

# FINANCIAL STATEMENT

*[Under Double Entry Accounting System]*

MUNICIPAL

COUNCIL

ALWAR

2012-13

*Prepared by:*

K K CHANANI & ASSOCIATES

Chartered Accountants

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# **MUNICIPAL COUNCIL ALWAR**

**2012-13**

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An ISO 9001:2008  
Certified Firm

*K. K. Chanani & Associates*

**Chartered Accountants**

Head Office: 5/1 Clive Row, 3<sup>rd</sup> Floor, Room No.78, Kolkata-700001

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**INDEPENDENT AUDITOR'S REPORT**

To,  
**The Commissioner,  
Municipal Council Alwar,  
Rajasthan**

**Report to Financial Statement**

We have audited the accompanying financial statements of **Municipal Council, Alwar, Rajasthan** which comprise the Balance Sheet as at March 31, 2013, the Income and Expenditure Statement and the Cash Flow 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, financial performance and cash flows 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 judgement, 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) There has been discrepancy between the balances of security deposit and advances as per double entry records of the council vis-à-vis as determined by the Local audit department and AG Audit department as at the year end . The details of which are as follows:*

<i>Account Head</i>	<i>As per Double Entry Accounts</i>	<i>As per Local/AG Audit Report(2012-2014)</i>	
<i>Advances(Dr)</i>	<i>Rs 86,43,628/-</i>	<i>Rs 86,43,728/-</i>	<i>Loacal Audit Pg 44</i>
<i>Security and other Deposit(Cr)</i>	<i>Rs 47,41,192/-</i>	<i>Rs 1,46,92,000/-</i>	<i>Loacal Audit Pg 45</i>





*This discrepancy has not been properly explained by the management of the municipal council. As such to this extent of discrepancy, the accounts do not reflect true and fair view. Besides, adjustment has not been made for lapsed deposit no longer payable. As such, Liabilities are overstated and Surplus of Income over expenditure is understated.*

- c) Liabilities on account of repayment to State Government towards their share against various realizations as per Local Audit Report has not been considered in the accounts. As such, to this extent, Liabilities are understated and Surplus of Income over expenditure is overstated.*

*Details as per Table below:*

<i>Order under which amount to be remitted</i>	<i>Page no of Local audit report(2012-14)</i>	<i>Amount (in Rs.) to be remitted to Government Exchequer</i>
<i>7(4)Rajasthan Nagarpalika (nagariya bhumi vishpadan)-Lease premium</i>	<i>100</i>	<i>28,03,814/-</i>

- d) Liabilities on account of non-deduction of Patrakar Kalyan Khosh has not been ascertained and accounted for. To this extent Surplus of Income over Expenditure is overstated and Liabilities are understated.*
- e) 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.*
- f) 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.*
- g) Interest on Fixed Deposit held in bank has not been provided. As such, both Surplus of Income over expenditure and assets are understated.*





*h) Amount of fees, user charges, penalty income etc of various types has not been properly realized from the concerned payer as per details below:*

<i>Nature</i>	<i>On Account of</i>	<i>Amount (in Rs.) to be realizable</i>
<i>Penalty for delay in execution of work</i>	<i>Construction of Greval Road</i>	<i>40,289/-</i>
<i>Fees realisable</i>	<i>Srtip of Land</i>	<i>8,25,552/-</i>
<i>Sale of land by Nagar Vikas Nyas</i>	<i>Upto October 2011</i>	<i>5,86,09,846/-</i>
<i>Sale of land by Nagar Vikas Nyas</i>	<i>After October 2011</i>	<i>Amount not determined</i>
<i>Urban Development tax</i>	<i>Taxes</i>	<i>2,57,81,059/-</i>
<i>House Tax</i>	<i>Taxes</i>	<i>3,15,84,641/-</i>
<i>Fees realisable</i>	<i>Land Conversion Charges</i>	<i>8,23,144/-</i>
<i>RUDF Fund for energy saving devices</i>	<i>Against contract for energy saving devices</i>	<i>79,12,481/-</i>

*As such both Surplus of Income over expenditure and assets are understateu.*

- i) All expenses except salary and allowances, accounting charges, contractual monthly payments and audit fee are accounted for on cash basis. Similarly, all incomes except interest on deposits in savings accounts with banks 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.*
- j) Evidence of discharge of liability by contractor on account of provident fund and employee state insurance not found on record ,as such we are unable to comment on arising of any liability for non- payment of this (being principal employer) by nagar parishad.To this extent account do not reflect true and fair view.*





*k) Bank Reconciliation, in respect of several bank accounts, have been given in the Local Fund Audit Report 2012-2014 . However, treatment of differences arising out of reconciliation including old differences and bank charges debited by bank remains unaccounted for in few cases. Moreover reconciliation statement in few cases have unreconciled balances . To this extent accounts does not reflect true and fair view.*

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, 2013;
- b) in the case of the Income and Expenditure Statement, of the surplus for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows 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, Income and Expenditure Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet , Income and Expenditure Account and Cash Flow Statement 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 21<sup>st</sup> June April, 2017





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**Annexure A to Auditor's Report (2012-13)**

