

FINANCIAL STATEMENT

[Under Double Entry Accounting System]]

MUNICIPAL

COUNCIL

SIKAR

2013-14

Prepared by:

K K CHANANI & ASSOCIATES

Chartered Accountants

5/1 Clive Row, 3rd Floor, Room No. 78

Kolkata-700001 West Bengal

Dial: 03322302096/9315

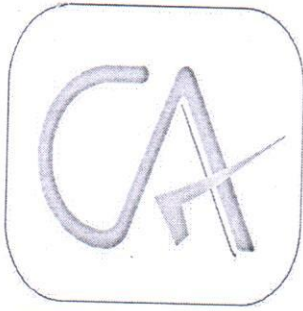
Fax: 03322624786

MUNICIPAL COUNCIL SIKAR

2013-14

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Certified Firm

K. K. Chanani & Associates

Chartered Accountants

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

Branches: Bhubaneswar, Bangalore, Chandigarh, Guwahati, Jaipur,
Jamshedpur, Mumbai, Muzaffarpur, New Delhi and Raipur

Contact: Dial: +91 9830044507, +9133 - 22302096/ 22309315

Fax: +9133 - 22624786

Email: kkeandassociates@gmail.com, kke@cal2.vsnl.net.in

INDEPENDENT AUDITOR'S REPORT

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

Report to Financial Statement

We have audited the accompanying financial statements of **Municipal Council, Sikar, 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) Balances lying at external liabilities(secured loan, sundry deposit statutory and other liabilities) and current assets(loans, advances and deposits) are subject to reconciliation on receipt of confirmations/ statements Many outstanding balances including very old ones may be required to be adjusted through Income & Expenditure Account either by writing back, write off or adjustment due to reconciliation. Besides, adjustment has not been made for lapsed deposit no longer payable(Rs.38.12 Lakh as per AG Audit Report). As such, the accounts do not reflect true and fair view to this extent.***
- c) Liabilities on account of non-deduction/ non-payment 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.***



- d) 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.
- e) Liabilities on account of repayment to State Government towards their share against various realizations as per AG 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:

Order under which amount to be remitted	Pt no of AG audit report(2013-14)	Amount (in Rs Lakh)) to be remitted to Government Exchequer
Agricultural Land Conversion	4	37.59
Lease Premium	8	284.39

- 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) Amount of fees and user charges 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
Service Tax not realised	High Mask Light etc	1,12,281/-

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



- h) The amount receivable on account of Urban Development Tax and House Tax has not been determined and not considered as income of the year. As such, Income and Assets are understated to this extent.
- i) All expenses except salary, 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) Interest payable on RUDF loan has not been accounted for and entire amount is shown as deduction from loan. As such, liabilities are understated and income is overstated to that extent.
- k) Salary, Bonus & Wages includes a sum of Rs 63,22,835/- being pertaining to previous year. As such surplus of income over expenditure has been overstated to this extent. Besides, excess payment on account of liabilities of employees as per double entry accounts aggregating to Rs. 35,91,413/- has been adjusted by debit under Miscellaneous Expenses but no reconciliation statement has been produced before us, as such we are unable to comment on the correctness or otherwise of such charge. To this extent, accounts does not reflect the true and fair view
- l) Interest on Fixed Deposit held in bank has not been provided. As such, both Surplus of Income over expenditure and assets are understated.
- m) Double entry accounting system has not been properly done as deduction on account of TDS, royalty, cess etc is made from payment voucher instead of passing the journal voucher involving the name of contractor/supplier concerned. Besides, the income and expenses under various heads are not exactly the same as given in the books of accounts maintained at the council office except balances at year end in respect of cash balance and bank balances are agreed.
- n) Bank Reconciliation, in respect of several bank accounts, have been given in the Cash Book for the year 2013-14. However, treatment of differences arising out of reconciliation including old differences and bank charges debited by bank remains unaccounted for. Besides, bank statement for the period has not been produced before us for verification. To this extent accounts does not reflect true and fair view.

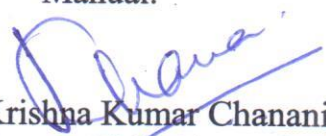


in our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the Rajasthan Municipal Accounts Manual:

- a) in the case of the Balance Sheet, of the state of affairs of the ULB as at March 31, 2014;
- 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

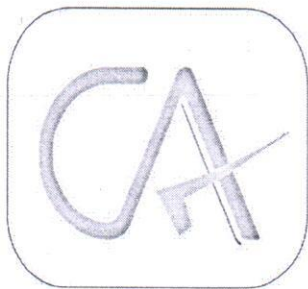
We further report that:

- 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 22nd December, 2016



An ISO 9001:2008
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Fax: +9133 – 22624786

Email: kkcandassociates@gmail.com, kkc@cal2.vsnl.net.in

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, accounting charges and audit fee which are brought to accounts on accrual basis and have been *generally* appropriately classified but such classification do not agree with the classification as given by the municipal council.
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 maintaining records showing full particulars, including quantitative details. However, *situation* of fixed assets has not been specified in the records so maintained.



