

FINANCIAL STATEMENT

[Under Double Entry Accounting System)]

MUNICIPAL

COUNCIL

ALWAR

2013-14

Prepared by:

K K CHANANI & ASSOCIATES

Chartered Accountants

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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, 2014, 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 87,86,577/-</i>	<i>Rs 87,76,677/-</i>	<i>Local Audit Pg 44</i>
<i>Security and other Deposit(Cr)</i>	<i>Rs 1,28,76,673/-</i>	<i>Rs 2,23,63,000/-</i>	<i>Local 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) Allotment of work at higher rates for sweeping to M/s Liladahar Yadav during 2013-14(19/03/2013-to 31/03/2014) resulting in loss of Rs.17,11,387/- to exchequer. Besides, there is reduction in no. of workers employed during the aforesaid period but payment made as per old work force which result in excess payment to the tune of Rs.5,79,474/-*



- g) 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.
- h) Interest on Fixed Deposit held in bank has not been provided. As such, both Surplus of Income over expenditure and assets are understated.
- i) Amount of fees, user charges, penalty income etc of various types has not been properly realized from the concerned payer as per details below:

Nature	On Account of	Amount (in Rs.) to be realizable
Fees realisable	Srtip of Land	8,25,552/-
Sale of land by Nagar Vikas Nyas	Upto October 2011	5,86,09,846/-
Sale of land by Nagar Vikas Nyas	After October 2011	Amount not determined
Sale of land by Rajasthan Awas Mandal	February 2014/March 2014	Amount not determined
Urban Development tax	Taxes	2,94,28,856/-
House Tax	Taxes	3,15,84,641/-
Fees realisable	Land Conversion Charges	8,23,144/-
RUDF Fund for energy saving devices	Against contract for energy saving devices	79,12,481/-

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

- j) 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.



k) *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.*

l) *Discrepancy noticed between the computerized double entry accounts and physical record are as under:*

<i>Particulars</i>	<i>As per Cash /Other Scheme Books</i>	<i>As per Computerised Books of accounts</i>
450-21-08 Uco Bank (Old)	Rs. 7233500/-	Rs. 7376959/-
450-21-01 U.C.O. Bank A/c	Rs.7541541/-	Rs, 7546591/-

The discrepancy has not been properly explained by the management As such , accounts does not reflect true and fair view to this extent

m) *Bank Reconciliation, in respect of several bank accounts, have been given in the Local Fund Audit Repot 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:

- in the case of the Balance Sheet, of the state of affairs of the ULB as at March 31, 2014;
- in the case of the Income and Expenditure Statement, of the deficit for the year ended on that date; and
- 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 best of our knowledge and belief were necessary for the 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 21st June April, 2017



K. K. Chanani & Associates

Chartered Accountants

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Annexure A to Auditor's Report (2013-14)

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 and on the basis of our test checks , there exists an adequate internal control procedure for the contracting of works and projects, periodic inspections and measurements, quality checks and payments there for *except in one case as produced herein below :*

Allotment of work at higher rates for sweeping to M/s Liladhar Yadav during 2013-14(19/03/2013-to 31/03/2014) resulting in loss of Rs.17,11,387/- to exchequer. Besides, there is reduction in no of workers



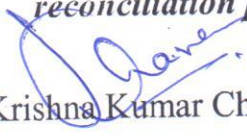
employed during the aforesaid period but payment made as per old work force which result in excess payment to the tune of Rs.5,79,474/-

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 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 21st June April, 2017

MUNICIPAL COUNCIL ALWAR

ANNEXURE "A1" TO ANNEXURE ON AUDITOR'S REPORT FOR YEAR ENDED 31.03.2014



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	Legal Expenses				
	S N Kumawat	02-07-2013	99,000	194 J	10%
	Rajiv Lochan	2013-13	111,213	194 J	10%
2	Advertisement Expenses				
	D B Corpn Ltd	10-05-2013	38,728	194C	2%
	Rajasthan Patrika	05-07-2013	73,942	194C	2%
	Rajasthan Patrika	15-07-2013	33,624	194C	2%
	Rajasthan Patrika	26-08-2013	11,982	194C	2%
	Rajasthan Patrika	18-11-2013	79,216	194C	2%
	Dainik Bhaskar	18-11-2013	79,897	194C	2%
3	Advertisement Payment (on others behalf)				
	Jagvinder Kour	11-02-2014	33,750	194C	2%
	Sun Printers	11-02-2014	45,850	194C	2%
	Ad.Kresan	11-02-2014	37,650	194C	2%
	Bharat Printing Press	11-02-2014	54,800	194C	2%
	Arihant Publicity	11-02-2014	67,200	194C	2%
	Kesar Sinez	11-02-2014	43,800	194C	2%
	Planet Outdoor	11-02-2014	66,000	194C	2%
4	Repairs & Maintenance				
	Shirish Enterprises	17-01-2014	36,172	194C	1%
5	Sewar Treatment Plant(Maintenance)				
	Bhoorathnam Construction Co	09-10-2013	60,000	194C	1%
5	Advance to Contractor				
	Knowworthy Communucation (P) Ltd	17-07-2013	72,222	194C	2%
5	Other Contingencies				
	Goyal Ennterprises	18-09-2013	39,331	194C	1%