**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, salary and allowances, accounting charges and audit fee 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, such deductions have been properly accounted.
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 to some extent.
4. As explained to us the *Municipality is not maintaining records showing full particulars, including quantitative details and situation of fixed assets.*  
As informed to us, 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 of stores has not been conducted by the Municipality after 2008-09*. As such we are unable to comment on the procedures of physical verification of stores vis-a-vis material discrepancies, if any, on physical verification and its treatment in books of accounts.  
*Moreover, neither the stores has been verified and valued at the year-end nor has same been recognized in the accounts prepared for the year under report.*
7. As explained to us, Municipality has granted advance against work *but the same has not been adjusted within one month as required as per Rajasthan Municipal Council manual and no reasonable steps are carried out for adjustment of such advance*. Moreover, Municipality has granted loans to the employees .
8. The Municipality has granted loans to the employees against PF. Deduction from salary are made towards the loans.
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, quality checks and payments there for. *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.
- 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) There is excessive number of bank accounts which need to be pruned to a reasonable number as may be determined by the municipality and or any higher authority, if any .
- d) Quality checks in respect of all contracts need to be carried out. As explained to us, quality checks are being done in respect of those contract whose terms and conditions require such certificate
- e) Photographs of places where contractual work is carried out at various places should have date inscribed on it and should be obtained on five to six various dates as the situation warrant.
- f) Evidence of discharge of payment on account of provident fund and employee state insurance by the contractors need to be obtained, otherwise being principal employer the liability will fall upon the nagar parishad





11. *The Municipality is generally regular in depositing undisputed statutory dues including tax deducted at source, works contract tax, cess and royalty payable to the Government, ESI, PF, etc.. Cases of non-deduction of income tax at source, royalty, sales tax and patrakar kalian khosh as traced by us on the basis of our test checking are given in the Annexure "A1" enclosed herewith. Besides, evidence of discharge of liability by contractor on account of provident fund, employee state insurance and service tax not found on record, as such we are unable to comment on payment of this liability.*
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. *Accounting effect of bank charges debited by Bank, Old Differences, Non- collection of cheques, Cancellation of stale cheques not presented has not been considered in accounts in few cases.*
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 21<sup>st</sup> June April, 2017



## MUNICIPAL COUNCIL ALWAR

### ANNEXURE "A1" TO ANNEXURE ON AUDITOR'S REPORT FOR YEAR ENDED 31.03.2013

#### CASES OF NON DEDUCTION OF TDS, ROYALTY, SALESTAX, PATRAKAR KALYAN KHOSH

##### I CASES OF NON-DEDUCTION OF TAX AT SOURCE



Sl. No	Particulars	Date of Payment	Amount (in RS)	Section under which tax to be deducted	Rate of Deduction
1	<b>Legal Expenses</b>				
	Nand Lal Sharma	2012-13	52,411	194 J	10%
	Brajesh Kumar Sharma	2012-13	103,788	194 J	10%
	Shankar Lal Kumawat	2012-13	85,100	194 J	10%
	Rajiv Lochan	2012-13	55,016	194 J	10%
2	<b>Advertisement Expenses</b>				
	Star Advertising Co	2012-13	193,408	194C	2%
	Zoom Advertising	2012-13	214,949	194C	2%
3	<b>Sweeping Expenses</b>				
	Liladhar Yadav	21-01-2013	1,048,270	194C	2%
4	<b>Mela Expenses</b>				
	Ravinder Kumar	07-11-2012	48,040	194C	1%
5	<b>Other Contingencies</b>				
	Saini Mineral Water	21-02-2013	44,717	194C	1%

##### II CASES OF NON-DEDUCTION OF PATRAKAR KALYAN KHOSH

Sl. No.	Particulars	Date of Payment	Amount (in RS)	Rate of Deduction	Amount to be Deducted
1	Star Advertising Co	2012-13	193,408	1%	1,934.00
2	Zoom Advertising	2012-13	214,949	1%	2,149.00








**NAGAR PARISHAD ALWAR**  
**Balance Sheet As on 31st March 2013**

LIABILITIES	Schedule	31st March 2013	31st March 2012
		(Amount )	(Amount )
<b><u>RESERVE &amp; SURPLUS</u></b>			
Municipal (General) Fund	1	104,044,257.40	81,752,298.40
Earmarked Funds	2	66,411,195.11	58,737,797.00
Reserve & Surplus	3	81,346,463.00	42,686,279.00
<b>Total Reserve &amp; Surplus (A)</b>		<b>251,801,915.51</b>	<b>183,176,374.40</b>
<b><u>GRANT/ CONTRIBUTION FOR SPECIFIC PURPOSE</u></b>			
Grant/Contribution for Specific purpose	4	107,658,319.73	37,860,567.73
<b>Total Grant/Contribution (B)</b>		<b>107,658,319.73</b>	<b>37,860,567.73</b>
<b><u>LOANS</u></b>			
		-	-
<b>Total Loans (C)</b>		-	-
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>			
Sundry Deposits	5	4,741,192.00	4,836,613.00
Statutory Liabilities	6	7,800,603.00	7,195,677.00
Other Liabilities	7	114,362.00	3,010.00
Provisions	8	102,250.00	-
<b>Total Current Liabilities and Provisions (D)</b>		<b>12,758,407.00</b>	<b>12,035,300.00</b>
<b>TOTAL LIABILITIES (A+B+C+D)</b>		<b>372,218,642.24</b>	<b>233,072,242.13</b>
<b>Notes to Accounts and Accounting Policies</b> 25			
<b>As per our Report of even date attached</b>			
<div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 45%;"> <p>Krishna Kumar Chanani Partner, K K Chanani &amp; Associates Chartered Accountants FRN NO. 322232E Membership No .056045</p> <p>Kolkata, the <u>21st</u> <u>Teens</u> April, 2017</p> </div> <div style="width: 50%; text-align: center;">   <p>आयुक्त नगर परिषद, अलवर (राज.) EO/Commissioner</p> <p>सहायक लेखाधिकारी नगर परिषद, अलवर 640/B.R.A.O</p> </div> </div>			