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 at reasonable intervals* 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
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, Patrakar Kalyan Khosh etc except in cases as reported in Annexure "A1" enclosed herewith. Cases of non-deduction of income tax at source, royalty, sales tax and patrakar kalyan khosh as traced by us on the basis of our test checking are also given in the Annexure "A2" enclosed herewith.***



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. . Even balance of grant to be utilized do not reconcile with the balance remaining to be spent as per users' certificate issued by the municipal council in few cases. Besides, Assets as per Fixed Assets Register, value of security deposit as per Deposit register , loans payable as per loan register and advances given as per allied register are not fully reflected in books of account.*


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



Kolkata, the 23rd December, 2016

MUNICIPAL COUNCIL SIKAR

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

CASES OF DELAY IN DEPOSIT OF TAXES

Sl. No	Particulars	Date of Payment	Amount (in RS)	Due Date of Remittance	Date of Remittance
1	VAT(TFC)	April,2013	5,059	15-05-2013	31-05-2013
	VAT(TFC)	27-10-2013	5,057	15-11-2013	21-11-2013
	VAT(TFC)	Dec,2013	25,312	15-01-2014	16-01-2014
	VAT(TFC)	Feb,2014	1,790	15-03-2014	28-03-2014
2	VAT	April,2013	113,759	15-05-2013	31-05-2013
	VAT	31-05-2013	8,488	15-06-2013	18-07-2013
	VAT	June,2013	127,289	15-07-2013	18-07-2013
	VAT	July,2013	154,779	15-08-2013	02-09-2013
	VAT	Oct,2013	542,380	15-11-2013	21-11-2013
	VAT	Dec,2013	277,797	15-01-2014	16-01-2014
	VAT	27-12-2013	39,488	15-01-2014	12-02-2014
3	VAT(IDSMT)	04-06-2013	141	15-07-2013	01-08-2013
4	VAT(MP&MLA)	19-06-2013	12,746	15-07-2013	18-07-2013
5	VAT(SFC)	April,2013	44,772	15-05-2013	31-05-2013
	VAT(SFC)	July,2013	30,685	15-08-2013	02-09-2013
	VAT(SFC)	Feb,2014	7,535	15-03-2014	27-03-2014
6	Labour Cess(TFC)	26-04-2013	5,059	15-05-2013	31-05-2013
	Labour Cess(TFC)	27-10-2013	505	15-11-2013	21-11-2013
	Labour Cess(TFC)	Dec,2013	25,312	15-01-2014	16-01-2014
	Labour Cess(TFC)	19-02-2014	1,790	15-03-2014	28-03-2014
7	Labour Cess	April,2013	88,242	15-05-2013	31-05-2013
	Labour Cess	31-05-2013	8,488	15-06-2013	18-07-2013
	Labour Cess	June,2013	41,016	15-07-2013	18-07-2013
	Labour Cess	July,2013	109,135	15-08-2013	02-09-2013
	Labour Cess	Oct,2013	317,008	15-11-2013	21-11-2013
	Labour Cess	Dec,2013	97,214	15-01-2014	16-01-2014
8	Labour Cess(IDSMT)	04-06-2013	141	15-07-2013	01-08-2013
9	Labour Cess(MP&MLA)	19-06-2013	4,249	15-07-2013	18-07-2013
10	Labour Cess(SFC)	April,2013	29,193	15-05-2013	31-05-2013
	Labour Cess(SFC)	July,2013	30,685	15-08-2013	02-09-2013
	Labour Cess(SFC)	Dec,2013	7,916	15-01-2014	16-01-2014
	Labour Cess(SFC)	Feb,2014	2684	15-03-2014	28-03-2014

.....CONTD.....



MUNICIPAL COUNCIL SIKAR (2013-14)