NAGAR PARISHAD ALWAR
Balance Sheet As on 31st March 2014

LIABILITIES	Schedule	31st March 2014	31st March 2013
		(Amount)	(Amount)
<u>RESERVE & SURPLUS</u>			
Municipal (General) Fund	1	89,112,758.40	104,044,257.40
Earmarked Funds	2	77,096,465.11	66,411,195.11
Reserve & Surplus	3	154,515,439.00	81,346,463.00
Total Reserve & Surplus (A)		320,724,662.51	251,801,915.51
<u>GRANT/ CONTRIBUTION FOR SPECIFIC PURPOSE</u>			
Grant/Contribution for Specific purpose	4	89,264,229.73	107,658,319.73
Total Grant/Contribution (B)		89,264,229.73	107,658,319.73
<u>LOANS</u>			
Total Loans (C)		-	-
<u>CURRENT LIABILITIES & PROVISIONS</u>			
Sundry Deposits	5	12,876,673.00	4,741,192.00
Statutory Liabilities	6	11,153,542.00	7,800,603.00
Other Liabilities	7	160,062.00	114,362.00
Provisions	8	204,500.00	102,250.00
Total Current Liabilities and Provisions (D)		24,394,777.00	12,758,407.00
TOTAL LIABILITIES (A+B+C+D)		434,383,669.24	372,218,642.24
Notes to Accounts and Accounting Policies		25	
As per our Report of even date attached			
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Krishna Kumar Chanani Partner, K K Chanani & 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> आयुक्त नगर परिषद, अलवर EO/Commissioner</p> <p> CAO/ Sr. A.O. नगर परिषद, अलवर</p> </div> </div>			



NAGAR PARISHAD ALWAR
Balance Sheet As on 31st March 2014

ASSETS	Schedule	31st March 2014	31st March 2013
		(Amount)	(Amount)
<u>FIXED ASSETS</u>			
Gross Block	9	270,008,870.00	159,009,077.00
Depreciation Fund	10	43,420,834.00	21,654,719.00
Net Block		226,588,036.00	137,354,358.00
Total Fixed Assets (A)		226,588,036.00	137,354,358.00
<u>INVESTMENTS</u>			
General Fund Investments	11	26,025,956.00	63,135,585.00
Specific Fund Investments	12	77,096,465.11	66,411,195.11
Total Investments (B)		103,122,421.11	129,546,780.11
<u>CURRENT ASSETS, LOAN & ADVANCES</u>			
Cash & Bank Balances	13	95,841,678.07	96,534,363.07
Loans, Advances and Deposits	14	8,831,534.06	8,783,141.06
Total Current Assets, Loans & Advances(C)		104,673,212.13	105,317,504.13
TOTAL ASSETS(A+B+C)		434,383,669.24	372,218,642.24

Notes to Accounts and Accounting Policies


25

As per our Report of even date attached


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




आयुक्त
नगर परिषद
EO/Commissioner







सहायक लेखाधिकारी
नगर परिषद, अलवर
CAO/ Sr. A.O

Kolkata, the 21st June April, 2017



NAGAR PARISHAD ALWAR

Income and Expenditure Statement for the year ended on 31st March 2014

PARTICULARS	Schedule	31st March 2014	31st March 2013
		(Amount)	(Amount)
INCOME			
Income from Taxes	15	18,962,360.00	15,758,240.00
Assigned Compensations	16	148,753,852.00	154,516,000.00
Rental Income from Municipal Properties	17	3,585,030.00	3,269,428.00
Fees and User Charges	18	24,228,788.00	24,025,680.00
Revenue Grants, Contributions and Subsidies	19	93,053,224.00	35,296,161.00
Income from Corporation Assets and Investment	20	11,233,656.00	5,679,461.00
Miscellaneous Income	21	30,442.00	98,269.00
Total Income		299,847,352.00	238,643,239.00
EXPENDITURE			
Establishment Expenses	22	139,478,554.00	125,351,597.00
General Administrative Expenses	23	9,386,170.00	5,788,134.00
Public Works	24	144,148,012.00	72,079,559.00
Depreciation During the Year	10	21,766,115.00	13,131,990.00
Total Expenditure		314,778,851.00	216,351,280.00
Surplus\ Deficit before adjustment of prior period items and Depreciation		(14,931,499.00)	22,291,959.00
Less: Prior Period Items		-	-
Less: Prior Period adjustment of Depreciation		-	-
NET SURPLUS\ (DEFICIT)		(14,931,499.00)	22,291,959.00
Notes to Accounts and Accounting Policies		25	
As per our Report of even date attached			
 Krishna Kumar Chanani Partner, K K Chanani & Associates Chartered Accountants FRN NO. 322232E Membership No .056045			 आयुक्त नगर परिषद, अलवर EO/Commissioner
Kolkata, the <u>21st</u> <u>June</u> April, 2017			 सहायक निवाहिकारी नगर परिषद, अलवर CAO/ Sr. A.O
			