**NAGAR PARISHAD ALWAR**  
**Balance Sheet As on 31st March 2013**

ASSETS	Schedule	31st March 2013	31st March 2012
		(Amount )	(Amount )
<b><u>FIXED ASSETS</u></b>			
Gross Block	9	159,009,077.00	98,306,161.00
Depreciation Fund	10	21,654,719.00	8,522,729.00
Net Block		137,354,358.00	89,783,432.00
Total Fixed Assets (A)		<b>137,354,358.00</b>	<b>89,783,432.00</b>
<b><u>INVESTMENTS</u></b>			
General Fund Investments	11	63,135,585.00	19,199,204.00
Specific Fund Investments	12	66,411,195.11	58,737,797.00
Total Investments (B)		<b>129,546,780.11</b>	<b>77,937,001.00</b>
<b><u>CURRENT ASSETS, LOAN &amp; ADVANCES</u></b>			
Cash & Bank Balances	13	96,534,363.07	56,443,246.07
Loans, Advances and Deposits	14	8,783,141.06	8,908,563.06
Total Current Assets, Loans & Advances (C)		<b>105,317,504.13</b>	<b>65,351,809.13</b>
<b>TOTAL ASSETS(A+B+C)</b>		<b>372,218,642.24</b>	<b>233,072,242.13</b>
Notes to Accounts and Accounting Policies	25		
As per our Report of even date attached			
<div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 45%;"> <p>Krishna Kumar Chanani: Partner, K K Chanani &amp; Associates Chartered Accountants FRN NO. 322232E Membership No .056045</p> <p>Kolkata, the <u>21<sup>st</sup> June</u> April, 2017</p> </div> <div style="width: 45%; text-align: center;">       <p>आयुक्त नगर पालिका, अलवर (राज.) EO/Commissioner</p>   <p>सहायक लेखाधिकारी GAO/S.R.A.O</p> </div> </div>			
			

**NAGAR PARISHAD ALWAR**  
**Income and Expenditure Statement for the year ended on 31st March 2013**

PARTICULARS	Schedule	31st March 2013	31st March 2012
		(Amount)	(Amount)
<b><u>INCOME</u></b>			
Income from Taxes	15	15,758,240.00	
Assigned Compensations	16	154,516,000.00	
Rental Income from Municipal Properties	17	3,269,428.00	
Fees and User Charges	18	24,025,680.00	
Revenue Grants, Contributions and Subsidies	19	35,296,161.00	
Income from Corporation Assets and Investment	20	5,679,461.00	
Miscellaneous Income	21	98,269.00	
<b>Total Income</b>		<b>238,643,239.00</b>	<b>0.00</b>
<b><u>EXPENDITURE</u></b>			
Establishment Expenses	22	125,351,597.00	
General Administrative Expenses	23	5,788,134.00	
Public Works	24	72,079,559.00	
Depreciation During the Year	10	13,131,990.00	
<b>Total Expenditure</b>		<b>216,351,280.00</b>	<b>0.00</b>
<b>Surplus\ Deficit before adjustment of prior period items and Depreciation</b>		<b>22,291,959.00</b>	<b>0.00</b>
Less: Prior Period Items		-	
Less: Prior Period adjustment of Depreciation		-	
<b>NET SURPLUS\ (DEFICIT)</b>		<b>22,291,959.00</b>	<b>0.00</b>
<b>Notes to Accounts and Accounting Policies</b>		<b>25</b>	
<b>As per our Report of even date attached</b>			
<div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 45%;"> <p>Krishna Kumar Chanani  Partner, K K Chanani &amp; Associates  Chartered Accountants  FRN NO. 322232E  Membership No .056045</p> <p>Kolkata, the <u>21st June</u> April, 2017</p> </div> <div style="width: 45%; text-align: center;">  <p>EO/Commissioner</p> <p>CAO/Sr. A.O.</p> </div> </div>			





**NAGAR PARISHAD ALWAR**  
**Statement of Cash Flow As on 31st March 2013**

S.NO	PARTICULARS	2012-13	2011-12
<b>A.</b>	<b><u>Cash flow From Operating Activities</u></b>		
a.	Surplus/(Deficit) over expenditure	22,291,959.00	
b.	Add : Non Cash Items Debited in Income & Expenditure A/c. Depreciation	13,131,990.00	
	Add : Non-operating Items debited in Income & Expenditure A/c	-	
	Less: Non-operating Items credited in Income & Expenditure A/c. Interest Received	3,445,926.00	
	Sale of Land , etc	2,233,535.00	
	Rental Income	3,269,428.00	
c.	Adjusted income over expenditure before changes in current assets and current liabilities and extra ordinary items.	26,475,060.00	
d.	Changes in current assets and current liabilities Less : Decrease in sundry deposit	-95,421.00	
	Add : Increase in Statutory Liabilities	604,926.00	
	Add : Increase in Other Liabilities	111,352.00	
	Add : Increase in Provisions	102,250.00	
	Add : Decrease in Loans and Advances	125,422.00	
e	Add : Adjustment to Capital Contribution	38,660,184.00	
	Net cash generated from/ (used in) operating activities (A)	65,983,773.00	-
<b>B.</b>	<b><u>Cash flows from investing activities</u></b>		
a.	Add : Proceeds from sale of land etc	2,233,535.00	
b.	Add : Interest Received	3,445,926.00	
c.	Add : Rental Income	3,269,428.00	
d	Add : Decrease in General funds investments	-43,936,381.00	
e	Less: Purchase of fixed assets	-60,702,916.00	
	Net cash generated from/ (used in) investing activities (B)	-95,690,408.00	-
<b>C.</b>	<b><u>Cash flows from financing activities</u></b>		
a.	Grants utilised for specific purpose	69,797,752.00	
b.	Add : Increase in Loans	-	
	Net cash generated from (used in) financing activities(C)	69,797,752.00	-
<b>D.</b>	<b><u>Net increase/ (decrease) in cash and cash equivalents (A + B + C)</u></b>	40,091,117.00	-
<b>E.</b>	<b><u>Change in Cash and Cash Equivalents</u></b>		
a.	Cash and cash equivalents at beginning of period	56,443,246.07	
b	Cash and cash equivalents at end of period	96,534,363.07	
	Net increase/ (decrease) in cash and cash equivalents( b-a)	40,091,117.00	