CASES OF DELAY IN DEPOSIT OF TAXES...contd

11	Royalty(TFC)	27-10-2013	15,172	15-11-2013	21-11-2013
	Royalty(TFC)	Dec,2013	37,970	15-01-2014	16-01-2014
	Royalty(TFC)	19-02-2014	1,790	15-03-2014	28-03-2014
12	Royalty	April,2013	202,553	15-05-2013	31-05-2013
	Royalty	June,2013	45,109	15-07-2013	18-07-2013
	Royalty	19-06-2013	10,559	15-07-2013	12-12-2014
	Royalty	July,2013	222,436	15-08-2013	02-09-2013
	Royalty	29-08-2013	25,382	15-09-2013	03-12-2013
	Royalty	Dec,2013	276,074	15-01-2014	16-01-2014
13	Royalty(SFC)	April,2013	43,360	15-05-2013	31-05-2013
	Royalty(SFC)	July,2013	2,051	15-08-2013	02-09-2013
	Royalty(SFC)	13-02-2014	11,302	15-03-2014	27-03-2014
	Royalty(SFC)	04-03-2014	14,885	15-04-2014	01-12-2014
14	Tax deducted at source(TFC)	April,2013	16744	07-05-2013	08-05-2013
	Tax deducted at source(TFC)	01-10-2013	13060	07-11-2013	21-11-2013
15	Tax deducted at source	April,2013	152701	07-05-2013	08-05-2013
	Tax deducted at source	02-04-2013	799	07-05-2013	02-09-2013
16	Tax deducted at source	31-05-2013	7,146	07-06-2013	04-07-2013
		31-05-2013	1,342	07-06-2013	02-09-2013
17	Tax deducted at source	July,2013	20,343	07-08-2013	02-09-2013
			(Balance)		
18	Tax deducted at source(SFC)	April,2013	29193	07-05-2013	08-05-2013
19	Tax deducted at source(SJSRY)	April,2013	22673	07-05-2013	08-05-2013
20	Tax deducted at source(salary)	Sept,2013	6,000	07-10-2013	21-12-2013
	Tax deducted at source(salary)	Oct,2013	11,000	07-11-2013	02-12-2013
		Oct,2013	4,000	07-11-2013	03-02-2014
21	Tax deducted at source(salary)	Dec,2013	4,000	07-01-2014	03-02-2014
		Dec,2013	7,800	07-01-2014	11-03-2014
		Dec,2013	1,200	07-01-2014	26-03-2014
	Tax deducted at source(salary)	March,2014	10,100	07-04-2014	01-05-2014
22	Patrakar Kalyan Khosh	2013-14	42,410	2013-14	28-03-2014



MUNICIPAL COUNCIL SIKAR

ANNEXURE "A2" TO ANNEXURE ON AUDITOR'S REPORT FOR YEAR ENDED 31.03.2014

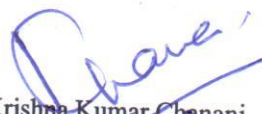


CASES OF NON DEDUCTION OF TDS, ROYALTY, SALESTAX, PATRAKAR KALYAN KHOSH-

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	24-10-2013	39,000	194 J	10%
2	Other Contingencies	16-01-2014	36,000	194C	1%
		05-02-2014	81,035	194C	1%
3	Computer Consumables	06-01-2014	112,625	194C	1%
4	Technical Fees	05-08-2013	1,165,000	194 J	8%
5	Repairs -Vehicles	17-10-2013	45,990	194C	(Short Deduction) 1%
4	SJSRY Yojana Expenses	04-07-2013	66,150	194C	1%



NAGAR PARISHAD SIKAR
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	429,376,894.52	367,595,760.07
Earmarked Funds	2	55,256,313.00	50,780,178.00
Reserve & Surplus	3	247,678,152.00	52,949,922.00
Total Reserve & Surplus (A)		732,311,359.52	471,325,860.07
<u>GRANT/ CONTRIBUTION FOR SPECIFIC PURPOSE</u>			
Grant/Contribution for Specific purpose	4	143,614,170.30	91,651,153.30
Total Grant/Contribution (B)		143,614,170.30	91,651,153.30
<u>LOANS</u>			
Secured Loans	5	57,381,536.00	67,885,536.00
Total Loans (C)		57,381,536.00	67,885,536.00
<u>CURRENT LIABILITIES & PROVISIONS</u>			
Sundry Deposits	6	34,978,867.00	13,453,635.00
Statutory Liabilities	7	3,888,216.00	2,974,195.00
Other Liabilities	8	6,079,409.00	-164,695.00
Provisions	9	209,500.00	152,250.00
Total Current Liabilities and Provisions (D)		45,155,992.00	16,415,385.00
TOTAL LIABILITIES (A+B+C+D)		978,463,057.82	647,277,934.37
Notes to Accounts and Accounting Policies 27 As per our Report of even date attached <div style="display: flex; justify-content: space-between;"> <div>  Krishna Kumar Chanani Partner, K K Chanani & Associates Chartered Accountants FRN NO. 322232E Membership No .056045 </div> <div>  EO/Commissioner </div> <div>  CAO/ Sr. A.O </div> </div> Kolkata, the <u>23rd</u> December, 2016			



NAGAR PARISHAD SIKAR
Balance Sheet As on 31st March 2014

ASSETS	Schedule	31st March 2014	31st March 2013
		(Amount)	(Amount)
<u>FIXED ASSETS</u>			
Gross Block	10	259,166,868.00	69,604,297.00
Depreciation Fund	11	24,772,914.55	4,207,565.00
Net Block		234,393,953.45	65,396,732.00
Total Fixed Assets (A)		234,393,953.45	65,396,732.00
<u>INVESTMENTS</u>			
General Fund Investments	12	143,437,123.00	55,285,228.00
Specific Fund Investments	13	118,643,036.00	98,516,983.00
Total Investments (B)		262,080,159.00	153,802,211.00
<u>CURRENT ASSETS, LOAN & ADVANCES</u>			
Cash & Bank Balances	14	344,864,798.37	344,304,533.37
Loans, Advances and Deposits	15	137,124,147.00	83,774,458.00
Total Current Assets, Loans & Advances (C)		481,988,945.37	428,078,991.37
TOTAL ASSETS(A+B+C)		978,463,057.82	647,277,934.37

Notes to Accounts and Accounting Policies

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As per our Report of even date attached