NAGAR PARISHAD ALWAR
Statement of Cash FlowAs on 31st March 2014


S.NO	PARTICULARS	2013-13	2011-12
A.	<u>Cash flow From Operating Activities</u>		
a.	Surplus/(Deficit) over expenditure	-14,931,499.00	22,291,959.00
b.	Add : Non Cash Items Debited in Income & Expenditure A/c. Depreciation	21,766,115.00	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	2,874,292.00	3,445,926.00
	Sale of Land , etc	8,359,364.00	2,233,535.00
	Rental Income	3,585,030.00	3,269,428.00
c.	Adjusted income over expenditure before changes in current assets and current liabilities and extra ordinary items.	-7,984,070.00	26,475,060.00
d.	Changes in current assets and current liabilities Less : Increase in sundry deposit	8,135,481.00	-95,421.00
	Add : Increase in Statutory Liabilities	3,352,939.00	604,926.00
	Add : Increase in Other Liabilities	45,700.00	111,352.00
	Add : Increase in Provisions	102,250.00	102,250.00
	Add : Decrease in Loans and Advances	-48,393.00	125,422.00
e	Add : Adjustment to Capital Contribution	73,168,976.00	38,660,184.00
	Net cash generated from/ (used in) operating activities (A)	76,772,883.00	65,983,773.00
B.	<u>Cash flows from investing activities</u>		
a.	Add : Proceeds from sale of land etc	8,359,364.00	2,233,535.00
b.	Add : Interest Received	2,874,292.00	3,445,926.00
c.	Add : Rental Income	3,585,030.00	3,269,428.00
d.	Add : Decrease in General funds investments	37,109,629.00	-43,936,381.00
e	Less: Purchase of fixed assets	-110,999,793.00	-60,702,916.00
	Net cash generated from/ (used in) investing activities (B)	-59,071,478.00	-95,690,408.00
C.	<u>Cash flows from financing activities</u>		
a.	Grants utilised for specific purpose	-18,394,090.00	69,797,752.00
b.	Add : Increase in Loans	-	-
	Net cash generated from (used in) financing activities(C)	-18,394,090.00	69,797,752.00
D.	<u>Net increase/ (decrease) in cash and cash equivalents (A + B + C)</u>	-692,685.00	40,091,117.00
E.	<u>Change in Cash and Cash Equivalents</u>		
a.	Cash and cash equivalents at beginning of period	96,534,363.07	56,443,246.07
b	Cash and cash equivalents at end of period	95,841,678.07	96,534,363.07
	Net increase/ (decrease) in cash and cash equivalents(b-a)	-692,685.00	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 21st June April, 2017


EO/Commissioner


CAO/ Sr. A.O



NAGAR PARISHAD ALWAR
Schedule forming part of Financial Statements As on 31st March 2014

2013-14

2012-13

Schedule - 1

MUNICIPAL (GENERAL) FUND	Amount	Amount
Opening Balance	104,044,257.40	81,752,298.40
Add Excess of Income over expenditure	-14,931,499.00	22,291,959.00
Total	89,112,758.40	104,044,257.40

Schedule - 2

EARMARKED FUND	Amount	Amount
311-10-01 GPF Earmarked Fund	73,219,865.11	65,864,162.11
311-10-02 Gratuity Earmarked Fund	3,876,600.00	547,033.00
Total	77,096,465.11	66,411,195.11

Schedule - 3

RESERVE & SURPLUS	Amount	Amount
Capital Contribution		
Opening Balance	81,346,463.00	42,686,279.00
Add Addition during the year	73,168,976.00	38,660,184.00
Less Withdrawal during the year	-	-
Total	154,515,439.00	81,346,463.00

Schedule - 4

GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE	Amount	Amount
320-10-03 Akshay Urja	850,000.00	850,000.00
320-20-01 City Sanitation Plan Fund	260,831.00	260,831.00
320-20-01 Road, Drainage Vishesh Anudan	9,523,670.00	9,914,000.00
320-20-02 S.J.S.R.Y.	6,356,410.73	9,336,453.73
320-20-03 BPL Avas Yojana	4,315,000.00	2,700,000.00
320-20-06 M L A Fund	9,930,087.00	11,213,767.00
320-20-09 S F C Grant	12,662,000.00	32,248,505.00
320-20-10 13th Finance Commission Grant	38,132,731.00	38,004,843.00
320-20-12 Akshay Kaleva Govt Grant	-	273,004.00
320-20-12 Sadi Kamble Yojna	7,233,500.00	-
320-20-12 Panna Dhayay Yojna	-	763,200.00
320-80-01 Jan Sahbhagi Cont. Rajya	-	514,816.00
320-80-01 Jan Sahbhagi S.F. Public	-	1,578,900.00
Total	89,264,229.73	107,658,319.73