As per our Report of even date attached

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



Kolkata, the 21<sup>st</sup> June April, 2017



  
आयुक्त  
सहायक निरीक्षक  
EO/Commissioner  
CAO/SE, A.O.

**NAGAR PARISHAD ALWAR**  
**Schedule forming part of Financial Statements As on 31st March 2013**

2012-13

2011-12

**Schedule - 1**

<b>MUNICIPAL (GENERAL) FUND</b>	<b>Amount</b>	<b>Amount</b>
Opening Balance	81,752,298.40	-
Add Excess of Income over expenditure	22,291,959.00	-
<b>Total</b>	<b>104,044,257.40</b>	<b>81,752,298.40</b>

**Schedule - 2**

<b>EARMARKED FUND</b>	<b>Amount</b>	<b>Amount</b>
311-10-01 GPF Earmarked Fund	65,864,162.11	58,636,119.00
311-10-02 Gratuity Earmarked Fund	547,033.00	101,678.00
<b>Total</b>	<b>66,411,195.11</b>	<b>58,737,797.00</b>

**Schedule - 3**

<b>RESERVE &amp; SURPLUS</b>	<b>Amount</b>	<b>Amount</b>
<b>Capital Contribution</b>		
Opening Balance	42,686,279.00	-
Add Addition during the year	38,660,184.00	-
Less Withdrawal during the year	-	-
<b>Total</b>	<b>81,346,463.00</b>	<b>42,686,279.00</b>

**Schedule - 4**

<b>GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE</b>	<b>Amount</b>	<b>Amount</b>
320-10-03 Akshay Uraja	850,000.00	-
320-20-01 City Sanitation Plan Fund	260,831.00	260,831.00
320-20-01 Road, Drainage Vishesh Anudan	9,914,000.00	-
320-20-02 S.J.S.R.Y.	9,336,453.73	3,604,422.73
320-20-03 BPL Avas Yojana	2,700,000.00	-
320-20-04 Low Cost Laboratories	-	7,511.00
320-20-06 M L A Fund	11,213,767.00	739,636.00
320-20-09 S F C Grant	32,248,505.00	7,302,000.00
320-20-10 13th Finance Commission Grant	38,004,843.00	17,840,167.00
320-20-12 Akshay Kaleva Govt Grant	273,004.00	-
320-20-12 Ren Basera Grant	-	2,586,000.00
320-20-12 Panna Dhayay Yojna	763,200.00	-
320-80-01 Jan Sahbhagi Cont. Rajya	514,816.00	3,450,000.00
320-80-01 Jan Sahbhagi C.F. Public	1,578,900.00	2,070,000.00
<b>Total</b>	<b>107,658,319.73</b>	<b>37,860,567.73</b>





**NAGAR PARISHAD ALWAR(2012-13)**

**Schedule - 5**

<b>SUNDRY DEPOSITS</b>	<b>Amount</b>	<b>Amount</b>
340-10-01 Earnest Money Deposit	4,304,988.00	2,146,391.00
340-10-02 Security Money Deposit	-258,796.00	2,540,222.00
340-20-04 Water Harvesting	695,000.00	150,000.00
<b>Total</b>	<b>4,741,192.00</b>	<b>4,836,613.00</b>

**Schedule - 6**

<b>EMPLOYEES LIABILITIES</b>	<b>Amount</b>	<b>Amount</b>
350-11-02 Net Payable Salary	5,604,973.00	5,351,858.00
350-11-04 C P F Contribution	235,565.00	23,111.00
350-20-01 GPF Deduction	1,023,113.00	864,244.00
350-20-02 L I C	186,621.00	187,909.00
350-20-03 Bank Loan, RD, RMPF, SI	534,516.00	573,422.00
350-20-03 GPF Loan Deduction	215,815.00	195,133.00
<b>Total</b>	<b>7,800,603.00</b>	<b>7,195,677.00</b>

**Schedule - 7**

<b>STATUTORY/OTHER LIABILITIES</b>	<b>Amount</b>	<b>Amount</b>
350-20-06 TDS Payable for Salary	6,000.00	3,000.00
350-30-07 Service Tax	-	10.00
350-80-02 Expired Chq. Receipt	108,362.00	-
<b>Total</b>	<b>114,362.00</b>	<b>3,010.00</b>

**Schedule - 8**

<b>PROVISIONS</b>	<b>Amount</b>	<b>Amount</b>
360-10-01 Audit Fee Payable	57,250.00	-
360-10-02 Double Entry Accounting Payable	45,000.00	-
<b>Total</b>	<b>102,250.00</b>	<b>-</b>

