

Inno 1761762
26/09/2017

कार्यालय नगरपालिका टोडाभीम, जिला-करौली (राज०)

क्रमांक/नपाटो/2017-18/1420

दिनांक:- 25-9-17

श्रीमान निदेशक महोदय,
स्थानीय निकाय विभाग
जयपुर (राज०)

विषय:- वित्तीय वर्ष 2015-16 की सीए ऑडिट रिपोर्ट एवं बैलेंस शीट भिजवाने बावत्।

महोदय,

उपरोक्त विषयान्तर्गत निवेदन है कि पालिका टोडाभीम की आपके द्वारा नियुक्त सीए फर्म द्वारा ऑडिट की जा चुकी है। अतः ऑडिट रिपोर्ट वित्तीय वर्ष 2015-16 की अग्रिम आदेशार्थ प्रेषित है।

26/9

अधिसाषी अधिकारी
नगरपालिका टोडाभीम

RO
27/9





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 Todabhim,
Rajasthan**

Report to Financial Statement

We have audited the accompanying financial statements of **Municipal Board Todabhim, Rajasthan** which comprise the Balance Sheet as at March 31, 2016, 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 council 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 council 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 ^{Statements} of affairs of the ULB as at March 31, 2016; and
- b) in the case of the Income and Expenditure Statement, of the ^{deficit} 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.

K. K. Chanani

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



Kolkata,

Date :- 06.05.2017

3. Earmarked funds have been created by the Municipality and provided fund according to the information and explanation given to us in respect of this fund and while preparing the accounts they were found to be correct. However, certain items in the accounts in respect of provision of fund have not been ascertained.



Annexure A to Auditor's Report (2015-16)

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 payments are 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

Kolkata,

Date:- 06.05.2017



BALANCE SHEET OF OFFICE OF MUNICIPAL BOARD ,TODABHIM

As on 31st March 2016

PARTICULARS	Schedule	31st March 2016 (Amount in Rs.)	31st March 2015 (Amount in Rs.)
LIABILITIES			
RESERVE & SURPLUS			
Municipal (General) Fund	1	9,551,210.05	13,399,275.33
Earmarked Funds	2	2,159,639.00	1,161,444.00
Reserve & Surplus	3	60,122,035.00	40,865,260.00
Total Reserve & Surplus (A)		71,832,884.05	55,425,979.33
GRANT/ CONTRIBUTION FOR SPECIFIC PURPOSE (B)	4	21,229,354.02	28,393,469.00
LOANS			
Secured Loans	5	4,333,900.00	4,333,900.00
Total Loans (C)		4,333,900.00	4,333,900.00
CURRENT LIABILITIES & PROVISIONS			
Sundry Deposits	6	2,975,309.90	1,919,964.90
Sundry Creditors	7	-	336,283.00
Statutory Liabilities	8	2,076,840.43	1,705,963.43
Total Current Liabilities and Provisions (D)		5,052,150.33	3,962,211.33
TOTAL LIABILITIES (A+B+C+D)		102,448,288.40	92,115,559.66
ASSETS			
FIXED ASSETS			
Gross Block	9	66,821,397.93	43,464,907.93
Depreciation Fund	10	10,826,779.64	5,048,486.36
Net Block		55,994,618.29	38,416,421.57
Total Fixed Assets (A)		55,994,618.29	38,416,421.57
INVESTMENTS			
General Fund Investments	11	20,490,500.00	28,814,916.00
Specific Fund Investments	12	6,429,036.00	2,447,841.00
Total Investments (B)		26,919,536.00	31,262,757.00
CURRENT ASSETS, LOAN & ADVANCES			
Cash & Bank Balances	13	19,534,134.11	22,436,381.09
Total Current Assets, Loans & Advances (C)		19,534,134.11	22,436,381.09
TOTAL ASSETS(A+B+C)		102,448,288.40	92,115,559.66

See Accompanying schedules forming part of the Financial Statements

1-22

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



For OFFICE OF MUNICIPAL BOARD
TODABHIM

उपनिर्वाही अधिकारी
EXECUTIVE OFFICER
नगरपालिका
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Kolkata,
Date:- 06.05.2017
Place:- Todabhim