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



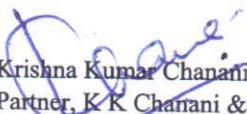



EO/Commissioner

CAO/ Sr. A.O

Kolkata, the 23rd December, 2016

NAGAR PARISHAD SIKAR

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	16	2,020,927.00	2,783,138.00
Assigned Compensations	17	96,296,000.00	87,542,000.00
Rental Income from Municipal Properties	18	223,590.00	379,719.00
Fees and User Charges	19	227,967,248.00	218,816,418.07
Revenue Grants, Contributions and Subsidies	20	71,251,665.00	43,687,367.00
Income from Corporation Assets and Investment	21	20,846,548.00	113,373,058.00
Miscellaneous Income	22	2,555,090.00	4,909,441.00
Total Income		421,161,068.00	471,491,141.07
EXPENDITURE			
Establishment Expenses	23	113,574,408.00	98,167,705.00
General Administrative Expenses	24	15,487,170.00	9,990,264.92
Public Works	25	139,327,168.00	67,961,104.00
Miscellaneous Expenses	26	66,378,946.00	2,901,000.00
Depreciation During the Year	11	20,565,349.55	4,207,565.00
Total Expenditure		355,333,041.55	183,227,638.92
Surplus\ Deficit before adjustment of prior period items and Depreciation		65,828,026.45	288,263,502.15
Less; Prior Period Items		-	-
Less: Prior Period adjustment of Depreciation		-	-
NET SURPLUS\ (DEFICIT)		65,828,026.45	288,263,502.15
<p>Notes to Accounts and Accounting Policies 27</p> <p>As per our Report of even date attached</p> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 45%;"> <p> Krishna Kumar Chanani Partner, K K Chanani & Associates Chartered Accountants FRN NO. 322232E Membership No .056045</p> </div> <div style="width: 20%; text-align: center;">  </div> <div style="width: 30%; text-align: center;"> <p> EO/Commissioner</p> <p> CAO/ Sr. A.O</p> </div> </div> <p>Kolkata, the <u>23rd</u> December, 2016</p>			

NAGAR PARISHAD SIKAR

Statement of Cash Flow As on 31st March 2014

S.No	PARTICULARS	2013-14	2012-13
A.	<u>Cash flow From Operating Activities</u>		
a.	Surplus/(Deficit) over expenditure	65,828,026.45	288,263,502.15
b.	Add : Non Cash Items Debited in Income & Expenditure A/c. Depreciation	20,565,349.55	4,207,565.00
	Add : Non-operating Items debited in Income & Expenditure A/c	-	-
	Less: Non-operating Items credited in Income & Expenditure A/c. Interest Received	19,210,748.00	8,588,595.00
	Sale of Land , etc	1,635,800.00	104,784,463.00
	Rental Income	223,590.00	379,719.00
c.	Adjusted income over expenditure before changes in current assets current liabilities and extra ordinary items.	65,323,238.00	178,718,290.15
d.	Changes in current assets and current liabilities		
	Add : Increase in sundry deposit	21,525,232.00	8,483,767.00
	Add : Increase in Statutory Liabilities	914,021.00	2,571,714.00
	Add : Increase in Other Liabilities	6,244,104.00	25,694.00
	Add : Increase in Provisions	57,250.00	152,250.00
	Less : Increase in Loans and Advances	-53,349,689.00	-83,774,458.00
e	Add : Adjustment to Capital Contribution	194,728,230.00	52,949,922.00
	Add : Adjustment to Municipal General Fund	429,243.00	-
	Net cash generated from/ (used in) operating activities (A)	235,871,629.00	159,127,179.15
B.	<u>Cash flows from investing activities</u>		
a.	Add : Proceeds from sale of land & obsoletes	1,635,800.00	104,784,463.00
b.	Add : Interest Received	19,210,748.00	8,588,595.00
c.	Add : Rental Income	223,590.00	379,719.00
d	Add : Increase in General funds investments	-88,151,895.00	-23,659,526.00
e	Less: Increase in Specific Fund Investment	-20,126,053.00	-6,563,278.00
f	Less: Purchase of fixed assets	-189,562,571.00	-69,604,297.00
	Net cash generated from/ (used in) investing activities (B)	-276,770,381.00	13,925,676.00
	<u>Cash flows from financing activities</u>		
a.	Add : Grants utilised for specific purpose	51,963,017.00	1,328,345.00
b.	Add : Increase in Loans	-10,504,000.00	67,885,536.00
	Net cash generated from (used in) financing activities(C)	41,459,017.00	69,213,881.00
D.	<u>Net increase/ (decrease) in cash and cash equivalents (A + B + C)</u>	560,265.00	242,266,736.15
E.	<u>Change in Cash and Cash Equivalents</u>		
a.	Cash and cash equivalents at beginning of period	344,304,533.37	102,037,797.22
b	Cash and cash equivalents at end of period	344,864,798.37	344,304,533.37
	Net increase/ (decrease) in cash and cash equivalents(b-a)	560,265.00	242,266,736.15