**Schedule - 9**

<b>FIXED ASSETS : GROSS BLOCK</b>	<b>Amount</b>	<b>Amount</b>
<b>Immovable Assets</b>		
410-20 Buildings	30,875,669.00	19,044,149.00
<b>Infrastructure Assets</b>		
410-30 Roads & Bridges	88,140,120.00	45,554,020.00
410-31 Sewrage & Drainage	34,331,050.00	29,332,450.00
410-32 Waterways	3,071,114.00	2,740,874.00
410-33 Public Lightings	1,354,756.00	1,086,462.00
410-40 Plant & Machinery	181,830.00	
<b>Moveable Assets</b>		
410-60 Office Equipments	592,090.00	300,128.00
410-70 Furniture/Electrical Fittings	462,448.00	248,078.00
<b>Total</b>	<b>159,009,077.00</b>	<b>98,306,161.00</b>



**NAGAR PARISHAD ALWAR(2012-13)**

**Schedule - 10**

<b>DEPRECIATION FUND</b>	<b>Amount</b>	<b>Amount</b>
Opening balance	8,522,729.00	0.00
Add:- Depreciation for the year (as per Annexure I )	13,131,990.00	-
<b>Total</b>	<b>21,654,719.00</b>	<b>8,522,729.00</b>

**Schedule - 11**

<b>GENERAL FUND INVESTMENT</b>	<b>Amount</b>	<b>Amount</b>
450-11-01 P D A/c (Int. Bearing)	24,120.00	19,120.00
450-12-01 P D A/c (Non Intt. Bearing)	63,111,465.00	19,180,084.00
<b>Total</b>	<b>63,135,585.00</b>	<b>19,199,204.00</b>

**Schedule - 12**

<b>SPECIFIC FUND INVESTMENT</b>	<b>Amount</b>	<b>Amount</b>
421-80-01 GPF Pd A/c	65,864,162.11	58,636,119.00
421-80-02 Gratuity PD A/c	547,033.00	101,678.00
<b>Total</b>	<b>66,411,195.11</b>	<b>58,737,797.00</b>

**Schedule - 13**

<b>CASH &amp; BANK BALANCES</b>	<b>Amount</b>	<b>Amount</b>
Cash-in-hand	147,275.00	463,454.00
Bank Accounts	159,522,673.07	75,178,996.07
Less Transfer to General Fund Investment	-63,135,585.00	-19,199,204.00
<b>Total</b>	<b>96,534,363.07</b>	<b>56,443,246.07</b>

**Schedule - 14**

<b>LOANS,ADVANCES &amp; DEPOSITS</b>	<b>Amount</b>	<b>Amount</b>
460-10-01 Building Loan	90,068.00	200,144.00
460-10-02 Vechile Loan	49,445.00	99,014.00
460-40-03 Advance to Contractor	2,232,680.00	2,232,680.00
460-40-04 Advance for work	153,976.08	119,753.08
460-60-03 Govt. Department Advance	6,256,971.98	6,256,971.98
<b>Total</b>	<b>8,783,141.06</b>	<b>8,908,563.06</b>

**Schedule - 15**

<b>INCOME FROM TAXES</b>	<b>Amount</b>	<b>Amount</b>
110-01-01 Property Tax-Nagariya Tax	4,657,911.00	
110-05-01 Nagriya Upkar Electricity	9,599,000.00	
110-13-01 House Tax Residential	1,501,329.00	
<b>Total</b>	<b>15,758,240.00</b>	<b>-</b>

**Schedule - 16**

<b>ASSIGNED COMPENSATION</b>	<b>Amount</b>	<b>Amount</b>
120-20-01 Octroi Compensation	124,516,000.00	
120-30-01 U I T Contribution	30,000,000.00	
<b>Total</b>	<b>154,516,000.00</b>	<b>-</b>





**NAGAR PARISHAD ALWAR(2012-13)**

**Schedule - 17**

<b>RENTAL INCOME FROM MUNICIPAL PROPERTIES</b>	<b>Amount</b>	<b>Amount</b>
130-10-02 Vechile Stand Rent	1,180,270.00	
130-10-03 Licence Fees Shop	1,339.00	
130-10-04 Community Center Rent	204,000.00	
130-20-01 Qtr. Rent (Employee)	14,757.00	
130-40-02 Licence Fees Land	6,849.00	
130-40-04 Marraige Home Rent	1,862,213.00	
<b>Total</b>	<b>3,269,428.00</b>	<b>-</b>

**Schedule - 18**

<b>FEES AND USER CHARGES</b>	<b>Amount</b>	<b>Amount</b>
140-10-04 Regn. Naksha Kasi	73,103.00	
140-10-05 Contractor Registratioon	26,000.00	
140-10-06 Marriage Home Registration	3,622,772.00	
140-11-04 Kaian House Receipt	163,882.00	
140-11-05 Festival Etc.	1,524,069.00	
140-11-06 Licence Fees Hotel /Lodge	1,986.00	
140-11-07 S S I Licence Fees	13,803.00	
140-11-08 Marriage Home Licences	849,104.00	
140-12-01 Permit Fees Building	183,133.00	
140-13-01 Certificate Copy Fees	23,990.00	
140-13-02 Birth Death Certificate Fees	238,385.00	
140-13-03 Marriage Certificate Fees	367,180.00	
140-13-04 Fire, Noc,	990,010.00	
140-13-05 Fire Certificate	24,000.00	
140-15-06 Land Sub-Division & Use Change	48,352.00	
140-20-01 Violation Penalty Fees	1,420,421.00	
140-20-02 Carring Charge	59,500.00	
140-20-03 Samjhota Fees( Atikraman )	500.00	
140-20-05 Contracator Penalty	77,235.00	
140-40-01 Advertisment Charge Receipt	12,804,714.00	
140-40-08 Name Transfer (Land) Change	114,750.00	
140-50-01 Lease	592,818.00	
140-50-05 Sanitation Fees	220,000.00	
140-50-06 Mehla Tank Service	6,000.00	
140-50-08 Lavatory Uses Fees	11,000.00	
140-60-02 Library Adm.Fees	1,958.00	
140-70-01 Printing Fees	9,500.00	
140-70-02 Road Cutting Charge	557,328.00	
140-70-04 State Graunt Patta Fees	187.00	
<b>Total</b>	<b>24,025,680.00</b>	<b>-</b>