**Profit and Loss Account of
Office of Municipal Board, Todabhim
For the Year Ending 31st March 2016**

PARTICULARS	Schedule	2015-16 (Amount in Rs.)	2014-15 (Amount in Rs.)
INCOME			
Income From Taxes	14	337,353.00	25,966.00
Assigned Compensations	15	2,563,000.00	2,330,000.00
Rental Income from Municipal Properties	16	339,301.00	783,547.00
Fees and User Charges	17	439,872.00	170,357.00
Revenue Grants, Contributions and Subsidies	18	16,444,186.00	14,060,113.00
Income from Corporation Assets and Investment	19	410,767.00	415,681.00
Total Income		20,534,479.00	17,785,664.00
EXPENDITURE			
Establishment Expenses	20	10,448,996.00	7,528,824.00
General Administrative Expenses	21	1,671,486.00	877,622.00
Public Works	22	6,483,769.00	5,689,041.00
Depreciation During the Year		5,778,293.28	3,248,692.38
Total Expenditure		24,382,544.28	17,344,179.38
Surplus\ Deficit before adjustment of prior period items and Depreciation		-3,848,065.28	441,484.62
Less; Prior Period Items			
NET SURPLUS\ DEFICIT		-3,848,065.28	441,484.62

See Accompanying schedules forming part of the Financial Statements

1-22

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



Kolkata,
Date:- 06.05.2017
Place:- Todabhim

For OFFICE OF MUNICIPAL BOARD
TODABHIM

अधिकाशी अधिकाशी
अधिकाशी अधिकाशी
EXECUTIVE OFFICER

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**Schedule forming part of Financial Statements of
Office of Municipal Board, Todabhim
As on 31st March 2016**

	2015-16	2014-15
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 1		
MUNICIPAL (GENERAL) FUND		
Opening balance	13,399,275.33	12,957,790.71
Add: Excess of Income over Expenditure	-3,848,065.28	441,484.62
Total	9,551,210.05	13,399,275.33
Schedule - 2		
EARMARKED FUND		
General Provident Fund & Gratuity	2,159,639.00	1,161,444.00
Total	2,159,639.00	1,161,444.00
Schedule - 3		
RESERVE & SURPLUS		
Capital Contribution	4,333,900.00	4,333,900.00
Opening balance	40,865,260.00	26,804,409.00
Add :- Addition during the Year	19,256,775.00	14,060,851.00
Total	60,122,035.00	40,865,260.00



Schedule - 4**GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE**

Special Grant for 14th Financial Commission	3,888,151.00	-
Swatch Bharat Mission Grant	2,987,000.00	
Special Grant BRGF	1,277,165.00	2,577,568.00
MPLAD Grant	125,004.00	120,150.00
MLA Special Grant	78,212.00	75,175.00
Special Grant for NSDP Yojana	631,095.00	608,162.00
Special Grant for Jal Pravahi Yojana	114,680.00	69,196.00
Special Grant for BPL Awas Yojana	3,027,692.02	8,291,366.00
Special Grant Under Nirbhand Yojana	37,500.00	37,500.00
Special Grant for Sadi Kambal Yojana	1,027,725.00	1,027,725.00
Special Grant for Swarna Jayanti Sahari Rojgar Sch.	1,974,792.00	1,328,915.00
Special Grant from S.F.C.	6,060,338.00	14,257,712.00
Total	21,229,354.02	28,393,469.00

Schedule - 5**SECURED LOANS**

Secured Loan from RUIDP	4,333,900.00	4,333,900.00
Total	4,333,900.00	4,333,900.00

Schedule - 6**SUNDRY DEPOSITS**

Security & Amanat Payable	2,975,309.90	1,919,964.90
Total	2,975,309.90	1,919,964.90

Schedule - 7**SUNDRY CREDITORS**

Creditors for Expenses	-	336,283.00
Total	-	336,283.00



Schedule - 8**STATUTORY LIABILITIES**

Income Tax (TDS) Payable	21,217.00	111,587.00
Commercial Tax Payable	270.00	94,640.00
Royalty Deducted from Contractors	1,234,482.43	819,187.43
Gratuity, PF and CPF Deduction Payable	184,178.00	
Salary Payable	636,693.00	680,549.00
Total	2,076,840.43	1,705,963.43