NAGAR PARISHAD ALWAR(2013-14)**Schedule - 5**

SUNDRY DEPOSITS	Amount	Amount
340-10-01 Earnest Money Deposit	4,307,957.00	4,304,988.00
340-10-02 Security Money Deposit	7,409,716.00	-258,796.00
340-20-04 Water Harvesting	1,159,000.00	695,000.00
Total	12,876,673.00	4,741,192.00

Schedule - 6

EMPLOYEES LIABILITIES	Amount	Amount
350-11-02 Net Payable Salary	7,466,376.00	5,604,973.00
350-11-04 C P F Contribution	1,376,524.00	235,565.00
350-11-06 C M Relif Fund	510.00	-
350-20-01 GPF Deduction	1,420,016.00	1,023,113.00
350-20-02 L I C	194,523.00	186,621.00
350-20-03 Bank Loan, RD, RMPF, SI	695,593.00	534,516.00
350-20-03 GPF Loan Deduction	-	215,815.00
Total	11,153,542.00	7,800,603.00

Schedule - 7

STATUTORY/OTHER LIABILITIES	Amount	Amount
350-20-06 TDS Payable for Salary	51,700.00	6,000.00
350-30-07 Service Tax	-	-
350-80-02 Expired Chq. Receipt	108,362.00	108,362.00
Total	160,062.00	114,362.00

Schedule - 8

PROVISIONS	Amount	Amount
360-10-01 Audit Fee Payable	114,500.00	57,250.00
360-10-02 Double Entry Accounting Payable	90,000.00	45,000.00
Total	204,500.00	102,250.00

Schedule - 9

FIXED ASSETS : GROSS BLOCK	Amount	Amount
Immovable Assets		
410-20 Buildings	40,700,747.00	30,875,669.00
Infrastructure Assets		
410-30 Roads & Bridges	174,021,487.00	88,140,120.00
410-31 Sewrage & Drainage	48,958,863.00	34,331,050.00
410-32 Waterways	3,226,124.00	3,071,114.00
410-33 Public Lightings	1,425,993.00	1,354,756.00
410-40 Plant & Machinery	181,830.00	181,830.00
Moveable Assets		
410-60 Office Equipments	642,090.00	592,090.00
410-70 Furniture/Electrical Fittings	851,736.00	462,448.00
Total	270,008,870.00	159,009,077.00



NAGAR PARISHAD ALWAR(2013-14)

Schedule - 10

DEPRECIATION FUND	Amount	Amount
Opening balance	21,654,719.00	8,522,729.00
Add:- Depreciation for the year (as per Annexure I)	21,766,115.00	13,131,990.00
Total	43,420,834.00	21,654,719.00

Schedule - 11

GENERAL FUND INVESTMENT	Amount	Amount
450-11-01 P D A/c (Int. Bearing)	24,120.00	24,120.00
450-12-01 P D A/c (Non Intt. Bearing)	26,001,836.00	63,111,465.00
Total	26,025,956.00	63,135,585.00

Schedule - 12

SPECIFIC FUND INVESTMENT	Amount	Amount
421-80-01 GPF Pd A/c	73,219,865.11	65,864,162.11
421-80-02 Gratuity PD A/c	3,876,600.00	547,033.00
Total	77,096,465.11	66,411,195.11

Schedule - 13

CASH & BANK BALANCES	Amount	Amount
Cash-in-hand	384,419.00	147,275.00
Bank Accounts (as per Annexure II)	121,483,215.07	159,522,673.07
Less Transfer to General Fund Investment	-26,025,956.00	-63,135,585.00
Total	95,841,678.07	96,534,363.07

Schedule - 14

LOANS,ADVANCES & DEPOSITS	Amount	Amount
460-10-01 Building Loan	33,412.00	90,068.00
460-10-02 Vechile Loan	11,545.00	49,445.00
460-40-03 Advance to Contractor	2,304,902.00	2,232,680.00
460-40-04 Advance for work	224,703.08	153,976.08
460-60-03 Govt. Department Advance	6,256,971.98	6,256,971.98
Total	8,831,534.06	8,783,141.06

Schedule - 15

INCOME FROM TAXES	Amount	Amount
110-01-01 Property Tax-Nagariya Tax	5,005,360.00	4,657,911.00
110-05-01 Nagriya Upkar Electricity	13,957,000.00	9,599,000.00
110-13-01 House Tax Residential	-	1,501,329.00
Total	18,962,360.00	15,758,240.00