As per our Report of even date attached

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



EO/Commissioner

CAO/ Sr. A.O

Kolkata, the 23rd December, 2016

NAGAR PARISHAD SIKAR

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

2013-14

2012-13

Schedule - 1

MUNICIPAL (GENERAL) FUND	Amount	Amount
Opening Balance	367,595,760.07	85,895,535.92
Add Addition during the year	15,654,815.00	44,216,900.00
Less Deduction during the year	19,701,707.00	50,780,178.00
Add Excess of Income over expenditure	65,828,026.45	288,263,502.15
Total	429,376,894.52	367,595,760.07

Schedule - 2

EARMARKED FUND	Amount	Amount
Gratuity Fund (As per Pass Book)	619,828.00	624,725.00
General Provident Fund(As per Pass Book)	54,636,485.00	50,155,453.00
Total	55,256,313.00	50,780,178.00

Schedule - 3

RESERVE & SURPLUS	Amount	Amount
Capital Contribution		
Opening Balance	52,949,922.00	
Add Addition during the year	194,728,230.00	52,949,922.00
Less Withdrawal during the year	-	
Total	247,678,152.00	52,949,922.00

Schedule - 4

GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE	Amount	Amount
Grant from State Finance Commission	6,202,387.00	16,122,818.00
Grant under IDSMT Scheme	7,928,297.00	23,955,283.00
Special Grant for 13th Financial Commission	35,747,751.00	37,918,960.00
Grant Under IHSDP Scheme	6,192,968.00	5,085,045.00
M.P./ MLA Fund	2,536,963.00	1,852,561.00
CM Housing Scheme	6,110,000.00	435,000.00
SJSRY	6,705,000.30	6,004,286.30
Nirband Anudan Grant	72,190,804.00	-
Pannadhaya Scheme	0.00	277,200.00
Total	143,614,170.30	91,651,153.30



NAGAR PARISHAD SIKAR(2013-14)

Schedule - 5

SECURED LOANS	Amount	Amount
Loan from RUIDFCO	57,381,536.00	67,885,536.00
Total	57,381,536.00	67,885,536.00

Schedule - 6

SUNDRY DEPOSITS	Amount	Amount
Security Deposits	7,559,707.00	7,068,381.00
Amanat Payable	27,419,160.00	6,385,254.00
Total	34,978,867.00	13,453,635.00

Schedule - 7

STATUTORY LIABILITIES	Amount	Amount
Income Tax (TDS) Payable	-	-1,966.00
Income Tax (TDS) Salary Payable	72,100.00	-
Commercial Tax Payable	7,080.00	7,080.00
Labour Cess Payable	56,722.00	56,722.00
Royalty Payable	283,299.00	257,855.00
Gratuity Payable	146,999.00	868,028.00
New Pension (NPS) Payable	1,236,368.00	455,626.00
Pension Contribution	768,539.00	-
G P F Loan Payable	74,440.00	-
Providend fund Payable	968,114.00	1,330,850.00
LIC Deduction Payable	236,004.00	-
Other Deduction	38,551.00	-
Total	3,888,216.00	2,974,195.00

Schedule - 8

OTHER LIABILITIES	Amount	Amount
Bank Loan Recoveries from Employees	226,200.00	-166,238.00
Patrakar Kalyan Kosh	1,543.00	1,543.00
Salary Payable	5,808,616.00	-
R D Payable	43,050.00	-
Total	6,079,409.00	-164,695.00

Schedule - 9

PROVISIONS	Amount	Amount
Audit fees Payable	114,500.00	57,250.00
Accounting fees payable	95,000.00	95,000.00
Total	209,500.00	152,250.00



NAGAR PARISHAD SIKAR(2013-14)

Schedule - 10

FIXED ASSETS : GROSS BLOCK	Amount	Amount
Immovable Assets		
Office Building	4,548,000.00	4,548,000.00
Community Centre(Rain Basera)	1,002,379.00	-
Infrastructure Assets		
Roads & Bridge	205,061,906.00	49,028,358.00
Sewrage & Drainage	35,843,785.00	13,173,192.00
Public Lighting	572,900.00	572,900.00
Garden	649,182.00	649,182.00
Moveable Assets		
Furniture		
Furniture & Fixture	197,450.00	37,450.00
Coolar	8,650.00	-
Fans	10,756.00	-
RO Water Machine	43,700.00	-
Plant & Machinery		
Mud Pump	495,280.00	
Others Machinery	1,774,644.00	
Vehicles		
Vehicles	1,332,599.00	1,312,238.00
Auto Teeper	1,548,000.00	
Loader	1,125,000.00	
Trucks	1,184,500.00	
Tata 709	3,346,610.00	
Office Equipments		
Computer	247,600.00	247,600.00
Air Conditioner	138,550.00	35,377.00
Office - Other Equipments	35,377.00	-
Total	259,166,868.00	69,604,297.00

Schedule - 11

DEPRECIATION FUND	Amount	Amount
Opening balance	4,207,565.00	0.00
Add:- Depreciation for the year (as per Annexure I enclose)	20,565,349.55	4,207,565.00
Total	24,772,914.55	4,207,565.00