Schedule - 9**GROSS BLOCK****Immovable Assets**

Land	7,651,391.60	7,651,391.60
Office Building	878,367.00	518,368.00

Infrastructure Assets

Roads & Bridge	41,225,059.92	27,376,660.92
Sewerage	5,409,833.00	2,874,904.00
Public Toilet	492,337.85	492,337.85
Lamp Post	1,764,500.00	589,500.00
Public Lighting	30,000.00	
High Mast Light	1,603,760.00	
Other Infrastructure Assets	6,320,598.56	2,714,895.56

Moveable Assets

Vehicles	1,005,000.00	1,005,000.00
Office Equipments	167,480.00	90,580.00
Computer	99,500.00	
Furniture & Fixture	173,570.00	151,270.00
Total	66,821,397.93	43,464,907.93



Schedule - 10

DEPRECIATION FUND

Opening Balance	5,048,486.36	1,799,793.98
Add:- Depreciation provided during the year	5,778,293.28	3,248,692.38
Total	10,826,779.64	5,048,486.36

Schedule - 11

GENERAL FUND INVESTMENT

Pd-Development	19,784,617.00	28,500,998.00
Pd-Grant	705,883.00	313,918.00
Total	20,490,500.00	28,814,916.00

Schedule - 12

SPECIFIC FUND INVESTMENT

PD Jal Pravahi Yojana	2,991,900.00	8,900.00
PD A/c - SJSRY	1,277,497.00	1,277,497.00
Gratuity & PF P.D A/c	2,159,639.00	1,161,444.00
Total	6,429,036.00	2,447,841.00



Schedule - 13**CASH & BANK BALANCES**

Cash in Hand	2,072.00	115,983.00
Balances in Saving & Current a/cs (BPL Awas Yojana)		
PNB	3,027,692.02	8,291,366.00
Balances in Saving & Current a/cs (Development Fund)		
BRGB-1986	587,631.50	640,452.50
Balances in Saving & Current a/cs (MLAID)		
BRGB	78,212.00	75,175.00
Balances in Saving & Current a/cs (SJSRY)		
SBBJ	697,295.00	51,418.00
Balances in Saving & Current a/cs (NSDP Yojana)		
SBBJ	631,125.62	608,192.62
Balances in Saving & Current a/cs (MPLAD)		
Aravali Bank	125,004.00	120,150.00
Balances in Saving & Current a/cs (Jal Pravahi Yojana)		
BRGB	237,505.00	1,088,021.00
Balances in Saving & Current a/cs		
BRGB-BRGF	1,608,100.00	477,568.00
SBBJ	12,539,496.97	10,968,054.97
Total	19,534,134.11	22,436,381.09



Schedule - 14**INCOME FROM TAXES**

Urban Development Tax	337,353.00	25,966.00
Total	337,353.00	25,966.00

Schedule - 15**ASSIGNED COMPENSATION**

Octroi Compensations	2,563,000.00	2,330,000.00
Total	2,563,000.00	2,330,000.00

Schedule - 16**RENTAL INCOME FROM MUNICIPAL PROPERTIES**

Rent From Lease of Lands	166,901.00	619,547.00
Income from Rent and Teh Bazar	172,400.00	164,000.00
Total	339,301.00	783,547.00

Schedule - 17**FEES AND USER CHARGES**

NOC	35,655.00	11,100.00
Copy Fees	4,820.00	6,193.00
Tender Fees	116,700.00	54,600.00
Birth/Death/Marriage Certificate	19,135.00	31,500.00
License Fees Construction and Development Work	93,709.00	45,000.00
Regularisation Fees	56,103.00	
Advertisement Fees	-	5,000.00
Other Fees	113,750.00	16,964.00
Total	439,872.00	170,357.00



Schedule - 18**REVENUE GRANT, CONTRIBUTION, SUBSIDIES**

State Finance Commission	7,674,176.00	330,000.00
BRGF	1,363,326.00	419,016.00
Revenue Grant for Repair & Maintenance	-	8,716,000.00
Census	38,412.00	
14th Finance Commission Grant	6,208,071.00	
13th Finance Commission Grant	1,160,201.00	4,595,097.00
Total	16,444,186.00	14,060,113.00