Schedule - 16

ASSIGNED COMPENSATION	Amount	Amount
120-20-01 Octroi Compensation	136,968,000.00	124,516,000.00
120-20-02 Compensation for Pension Exp.	354,250.00	-
120-30-01 U I T Contribution	10,000,000.00	30,000,000.00
120-30-02 Housing Board	1,431,602.00	-
Total	148,753,852.00	154,516,000.00



NAGAR PARISHAD ALWAR(2013-14)

Schedule - 17

RENTAL INCOME FROM MUNICIPALE PROPERTIES	Amount	Amount
130-10-02 Vechile Stand Rent	2,206,586.00	1,180,270.00
130-10-03 Licence Fees Shop	975.00	1,339.00
130-10-04 Community Center Rent	228,094.00	204,000.00
130-20-01 Qtr. Rent (Employee)	43,484.00	14,757.00
130-40-02 Licence Fees Land	6,752.00	6,849.00
130-40-04 Marriage Home Rent	1,086,939.00	1,862,213.00
130-40-05 Mukti Dham...	12,200.00	-
Total	3,585,030.00	3,269,428.00

Schedule - 18

FEES AND USER CHARGES	Amount	Amount
140-10-04 Regn. Naksha Kasi	21,650.00	73,103.00
140-10-05 Contractor Registratioon	36,400.00	26,000.00
140-10-06 Marriage Home Registration	1,071,157.00	3,622,772.00
140-11-04 Kaian House Receipt	191,188.00	163,882.00
140-11-05 Festival Etc.	1,848,558.00	1,524,069.00
140-11-06 Licence Fees Hotel /Lodge	1,841.00	1,986.00
140-11-07 S S I Licence Fees	13,826.00	13,803.00
140-11-08 Marriage Home Licences	646,634.00	849,104.00
140-11-09 Mobile Tower Reg.	160,000.00	
140-12-01 Permit Fees Building	299,195.00	183,133.00
140-13-01 Certificate Copy Fees	29,071.00	23,990.00
140-13-02 Birth Death Certificate	245,398.00	238,385.00
140-13-03 Marriage Certificate Fees	348,260.00	367,180.00
140-13-04 Fire, Noc,	1,325,420.00	990,010.00
140-13-05 Fire Certificate	28,500.00	24,000.00
140-15-06 Land Sub-Division & Use Change	4,813,489.00	48,352.00
140-20-01 Violation Penalty Fees	786,377.00	1,420,421.00
140-20-02 Carring Charge	61,250.00	59,500.00
140-20-03 Samjhota Fees(Atikraman)	-	500.00
140-20-05 Contracator Penalty	27,500.00	77,235.00
140-40-01 Advertisement Charge Receipt	10,505,517.00	12,804,714.00
140-40-08 Name Transfer (Land) Change	99,250.00	114,750.00
140-50-01 Lease	372,283.00	592,818.00
140-50-05 Sanitation Fees	189,220.00	220,000.00
140-50-06 Mehla Tank Service	4,500.00	6,000.00
140-50-08 Lavatory Uses Fees	27,000.00	11,000.00
140-60-02 Library Adm.Fees	1,232.00	1,958.00
140-70-01 Printing Fees	6,500.00	9,500.00
140-70-02 Road Cutting Charge	1,067,256.00	557,328.00
140-70-04 State Grant Patta Fees	316.00	187.00
Total	24,228,788.00	24,025,680.00



NAGAR PARISHAD ALWAR(2013-14)**Schedule - 19**

REVENUE GRANT,CONTRIBUTION,SUBSIDIES	Amount	Amount
160-10-02 13th Finance Commission (Revenue)	31,949,242.00	9,534,175.00
160-10-03 S F C Grant (Revenue)	16,938,879.00	8,700,175.00
160-10-05 MLA Fund(Revenue)	791,690.00	-
160-10-05 Road/Drain Vishesh Grant (Revenue)	4,440,170.00	-
160-20-01 Akshay Kaleva (Revenue)	-	457,811.00
160-20-01 Census Grant (Revenue)	1,337,000.00	2,788,350.00
160-20-01 Lavrotaries (Revenue)	-	7,511.00
160-20-01 Ren Basera (Revenue)	-	103,170.00
160-30-01 Bpl Awas Yojna (Revenue)	14,420,000.00	8,750,000.00
160-30-01 BPL Kalyan Fund (Revenue)	19,433,000.00	-
160-30-01 Panna Dhyay (Revenue)	763,200.00	1,086,000.00
160-30-01 Sjsry (Revenue)	2,980,043.00	3,868,969.00
Total	93,053,224.00	35,296,161.00