NAGAR PARISHAD SIKAR(2013-14)

Schedule - 12

GENERAL FUND INVESTMENT	Amount	Amount
PD-8338 (Interest bearing)	8,429,687.00	8,429,687.00
PD-8448 (Non-Interest bearing)	135,007,436.00	46,855,541.00
Total	143,437,123.00	55,285,228.00

Schedule - 13

SPECIFIC FUND INVESTMENT	Amount	Amount
Gratuity P.D A/c (As per Pass Book)	619,828.00	624,725.00
Employee's GPF A/c (As per Pass Book)	54,636,485.00	50,155,453.00
Pension PD A/c 8011	62,861,828.00	47,358,466.00
New Pension	524,895.00	378,339.00
Total	118,643,036.00	98,516,983.00

Schedule - 14

CASH & BANK BALANCES	Amount	Amount
Cash in Hand	-	6,300.00
Cheque in hand	-	75,344.00
Balances in Saving & Current a/cs (As per Annexure II encl)	543,558,234.37	450,288,295.37
Less Transfer to General Fund Investment	-143,437,123.00	-55,285,228.00
Less Transfer to Specific Fund Investment	-55,256,313.00	-50,780,178.00
Total	344,864,798.37	344,304,533.37

Schedule - 15

LOANS,ADVANCES & DEPOSITS	Amount	Amount
Ruidf TFC	0.00	2,511,800.00
Rajasthan Avas Vikas and Infratucture	25,000,000.00	-
Sulabh International Social Service	5,009,000.00	-
PWD Advance	848,000.00	848,000.00
Deposites with AVVNL	7,765,697.00	7,328,981.00
TCIL (Power House technique)	98,446,427.00	73,085,677.00
Other Advances	55,023.00	-
Total	137,124,147.00	83,774,458.00

Schedule - 16

INCOME FROM TAXES	Amount	Amount
House Tax	1,996,631.00	2,783,138.00
Nagriye Vikas Tax.	22,046.00	-
Property Tax	2,250.00	-
Total	2,020,927.00	2,783,138.00

Schedule - 17

ASSIGNED COMPENSATION	Amount	Amount
Octroi Compensations	96,296,000.00	87,542,000.00
Total	96,296,000.00	87,542,000.00



NAGAR PARISHAD SIKAR(2013-14)

Schedule - 18

RENTAL INCOME FROM MUNICIPLE PROPERTIE	Amount	Amount
Income from Municipal Properties	223,590.00	300,669.00
Income Teh Bazari	-	79,050.00
Total	223,590.00	379,719.00

Schedule - 19

FEES AND USER CHARGES	Amount	Amount
Licensing Fees	-	68,262.00
Fees for Grant of Permit	28,126,516.00	17,398,906.00
Fees for Certificate or Extract	58,921.00	152,118.00
Development Charges	11,949,597.00	18,134,477.00
Regularisation fees	127,374,722.00	10,511,471.00
Penalty & Fines	505,045.00	3,548,592.00
Other Fee- Property Transfer Charges	6,749,972.00	6,592,225.00
Map Renuvation Fees	20,000.00	-
User Charges	1,318,600.00	186,425.00
Administrative Charges	2,422,380.00	281,370.07
Lease Money Received	46,941,426.00	159,155,030.00
Registration Charges	446,560.00	543,686.00
Audit Para	46,409.00	12,606.00
Advertisement Fees	2,007,100.00	2,231,250.00
Total	227,967,248.00	218,816,418.07

Schedule - 20

REVENUE GRANT,CONTRIBUTION,SUBSIDIES	Amount	Amount
Revenue Grant- General	-	20,316,000.00
Revenue Grant Transfer from IDSMT	16,026,986.00	1,642,857.00
Revenue Grant Transfer from IHSDP	-	77,365.00
Revenue Grant Transfer from SFC	4,358,121.00	401,000.00
Revenue Grant Transfer from SJSRY	5,666,286.00	-
State Finance Commisiion Development -Electricity	-	6,535,000.00
Revenue Grant Transfer from TFC	29,010,209.00	11,719,744.00
Re-imbursement of Expenses	-	156,401.00
Revenue Grant- Pannadhay Yojna	277,200.00	-
Revenue Grant (MP/MLA)	1,405,598.00	-
Revenue Grant- CM BPL Avas Yojana	4,490,000.00	-
Revenue Grant- C.M. Sadi Kambal Yojana	8,370,975.00	-
Manuval Swenger	89,000.00	-
Navachar Nidhi Yojana	250,000.00	-
BPL Scholarship Grant	313,200.00	-
Grant for Rain Basera	-	730,000.00
Revenue Grant- Census	994,090.00	2,109,000.00
Total	71,251,665.00	43,687,367.00



NAGAR PARISHAD SIKAR(2013-14)

Schedule - 21

INCOME FROM CORP.ASSET/INVESTMENT	Amount	Amount
Interest from Banks	19,122,845.00	8,333,371.00
Other Interest	87,903.00	255,224.00
Sale of Products	97,746.00	104,444,810.00
Sale of Stores & Scrap	1,113,700.00	-
Sale of Forms & Publications	424,354.00	339,653.00
Total	20,846,548.00	113,373,058.00