Schedule - 19**INCOME FROM CORP. ASSET/ INVESTMENT**

Interest on Balances with Bank	410,767.00	415,681.00
Total	410,767.00	415,681.00

Schedule - 20**ESTABLISHMENT EXP.**

Parshad Allowance	214,200.00	274,737.00
Medical Allowance	491,622.00	22,864.00
Salary and Other Payment	8,915,845.00	6,919,398.00
Leave Encashment	301,795.00	161,825.00
Death cum Retirement Gratuity	478,433.00	150,000.00
Dearness Allowance Arrear	47,101.00	-
Total	10,448,996.00	7,528,824.00



Schedule - 21**GENERAL ADMINISTRATION EXP.**

Advertisement Expenses	442,058.00	264,617.00
Legal Expenses	9,140.00	300.00
Insurance	26,496.00	87,481.00
Books and Newspaper	17,176.00	445.00
Travelling Expenses	80,319.00	84,453.00
Printing & Stationery	115,508.00	66,568.00
Postage Expenses	6,000.00	2,000.00
Telephone Expenses	31,067.00	45,918.00
Power & Fuel	117,545.00	121,973.00
Audit Fees	170,250.00	180,000.00
Bank Charges	1,779.00	707.00
Electricity Expense	644,804.00	
Office Expenses	9,344.00	23,160.00
Total	1,671,486.00	877,622.00

Schedule - 22**PUBLIC WORKS**

Garbage Clearance	1,370,592.00	2,449,690.00
Contract of Dirty Water	133,800.00	
Other Contingencies	746,582.00	386,143.00
Repair & Maintainance (Public Amenities)	229,737.00	853,788.00
Repair & Maintainance (Vehicles)	204,697.00	20,060.00
Repair & Maintainance (Lighting)	3,380,992.00	1,702,460.00
Festival & Programme Expenses	294,209.00	178,600.00
Renbasera Exp	30,360.00	
Census	-	98,300.00
Fodder to Animals	92,800.00	-
Total	6,483,769.00	5,689,041.00

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



Kolkata,
Date:- 06.05.2017
Place:- Todabhim

For OFFICE OF MUNICIPAL BOARD
TODABHIM

महिलाधी अधिकारी
EXECUTIVE OFFICER
नगर पालिका, टोडाबिम

MUNICIPAL BOARD TODABHIM
RAJASTHAN (2015-16)

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS(2015-16)

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 TODABHIM
RAJASTHAN (2015-16)

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-imburement 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.

7. Opening Balances as at 31st March 2015

a. Municipal Fund

The opening balance of Municipal has been arrived after deducting the total assets of the Municipal Board from the total Liabilities

b. Earmarked Funds/Special Funds

The Balance of Earmarked Funds is the total assets available against such earmarked funds.

c. Deposits Received

The amount of Deposits Received has been arrived at from the historical accounting i.e. from accounts maintained in double entry system from 2010-11 by Nagar Palika.

d. Other Liabilities/Provisions

Other liabilities/Provisions has been ascertained by performing Subsequent Event Testing i.e. the liabilities paid like salary paid, electricity bills paid etc

e. Fixed Assets

The amount of Fixed Assets have been ascertained as per records available with the Board.



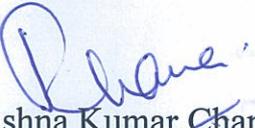
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II NOTES TO ACCOUNT

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.
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 council.
6. Creditors are not maintain party wise and due entries not pass out.
7. Security Deposit not maintain party wise.
8. Loan from RUIDP Payment or any deduction by DLB is pending, there is no information available regarding loan. We have sanction letter of amount shown in financial statement.

Signatories to Schedule 1 to 22

In confirmation and witness of facts


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

For Municipal Board Todabhim, Rajasthan

Kolkata,




अधिकारी
EO/Commissioner
नगर पालिका टोडाभिम

CAO/ Sr . A.O..

Date:- 06.05.2017

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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" in the Balance Sheet for the period concerned.

FOR OFFICE OF MUNICIPAL BOARD
TODABHIM

अधिकाारी अधिकारी
नगर पालिका टोडाभीम
EXECUTIVE OFFICER
Date :- 06.05.2017
Place :-Todabhim