Schedule - 20

INCOME FROM CORP.ASSET/INVESTMENT	Amount	Amount
150-10-02 Dead Animal Contract	560,700.00	230,480.00
150-10-03 Sale of Kacha Land	6,895,832.00	1,043,895.00
150-11-01 Sales of Tender Forms	766,100.00	405,800.00
150-11-02 Sale of Other Form	92,258.00	117,379.00
150-11-03 Safai Vacancies P.O.	50.00	390,481.00
150-12-01 Nilami Assets Store	1,336.00	
150-12-02 Nilami Assats	88.00	
150-40-02 Fire Vechile Hire Charges	43,000.00	45,500.00
171-10-01 Interest P D A/c	916.00	860.00
171-10-02 Bank Interest	2,527,162.00	2,942,109.00
171-10-03 Bank Charges Receipt	105.00	
171-80-01 Other Interest	346,109.00	502,957.00
Total	11,233,656.00	5,679,461.00

Schedule - 21

MISCELLANEOUS INCOME	Amount	Amount
180-80-01 Audit Recovery	15,457.00	13,092.00
180-80-01 Bus Stand Safai (Service Charge)	14,985.00	84,575.00
180-80-01 Other Income	-	602.00
Total	30,442.00	98,269.00



NAGAR PARISHAD ALWAR(2013-14)

Schedule - 22

ESTABLISHMENT EXPENSES	Amount	Amount
210-10-01 Officer Salary & Allowance	4,398,094.00	1,892,645.00
210-10-02 Employee Salary & Allowance	107,008,995.00	98,291,003.00
210-10-03 Wages	48,364.00	45,552.00
210-10-04 Bonus	1,170,221.00	1,247,381.00
210-20-01 Medical Allowance	509,224.00	845,491.00
210-20-02 Vehicle Allowance	40,024.00	44,665.00
210-20-03 Uniform Allowance	528,296.00	394,090.00
210-20-04 Washing Allowance	372,252.00	163,722.00
210-20-05 Member Allowance	1,099,402.00	1,204,000.00
210-20-07 Other Allowance	464,093.00	462,933.00
210-20-08 Stationery Allowance	70,250.00	
210-30-01 Employee Contribution for Pension	10,561,607.00	9,576,976.00
210-40-01 Employee Contribution for Gratuity	12,531,252.00	10,728,784.00
210-40-02 Deputation Officers Pension Contribution	61,916.00	50,928.00
210-40-03 Employee Contribution CPF	614,564.00	403,427.00
Total	139,478,554.00	125,351,597.00

Schedule - 23

GENERAL ADMINISTRATION EXP.	Amount	Amount
220-11-01 Electrical Bill Exp Office	272,531.00	89,787.00
220-11-03 Ex. Service Men	1,268,547.00	856,746.00
220-12-01 Telephone Exp.	195,524.00	139,363.00
220-12-03 Postage, Ticket etc	29,000.00	10,000.00
220-12-04 EPABX System	-	5,700.00
220-20-01 News Paper & Magazine	45,515.00	44,847.00
220-20-04 Books Purchase	8,205.00	-
220-21-01 Printing Exp.	216,066.00	194,796.00
220-21-02 Stationery Exp.	158,405.00	86,785.00
220-21-03 Computer Exp.	18,280.00	8,220.00
220-30-01 Travelling Exp.	117,247.00	148,992.00
220-30-02 Fuel, Petrol & Diesel	674,384.00	575,324.00
220-30-03 Vehicle Rent	150,396.00	47,931.00
220-40-01 Insurance Exp.	268,887.00	138,533.00
220-50-01 Audit Fees	57,250.00	255,250.00
220-50-02 Accounting Charges	45,000.00	45,000.00
220-51-01 Legal Exp.	459,747.00	449,308.00
220-51-04 Legal Adviser Salary	108,000.00	108,000.00
220-52-02 Computer Operater	706,986.00	204,913.00
220-52-03 Consalience Fees	20,566.00	23,213.00
220-60-02 Advertisement Exp.	3,249,794.00	1,464,821.00
220-61-01 Membership Fees	8,000.00	8,000.00
220-80-01 Finail (Sweeping)	22,661.00	30,915.00
220-80-02 Other Contingent Exp.	1,285,123.00	851,690.00
240-70-01 Bank Charges	56.00	-
Total	9,386,170.00	5,788,134.00



NAGAR PARISHAD ALWAR(2013-14)