Schedule - 22

MISCELLANEOUS INCOME	Amount	Amount
Recoveries from Employees	154,630.00	221,703.00
Misc. Income	2,400,460.00	4,687,738.00
Total	2,555,090.00	4,909,441.00

Schedule - 23

ESTABLISHMENT EXP.	Amount	Amount
Salary, Bonus & Wages	108,809,384.00	87,916,846.00
Pension contribution	0.00	53,063.00
Gratuity Exp.	2,550,670.00	6,647,549.00
Conveyance Allowances	0.00	13,248.00
Medical Re Imbursement	3,700.00	799,904.00
Parshad Allowances	933,655.00	1,056,950.00
Uniform Allowances	405,581.00	368,090.00
Bonus	871,418.00	924,704.00
Other Allowances	0.00	387,351.00
Total	113,574,408.00	98,167,705.00

Schedule - 24

GENERAL ADMINISTRATION EXP.	Amount	Amount
Advertisement & Promotion Expenses	4,371,836.00	3,079,548.00
Audit fees	57,250.00	1,173,250.00
Professionals & other Fees	1,320,153.00	98,000.00
Computer Operator	51,345.00	0.00
Communication Expenses	99,200.00	100,844.00
Books & Journals	14,961.00	14,970.00
Printing & stationary	645,801.00	274,910.00
Travelling & Conveyance	78,025.00	145,821.00
Office Maintance	305,953.00	423,874.00
Others Exp.	67,450.00	411,337.00
Finance Charges	758,818.00	47,352.92
Legal expenses	365,165.00	407,548.00
Repair & Maintainance-Office Building	80,963.00	38,019.00
Security Guard expenses	721,811.00	-
Vehicle Running and Maintanance Exp	1,883,193.00	318,778.00
Insurance	325,235.00	-
Power and Fuel	3,445,078.00	2,229,454.00
Other Contingencies	894,933.00	1,226,559.00
Total	15,487,170.00	9,990,264.92



NAGAR PARISHAD SIKAR(2013-14)

Schedule - 25

PUBLIC WORKS	Amount	Amount
Expenditure On Safai	27,054,734.00	23,056,807.00
Repair & Maintanance of Public Toilets	73,000.00	81,000.00
Repair and Maintenance-Sewerage and Drainage	13,904,468.00	2,585,052.00
Repair & Mainatainance- Roads & Bridge	38,512,023.00	20,803,904.00
Expenditure On Road Light	20,804,571.00	12,743,800.00
Electricity- Bulk Purchase	1,650,943.00	41,577.00
Water- Bulk Purchase	37,494.00	-
Expenditure on Parks and Gardens	14,735,846.00	2,806,458.00
Repair & Maintanance-Others	633,935.00	3,861,066.00
Rain Basera expenses	30,900.00	-
Grants and Subsidies	-	1,100,000.00
Census	1,894,910.00	50,898.00
BPL Scholarship	313,200.00	-
CM BPL Avas Yojana Exp.	4,490,000.00	-
C.M. Sadi Kambal Yojana Exp.	8,298,000.00	-
SJSRY Yojana Expenses	5,607,530.00	-
Pannadhay Scheme Exp.	-	273,600.00
Programme Expenditure	1,285,614.00	556,942.00
Total	139,327,168.00	67,961,104.00

Schedule - 26

MISCELLANEOUS EXPENSES	Amount	Amount
40% of Conv. Fees	47,572,539.00	-
Dedicate Consultant	3,000,000.00	-
Interest Etc (Tds Etc)	36,894.00	-
Liabilities of Employees adjusted	3,591,413.00	-
Payment Against Court Order	45,800.00	-
Rudp Contribution	9,000,000.00	2,500,000.00
Ruidfc 10 % Remittance	3,117,700.00	-
Stale Cheques	14,600.00	-
CMAR Membership	-	401,000.00
Total	66,378,946.00	2,901,000.00