**NAGAR PARISHAD ALWAR(2012-13)**

**Schedule - 19**

<b>REVENUE GRANT, CONTRIBUTION, SUBSIDIES</b>	<b>Amount</b>	<b>Amount</b>
160-10-02 13th Finance Commission ( Revenue)	9,534,175.00	
160-10-03 S F C Grant (Revenue)	8,700,175.00	
160-20-01 Akshay Kaleva (Revenue)	457,811.00	
160-20-01 Census Grant ( Revenue)	2,788,350.00	
160-20-01 Lavarotaries (Revenue)	7,511.00	
160-20-01 Ren Basera ( Revenue )	103,170.00	
160-30-01 Bpl Awas Yojna (Revenue)	8,750,000.00	
160-30-01 Panna Dhyay (Revenue)	1,086,000.00	
160-30-01 Sjsry (Revenue)	3,868,969.00	
<b>Total</b>	<b>35,296,161.00</b>	<b>-</b>

**Schedule - 20**

<b>INCOME FROM CORP.ASSET/INVESTMENT</b>	<b>Amount</b>	<b>Amount</b>
150-10-02 Dead Animal Contract	230,480.00	
150-10-03 Sale of Kacha Land	1,043,895.00	
150-11-01 Sales of Tender Forms	405,800.00	
150-11-02 Sale of Other Form	117,379.00	
150-11-03 Safai Vacancies P.O.	390,481.00	
150-40-02 Fire Vechile Hire Charges	45,500.00	
171-10-01 Interest P D A/c	860.00	
171-10-02 Bank Interest	2,942,109.00	
171-80-01 Other Interest	502,957.00	
<b>Total</b>	<b>5,679,461.00</b>	

**Schedule - 21**

<b>MISCELLANEOUS INCOME</b>	<b>Amount</b>	<b>Amount</b>
180-80-01 Audit Recovery	13,092.00	
180-80-01 Bus Stand Safai (Service Charge)	84,575.00	
180-80-01 Other Income	602.00	
<b>Total</b>	<b>98,269.00</b>	<b>-</b>





**NAGAR PARISHAD ALWAR(2012-13)**

**Schedule - 22**

<b>ESTABLISHMENT EXPENSES</b>	<b>Amount</b>	<b>Amount</b>
210-10-01 Officer Salary & Allowance	1,892,645.00	
210-10-02 Employee Salary & Allowance	98,291,003.00	
210-10-03 Wages	45,552.00	
210-10-04 Bonus	1,247,381.00	
210-20-01 Medical Allowance	845,491.00	
210-20-02 Vehicle Allowance	44,665.00	
210-20-03 Uniform Allowance	394,090.00	
210-20-04 Washing Allowance	163,722.00	
210-20-05 Member Allowance	1,204,000.00	
210-20-07 Other Allowance	462,933.00	
210-30-01 Employee Contribution for Pension	9,576,976.00	
210-40-01 Employee Contribution for Gratuity	10,728,784.00	
210-40-02 Deputation Officers Pension Contribution.	50,928.00	
210-40-03 Employee Contribution CPF	403,427.00	
<b>Total</b>	<b>125,351,597.00</b>	<b>-</b>

**Schedule - 23**

<b>GENERAL ADMINISTRATION EXP.</b>	<b>Amount</b>	<b>Amount</b>
220-11-01 Electricl Bill Exp Office	89,787.00	
220-11-03 Ex. Service Men	856,746.00	
220-12-01 Telephone Exp.	139,363.00	
220-12-03 Postage, Ticket etc	10,000.00	
220-12-04 EPABX System	5,700.00	
220-20-01 News Paper & Magazine	44,847.00	
220-21-01 Printing Expenses	194,796.00	
220-21-02 Stationery Exp.	86,785.00	
220-21-03 Computer Exp.	8,220.00	
220-30-01 Travelling Expenses	148,992.00	
220-30-02 Fuel, Petrol & Diesel	575,324.00	
220-30-03 Vechile Rent	47,931.00	
220-40-01 Insurance Exp.	138,533.00	
220-50-01 Audit Fees	255,250.00	
220-50-02 Accounting Charges	45,000.00	
220-51-01 Legal Exp.	449,308.00	
220-51-04 Legal Adviser Salary	108,000.00	
220-52-02 Computer Operator	204,913.00	
220-52-03 Consaltancy Fees	23,213.00	
220-60-02 Advertisment Exp.	1,464,821.00	
220-61-01 Membership Fees	8,000.00	
220-80-01 Finail (Sweeping)	30,915.00	
220-80-02 Other Contingent Exp.	851,690.00	
<b>Total</b>	<b>5,788,134.00</b>	<b>-</b>