Schedule - 24

PUBLIC WORKS	Amount	Amount
230-20-01 Electricity Bill Exp.	1,391,180.00	509,230.00
230-20-02 Water Exp.	55,202.00	87,670.00
230-20-03 Electricity Bill Roadlight	13,957,000.00	9,599,000.00
230-40-01 Machinery Rent	-	4,000.00
230-50-01 R & M Road and Pul	27,547,142.00	
230-50-02 Lighting	2,193,991.00	3,945,605.00
230-50-03 R & M Other Assets	3,815,220.00	
230-50-05 Other Repair & Maintinace	1,137,206.00	87,600.00
230-51-01 R & M Park	210,600.00	247,902.00
230-51-07 R & M Lavatories	2,828,258.00	2,737,937.00
230-52-01 Office Building R & M	256,375.00	480,139.00
230-52-03 Repair & Maintiance	605,255.00	63,128.00
230-53-01 R & M Vechile	732,667.00	285,095.00
230-59-01 Furniture Maintince	2,160.00	
230-59-02 R & M Electronic Upakaran	3,624,483.00	850,160.00
230-59-03 R & M (Office Equipment)	33,053.00	20,283.00
230-59-05 Other Assets (R & M)	-	58,781.00
230-80-01 Sewar Plant Treatment(Maintenance)	420,000.00	-
230-80-02 Sweeping Exp.	42,342,279.00	24,282,017.00
230-80-03 Solid Waste Mangement	76,332.00	
230-80-04 Other Operting Food for Catala	49,716.00	38,916.00
230-80-06 Lavarish Dead Body Daha Sanskar	116,650.00	
250-10-01 Election Exp.	15,000.00	
250-20-01 Mela Expenses	846,181.00	254,412.00
250-20-03 Other Programe Exp.	1,188,702.00	676,318.00
250-30-01 Disst. Programe	33,410.00	30,810.00
260-10-01 I H S P D Contribution	0.00	9,951,767.00
260-20-01 Akshay Kaleva Scheme Expenses	338,983.00	457,511.00
260-20-01 Census Expenses	1,337,000.00	2,788,350.00
260-20-01 Jansabhagi Cont. Exp.	1,397,724.00	807,278.00
260-20-01 Lavartaries Expenses		7,511.00
260-20-01 Ren Basera Expenses		103,170.00
260-30-01 Expenses Against BPL Schememe	33,853,000.00	8,750,000.00
260-30-01 Expenses Against Sjsry	2,980,043.00	3,868,969.00
260-30-01 Expenses Aginst Bhamashah Yojna		
260-30-01 Panna Dhyaya Expenses	763,200.00	1,086,000.00
Total	144,148,012.00	72,079,559.00



NAGAR PARISHAD ALWAR

ANNEXURE I TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2014

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
Immovable Assets											
410-20 Buildings											
410-20-01 Office Building	4,647,280	943,536	3,703,744		572,000	4,275,744	10%	398,974	5,219,280	1,342,510	3,876,770
410-20-02 Community Centre	-	-	-	572,780		572,780	10%	57,278	572,780	57,278	515,502
410-20-02 Lavatories	949,950	145,065	804,885		468,540	1,273,425	10%	103,916	1,418,490	248,981	1,169,509
410-20-02 Other Building (Garden Etc.)	7,048,310	830,417	6,217,893	1,198,730	2,178,000	9,594,623	10%	850,562	10,425,040	1,680,979	8,744,061
410-20-02 Other Infra-Structure Bldg	2,988,290	348,888	2,639,402	534,120	52,108	3,225,630	10%	319,958	3,574,518	668,846	2,905,672
410-20-02 Ren Basera	4,442,820	557,097	3,885,723	529,560		4,415,283	10%	441,528	4,972,380	998,625	3,973,755
410-20-03 Hospital Ward	2,740,559	582,647	2,157,912		227,800	2,385,712	10%	227,181	2,968,359	809,828	2,158,531
410-20-05 College/School Building	8,058,460	1,227,652	6,830,808	3,391,450	99,990	10,322,248	10%	1,027,225	11,549,900	2,254,877	9,295,023
Infrastructure Assets											
410-30 Roads & Bridges											
410-30-01 C.C. Road	71,447,750	7,951,997	63,495,753	31,132,500	35,122,074	129,750,327	10%	11,218,929	137,702,324	19,170,926	118,531,398
410-30-02 Other Tiles Road	10,094,660	1,359,728	8,734,932	3,217,248	3,857,825	15,810,005	10%	1,388,109	17,169,733	2,747,837	14,421,896
410-30-03 Gravel Road	2,633,750	413,965	2,219,785	1,442,590	4,894,520	8,556,895	10%	610,964	8,970,860	1,024,929	7,945,931
410-30-04 Patav	3,963,960	548,940	3,415,020	206,910	6,007,700	9,629,630	10%	662,578	10,178,570	1,211,518	8,967,052
410-31 Sewrage & Drainage											
410-31-01 Drainage	34,331,050	5,370,577	28,960,473	3,304,780	11,323,033	43,588,286	10%	3,792,677	48,958,863	9,163,254	39,795,609
410-32 Waterways											
410-32-01 Boring (Nal Kup)	1,849,400	450,344	1,399,056			1,399,056	10%	139,906	1,849,400	590,250	1,259,150
410-32-03 Water Tank	118,500	32,051	86,449			86,449	10%	8,645	118,500	40,696	77,804
410-32-04 Water Harwasting (Kuaa)	1,103,214	209,179	894,035	57,820	97,190	1,049,045	10%	100,045	1,258,224	309,224	949,000
410-33 Public Lighting											
410-33-01 Lamp Post	52,653	20,317	32,336			32,336	15%	4,850	52,653	25,167	27,486
410-33-03 Electric Line Extension	137,644	10,323	127,321			127,321	15%	19,098	137,644	29,421	108,223
410-33-03 Other Public Lighting	1,164,459	333,994	330,465	71,237		901,702	15%	135,255	1,235,696	469,249	766,447
Moveable Assets											
410-40 Plant & Machinery											
410-40-01 Foggig Machine	181,830	27,275	154,555			154,555	5%	23,183	181,830	50,458	131,372
410-60 Office Equipments											
410-60-01 Air Conditioner	42,500	6,375	36,125			36,125	15%	5,419	42,500	11,794	30,706
410-60-02 Laptop/Computer	252,984	93,241	159,743			159,743	60%	95,846	252,984	189,087	63,897
410-60-02 Printing Machine	140,308	41,285	99,023			99,023	15%	14,853	140,308	56,138	84,170
410-60-06 Water Cooler & Fan	63,169	18,248	44,921			44,921	15%	6,738	63,169	24,986	38,183
410-60-07 Other Office Equipment	76,749	25,570	51,179	50,000		101,179	15%	15,177	126,749	40,747	86,002
410-60-07 Television	16,380	5,433	10,947			10,947	15%	1,642	16,380	7,075	9,305