NAGAR PARISHAD SIKAR
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											
Office Building	4,548,000	227,400	4,320,600	-	-	4,320,600	10%	432,060	4,548,000	659,460	3,888,540
Community Centre(Rain Basera)	-	-	-	1,002,379	-	1,002,379	10%	100,238	1,002,379	100,238	902,141
Infrastructure Assets											
Roads & Bridge	49,028,358	3,045,707	45,982,651	63,618,768	92,414,780	202,016,199	10%	15,580,881	205,061,906	18,626,588	186,435,318
Sewrage & Drainage	13,173,192	692,009	12,481,183	9,496,493	13,174,100	35,151,776	10%	2,856,473	35,843,785	3,548,482	32,295,303
Public Lighting	572,900	28,645	544,255	-	-	544,255	10%	54,426	572,900	83,071	489,830
Garden	649,182	32,459	616,723	-	-	616,723	10%	61,672	649,182	94,131	555,051
Moveable Assets											
Furniture											
Furniture & Fixture	37,450	3,340	34,110	-	160,000	194,110	10%	11,411	197,450	14,751	182,699
Coolar	-	-	-	8,650	-	8,650	15%	1,298	8,650	1,298	7,353
Fans	-	-	-	10,756	-	10,756	15%	1,613	10,756	1,613	9,143
RO Water Machine	-	-	-	-	43,700	43,700	15%	3,278	43,700	3,278	40,423
Plant & Machinery											
Mud Pump	-	-	-	195,000	300,280	495,280	15%	51,771	495,280	51,771	443,509
Others Machinery	-	-	-	1,774,644	-	1,774,644	15%	266,197	1,774,644	266,197	1,508,447
Vehicle											
Car/ Jeep	1,312,238	98,418	1,213,820	20,361	-	1,234,181	15%	185,127	1,332,599	283,545	1,049,054
Auto Teepar	-	-	-	1,548,000	-	1,548,000	15%	232,200	1,548,000	232,200	1,315,800
Loader	-	-	-	1,125,000	-	1,125,000	15%	168,750	1,125,000	168,750	956,250
Trucks	-	-	-	1,184,500	-	1,184,500	15%	177,675	1,184,500	177,675	1,006,825
Tata 709	-	-	-	-	3,346,610	3,346,610	15%	250,996	3,346,610	250,996	3,095,614
Office Equipments											
Computer	247,600	74,280	173,320	-	-	173,320	60%	103,992	247,600	178,272	69,328
Air Conditioner	-	-	-	138,550	-	138,550	15%	20,783	138,550	20,783	117,768
Office - Other Equipments	35,377	5,307	30,070	-	-	30,070	15%	4,511	35,377	9,818	25,560
	69,604,297	4,207,565	65,396,732	80,123,101	109,439,470	254,959,303		20,565,349	259,166,868	24,772,914	234,393,954



NAGAR PARISHAD SIKAR(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	2013-14	2012-13
Investment in Bank FDR	195,000,000.00	150,000,000.00
GENERAL Cash Book Bank		
Allahabad Bank	5,095,691.00	1,927,996.00
Bank of Sourashtra	1,000.00	1,000.00
BOB	9,733,710.00	11,248,650.00
OBC 2527	16,070,259.07	37,566,421.07
CPf 8338	54,636,485.00	50,155,453.00
Gratuity Bank A/c 8338	619,828.00	624,725.00
PD 8338	8,425,784.00	8,425,784.00
PD 8448	122,322,541.00	20,201,791.00
SKSB 81	29,073,249.00	38,712,155.00
UCO 9211	30,827,437.00	21,729,696.00
IDSMT Cash Book Bank		
Axis Bank 9645 IDSMT	5,689,105.00	10,271,809.00
Bob 5239 IDSMT	9,827.00	9,827.00
Obc 3282 IDSMT	558,834.00	9,686,406.00
RGB 3814 IDSMT	1,168,439.00	15,146,861.00
SKSB 573 IDSMT	351,714.00	302,710.00
SKSB 783 IDSMT	150,378.00	144,059.00
IHSDP Cash Book Bank		
BOB 4551 IHSDP	1,667,567.00	3,408,380.00
BOB 8360 IHSDP	2,129,145.00	2,721,805.00
OBC 3213 IHSDP	2,396,256.00	561,477.00
MLA/MP Cash Book Bank		
BOB- MLA/MP	2,536,963.00	1,870,839.00
SFC Cash Book Bank		
PD 8448 SFC	6,167,975.00	22,970,000.00
SKSB 701 SFC	34,412.00	2,240,545.00
Sjsry		
Bob Sjsry	99,484.00	11,404.00
Pd8448 Sjsry	6,516,920.00	3,683,750.00
SKSB 81 Sjsry	88,596.30	2,374,832.30
Sundray Cash Book		
Bob Sundray C. B.	89,617.00	86,139.00
Icici 2249 Sundry C. B.	6,282,765.00	435,000.00
Pd 8338 Sundray C. B.	3,903.00	3,903.00
Sksb 581 Sundray C. B.	62,599.00	60,007.00
TFC Bank Accounts		
Icici 1853 TFC	35,422,286.00	33,395,204.00
IDBI 32993 TFC	325,465.00	309,667.00
Grand Total	543,558,234.37	450,288,295.37



MUNICIPAL COUNCIL

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SCHEDULE 27

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. 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 paid
- 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.



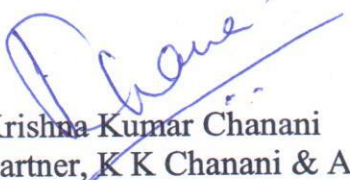
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II NOTES TO ACCOUNT

1. The value of fixed assets acquired after 1st April, 2012 and till 31st March, 2013 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 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.
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 27

In confirmation and witness of facts


Krishna Kumar Chanani
Partner, K K Chanani & Associates
Chartered Accountants

For Municipal Council :Sikar, Rajasthan

FRN NO. 322232E
Membership No .056045



EO/Commissioner

Kolkata, the 23rd December, 2016 CAO/ Sr . A.O..