**NAGAR PARISHAD ALWAR(2012-13)**

**Schedule - 24**

<b>PUBLIC WORKS</b>	<b>Amount</b>	<b>Amount</b>
230-20-01 Electricity Bill Exp.	509230.00	
230-20-02 Water Exp.	87670.00	
230-20-03 Electricity Bill Roadlight	9599000.00	
230-40-01 Machinery Rent	4000.00	
230-50-02 Lighting	3945605.00	
230-50-05 Other Repair & Maintinace	87600.00	
230-51-01 R & M Park	247902.00	
230-51-07 R & M Lavatories	2737937.00	
230-52-01 Office Building R & M	480139.00	
230-52-03 Repair & Maintiance	63128.00	
230-53-01 R & M Vechile	285095.00	
230-59-02 R & M Electronic Upakaran	850160.00	
230-59-03 R & M (Office Equipment)	20283.00	
230-59-05 Other Assets (R & M)	58781.00	
230-80-02 Sweeping Exp.	24282017.00	
230-80-04 Other Operating Food for Cattle	38916.00	
250-20-01 Mela Expenses	254412.00	
250-20-03 Other Programme Exp.	676318.00	
250-30-01 Dist. Programme	30810.00	
260-10-01 I H S P D Contribution	9951767.00	
260-20-01 Akshay Kaleva Scheme Expenses	457511.00	
260-20-01 Census Expenses	2788350.00	
260-20-01 Jansahbhagi Cont. Exp.	807278.00	
260-20-01 Lavarotaries Expenses	7511.00	
260-20-01 Ren Basera Expenses	103170.00	
260-30-01 Expenses Against BPL Scheme	8750000.00	
260-30-01 Expenses Against Sjsry	3868969.00	
260-30-01 Expenses Aginst Bhamashah Yojna		
260-30-01 Panna Dhyaya Expenses	1086000.00	
<b>Total</b>	<b>72,079,559.00</b>	<b>-</b>





**ANNEXURE I TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2013**  
**NAGAR PARISHAD ALWAR**  
**Calculation Of Depreciation**

Particulars	Gross Value B/F	Depreciation B/F	Op WDV	Upto Sep	After Sep	Total	Dep Rate	Depreciation Current	Gross Value C/F	Depreciation C/F	Cl. WDV
<b>Immovable Assets</b>											
<b>410-20 Buildings</b>											
410-20-01 Office Building	3,721,300	583,452	3,137,848		925,980	4,063,828	10%	360,084	4,647,280	943,536	3,703,744
410-20-02 Lavatories	612,950	55,633	557,317	337,000		894,317	10%	89,432	949,950	145,065	804,885
410-20-02 Other Building	3,144,360	249,898	2,894,462	1,917,500	1,986,450	6,798,412	10%	580,519	7,048,310	830,417	6,217,893
410-20-02 Other Infra-Structure Bldg	1,835,900	119,643	1,716,257	2,482,820	1,152,390	2,868,647	10%	229,245	2,988,290	348,888	2,639,402
410-20-02 Ren Basera	1,960,000	125,350	1,834,650			4,317,470	10%	431,747	4,442,820	557,097	3,885,723
410-20-03 Hospital Ward	2,595,179	350,956	2,244,223		145,380	2,389,603	10%	231,691	2,740,559	582,647	2,157,912
410-20-05 College/School Building	5,174,460	628,895	4,545,565		2,884,000	7,429,565	10%	598,757	8,058,460	1,227,652	6,830,808
<b>Infrastructure Assets</b>											
<b>410-30 Roads &amp; Bridges</b>											
410-30-01 C.C. Road	34,634,700	2,567,763	32,066,937	6,737,750	30,075,300	68,879,987	10%	5,384,234	71,447,750	7,951,997	63,495,753
410-30-02 Other Tiles Road	5,876,270	425,660	5,450,610	3,561,750	656,640	9,669,000	10%	934,068	10,094,660	1,359,728	8,734,932
410-30-03 Gravel Road	2,162,200	167,322	1,994,878	471,550		2,466,428	10%	246,643	2,633,750	413,965	2,219,785
410-30-04 Patav	2,880,850	201,724	2,679,126	502,950	580,160	3,762,236	10%	347,216	3,963,960	548,940	3,415,020
<b>410-31 Sewrage &amp; Drainage</b>											
410-31-01 Drainage	29,332,450	2,269,070	27,063,380	2,904,770	2,093,830	32,061,980	10%	3,101,507	34,331,050	5,370,577	28,960,473
<b>410-32 Waterways</b>											
410-32-01 Boring (Nal Kup)	1,849,400	294,893	1,554,507			1,554,507	10%	155,451	1,849,400	450,344	1,399,056
410-32-03 Water Tank	118,500	22,445	96,055			96,055	10%	9,606	118,500	32,051	86,449
410-32-04 Water Harwasting( Kuaa)	772,974	128,188	644,786		330,240	975,026	10%	80,991	1,103,214	209,179	894,035
<b>410-33 Public Lighting</b>											
410-33-01 Lamp Post	52,653	14,611	38,042			38,042	15%	5,706	52,653	20,317	32,336
410-33-03 Electric Line Extension	-	-	-	-	137,644	137,644	15%	10,323	137,644	10,323	127,321
410-33-03 Other Public Lighting	1,033,£.J9	187,441	846,368	130,650		977,018	15%	146,553	1,164,59	333,994	830,465
<b>Moveable Assets</b>											
<b>410-40 Plant &amp; Machinery</b>											
410-40-01 Fogging Machine	-	-	-	181,830		181,830	15%	27,275	181,£30	27,275	154,555
<b>410-60 Office Equipments</b>											
410-60-01 Air Conditioner	-	-	-	42,500		42,500	15%	6,375	42,500	6,375	36,125
410-60-02 Laptop/Computer	29,500	21,240	8,260		223,484	231,744	60%	72,001	252,984	93,241	159,743
410-60-02 Printing Machine	140,308	23,810	116,498			116,498	15%	17,475	140,308	41,285	99,023
410-60-06 Water Cooler & Fan	37,191	10,321	26,870	25,978		52,848	15%	7,927	63,169	18,248	44,921
410-60-07 Other Office Equipment	76,749	16,538	60,211		60,211	60,211	15%	9,032	76,749	25,570	51,179
410-60-07 Television	16,380	3,501	12,879			12,879	15%	1,932	16,380	5,433	10,947