ANNEXURE I TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2014

Calculation Of Depreciation -----Contd Page 2

410-70 Furniture/electrical fittings												
410-70-01 F & F Racks	19,968	5,411	14,557				14,557	10%	1,456	19,968	6,867	13,101
410-70-03 Chair Maze	34,033	7,932	26,101				26,101	10%	2,610	34,033	10,542	23,491
410-70-04 Table	57,209	3,813	53,396				53,396	10%	5,340	57,209	9,153	48,056
410-70-05 Cooler Fan	106,448	37,543	68,905	224,040	91,000		383,945	15%	50,767	421,488	88,310	333,178
410-70-06 Furniture & Fixture. - Electrical	244,790	45,876	198,914		74,248		273,162	15%	35,406	319,038	81,282	237,756
TOTAL	159,009,077	21,654,719	137,354,358	45,933,765	65,066,028		248,354,151		21,766,115	270,008,870	43,420,834	226,588,036



NAGAR PARISHAD ALWAR(2013-14)

ANNEXURE II TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2014

DETAILS OF BANK ACCOUNT AS ON 31.03.2014

NAME OF BANK ACCOUNT	31.03.2014	31.03.2013
450-11-01 P D A/c (Int. Bearing)	24,120.00	24,120.00
450-12-01 P D A/c (Non Intt. Bearing)	26,001,836.00	63,111,465.00
450-21-01 U.C.O. Bank A/c	7,546,591.00	7,980,352.00
450-21-02 Bank of Baroda A/c	4,985,820.39	10,648,275.39
450-21-03 Axis Bank	6,627,560.00	4,141,757.00
450-21-04 Oriental Bank of Com.	73,393.00	71,966.00
450-21-06 F D R A/c	7,582,910.00	7,582,910.00
450-21-07 O.B.Com. (Old)	6,157.10	6,037.10
450-21-08 Uco Bank (Cid)	7,376,959.00	143,459.00
450-21-09 Union Bank (Old)	20,393.00	19,601.00
450-21-10 Punjab National Bank (Shivaji Park)	1,782,817.00	61,661.00
450-21-12 Punjab N. Bank Manu Marg	1,913,397.85	18,124,277.85
450-21-13 Alwar Arban Co.Bank Lt	5,568,462.00	-
450-41-03 Rain Basera Bank A/C		103,180.00
450-41-04 ICICI Bank (B P L)	4,430,410.00	2,700,000.00
450-41-06 13th Finance Bank A/C	41,308,155.00	39,784,143.00
450-41-07 Janganna A/C	500.00	500.00
450-41-08 B.O.B. A/C (NULM)	6,233,733.73	5,018,968.73
Grand Total	121,483,215.07	159,522,673.07



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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

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.



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II NOTES TO ACCOUNT

1. The value of fixed assets acquired after 1st April, 2010 and till 31st 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 as on 1st April, 2012. Thereafter, the value of depreciation on assets are calculated on Written down value method as per rates specified in Income Tax Act, 1961 as suggested in Rajasthan Municipal Accounting Manual and added to opening Depreciation Fund to arrive at Depreciation Fund as at the year end.
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.
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


आयुक्त

EO/Commissioner (M.C.)

Kolkata, the 21st June April, 2017


सहायक निवाहिकारी
CAO/Sr. A.O.
नगर परिषद, अलवर

