) Allowance	7,55,800	7,13,624
Salary and Other Payment	4,81,94,761	6,02,21,120
Travelling Reimbursement	30,923	5,513
Other Terminal & Retirement Benefits	39,04,626	29,54,288
Total	5,28,86,110	6,38,94,545
Schedule - 24		
GENERAL ADMINISTRATION EXP.		
Advertisement Expenses	13,07,574	7,17,555
Audit fees	3,000	-
Cleaning & Garbage Transportation on Contract	-	7,95,340
Contingencies Expenses	31,74,138	9,86,798
Court Expenses	7,15,717	1,13,100
Dress	4,52,481	-
Communication Expenses	69,936	63,011
Printing and Stationery	5,47,296	2,98,509
Travelling & Conveyance	6,000	7,000
Insurance	1,30,129	-
Professional and other Fees	4,06,676	3,58,735
Other Administrative Expenses	10,61,430	-
Power & Fuel	3,78,50,800	22,36,864
Water Expenses	1,58,045	19,730
Bulk Purchases	1,52,845	2,77,275
Repairs & maintenance – Others	1,04,67,753	22,52,781
Total	5,65,03,820	81,26,698
Schedule - 25		
MISCELLENOUS EXPENSES		
Chara Dana Expenses	-	1,76,370
Own Programmes	22,17,916	27,98,503
PSP EXPENSE	4,06,806	2,92,76,797
Other Miscellaneous Expenses	2,16,268	17,327
Total	28,40,990	3,22,68,997



MUNICIPALITY
NATHDWARA(2017-18)

SCHEDULE 26

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS(2017-18)

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 contractual payments like accounting charges and audit fees. The method of accounting is the double entry system. However, initial opening balances has been derived based on transitional methodology devised for first time adoption of double entry accounting system which inter-alia includes certain estimates, assumptions and back calculation, instead of tracing the transactions since its inception.

2. Recognition of Revenue

i. Revenue

- a. Property Taxes , Duty / Surcharge on transfer of Immovable properties, Advertisement taxes and others are recognised in the period in which they are received
- b. 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 recognised on actual receipt.

ii. Provision against payables

- a. Provisions against payables are made based on type of income; age judgement 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



MUNICIPALITY
NATHDWARA(2017-18)

3. Recognition of Expenditure

i. Expenditure

- a. Expenses on Salaries, bonus and other allowances and borrowing costs are recognised as and when they are paid.
- b. All revenue expenditures and expenditure towards works contracts are treated as expenditures in the period in which they are paid..
- c. 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 and accounting charges.
- d. Retirement benefit viz encashment of leave etc. are booked on Payment 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 judgement 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. 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/-

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.



MUNICIPALITY
NATHDWARA(2017-18)

5. 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.

6. Grants

- a. General Grants, which are of revenue nature, are recognised as income on actual receipt
- b. Grants, which are re-imbursement of specific revenue expenditure is recognised 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.

7. Employee benefits

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

8. Investments

- a. All investments are initially recognised 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.



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9. Correction to Opening Balances

There may exist possibilities that certain assets and liabilities are identified after preparation of draft Opening Balance Sheet as well as after preparation of the first Balance Sheet subsequent to Opening Balance Sheet. In such case, the value of assets or liabilities identified will be directly incorporated in the Opening Balance Sheet (where first Balance Sheet subsequent to the Opening Balance Sheet is not prepared) or through the account "Adjustments to Opening Balance Sheet" and/or through "Municipal General Fund" in the Balance Sheet for the period concerned.

II NOTES TO ACCOUNT

1. The value of fixed assets have been depreciated as per rates specified in the Income Tax Act, 1961 on written down value method from 1st April, 2015. During the earlier period, no depreciation has been charged and recognized. The depreciation amount so obtained has been considered in Depreciation Fund.
2. Balances of Debtors, Creditors and other parties are subject to confirmation. The balances of the Deposits received from contractors/suppliers is on the basis of receipts issued against deposit and deduction made from payments to them.
3. 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.
4. The Financials are prepared on the basis of Cash Books maintained by ULB and Information provided by Municipal Board.
5. There is non-availability of information relating to utilization of grants, so capital contribution and specific fund utilization entries not considered for accounting.
6. "Security Deposits" are not maintained Party-wise only Control Account is maintained.
7. There is Beautific Cash Book in account maintained ICICI Fund (846) Balance are 16587097Rs Cr.
8. There is No Entry in General cash book maintained by ULB for Salary due and paid for three month.
9. There is No Entry in General cash book maintained by ULB for Some Grant Balances for that we made adjustment entry using municipal Corp. fund.
10. There is PD account closing balance considered as per General cashbook.
11. There is RUDIFCO LOAN Outstanding till 31.3.2018.



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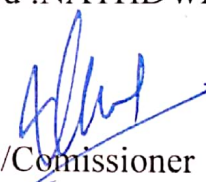
12. There is "Employee Liabilities" Balance is "Negative" which shown excess payment by municipal board.
13. The Closing Balance of Actual Grants/Schemes are not provided. Therefore, the same is considered as per UC.
14. There is Balance mismatch account maintained for shown Difference in various Bank accounts which maintained in General Cash Book.

Signatories to Schedule 1 to 26

In confirmation and witness of facts

Santosh Kumar Sharma
Partner, Agrawal Gupta & Associates
Chartered Accountants
FRN No. 005244C
Membership No.-411510

For Municipal Board :NATHDWARA ,Rajasthan


EO/Commissioner

Raipur, the 19th August. 2019

CAO/ Sr .A.O..