**ANNEXURE I TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2013**

**Calculation Of Depreciation -----Contd Page 2**

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## NAGAR PARISHAD ALWAR(2012-13)

### ANNEXURE II TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2013

#### DETAILS OF BANK ACCOUNT AS ON 31.03.2013

NAME OF BANK ACCOUNT	31.03.2013	31.03.2012
450-11-01 P D A/c (Int. Bearing)	24,120.00	19,120.00
450-12-01 P D A/c (Non Intt. Bearing	63,111,465.00	19,180,084.00
450-21-01 U.C.O. Bank A/c	7,980,352.00	1,339,175.00
450-21-02 Bank of Baroda A/c	10,648,275.39	7,938,618.39
450-21-03 Axis Bank	4,141,757.00	14,156.00
450-21-04 Oriental Bank of Com.	71,966.00	69,166.00
450-21-05 Punjab National Bank	-	2,234,884.85
450-21-06 F D R A/c	7,582,910.00	12,594,828.00
450-21-07 O.B.Com. (Old)	6,037.10	5,802.10
450-21-08 Uco Bank (Old)	143,459.00	143,459.00
450-21-09 Union Bank (Old)	19,601.00	18,494.00
450-21-10 Punjab National Bank (Shivaji Park)	61,661.00	256,843.00
450-21-12 Punjab N. Bank Manu Marg	18,124,277.85	-
450-41-01 I H S D P Bank A/C		9,951,767.00
450-41-03 Rain Basera Bank A/C	103,180.00	728,300.00
450-41-04 ICICI Bank (B P L)	2,700,000.00	
450-41-06 13th Finance Bank A/C	39,784,143.00	19,266,361.00
450-41-07 Janganna A/C	500.00	-
450-41-08 B.O.B. A/C ( NULM )	5,018,968.73	1,417,937.73
Grand Total	159,522,673.07	75,178,996.07



**MUNICIPAL COUNCIL**  
**ALWAR (2012-13)**

**SCHEDULE 25**

**ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**  
**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. and salary and allowances. 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 and Other Taxes are recognized in the period in which they are received
- b. Revenues in respect of Profession Tax on Organisations /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.





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## *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 identified by the Municipal Council to be no longer payable are written back and considered as income.

## **3. Recognition of Expenditure**

### *i. Expenditure*

- a. Expenses on Salaries, bonus and other allowances are recognized as and when they are due
- 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 and accounting charges.
- e. Expenses on account of retirement benefit viz. encashment of leave etc. are recognized on cash basis.

### *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.



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- b. All assets costing less than Rs.5,000/- are 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/-

*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 as and when paid .

**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





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- 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.

**8. 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

**9. 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.

**10. Opening Balances as at 31st March 2012**

- a. Municipal Fund  
Residual of total assets over outside liabilities has been considered as opening balance of Mutual Fund.
- b. Earmarked Funds/Special Funds  
The Balance of Earmarked Funds is the total assets available against such earmarked funds.



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- c. Other Liabilities/Provisions  
Other liabilities/Provisions has been ascertained by performing Subsequent Event Testing i.e the liabilities paid like salary paid
- d. Deposits Received  
The amount of Deposits Received has been arrived at from the Register of Deposits maintained by the Accounts Officer of the Municipal Board
- e. Fixed Assets  
The amount of Fixed Assets have been ascertained as per Guidelines specitied in the Rajasthan Municipal Accounting Manual.

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.

**II NOTES TO ACCOUNT**

1. The value of fixed assets acquired after 1<sup>st</sup> April, 2010 and till 31<sup>st</sup> March, 2012 have been depreciated as per rates specified in the Income Tax Act, 1961 on written down value method. The depreciation amount so obtained has been considered in determining opening Depreciation Fund.
2. Balance of the Deposits received from contractors/suppliers is on the basis of receipts issued against deposit and deduction made from payments to them
3. Balance of Loan against Provident Fund given to employees are subject to their confirmation.



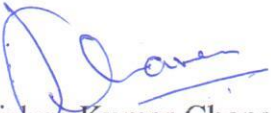


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4. Balances of Debtors, Creditors and other parties are subject to confirmation
5. These accounts have been prepared covering receipts of various Grants/Aids/Funds from State Government for specific purpose/scheme. In view of long duration of scheme ,utilization of same is subject to verification on completion of scheme

Signatories to Schedule 1 to 25

In confirmation and witness of facts

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



For Municipal Council : Alwar, Rajasthan

  
EO/Commissioner

Kolkata, the 21<sup>st</sup> June ~~April~~, 2017

CAO/ Sr . A.O.. 

