

FINANCIAL STATEMENT

[Under Double Entry Accounting System]

MUNICIPAL

COUNCIL

SIKAR

2014-15

Prepared by:

K K CHANANI & ASSOCIATES

Chartered Accountants

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

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MUNICIPAL COUNCIL SIKAR

2014-15

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Certified Firm

K. K. Chanani & Associates

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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, 2015, 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. 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:

<i>Order under which amount to be remitted</i>	<i>Pt no of AG audit report(2014-15)</i>	<i>Amount (in Rs Lakh) to be remitted to Government Exchequer</i>
<i>Agricultural Land Conversion</i>	<i>6</i>	<i>41.34</i>

- 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:*

<i>Nature</i>	<i>On Account of</i>	<i>Amount (Rs. In Lakhs) to be realizable</i>
<i>Marriage Plac Registration and other fees</i>	<i>As per Pt. 8 of AG Audit Report</i>	<i>7.71</i>

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) *Excess payment on account of liabilities of employees as per double entry accounts aggregating to Rs. 69,31,081/- 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) *Rs 9,95,116/- has been shown as bank charges(Under Finance Charges) on 12/02/2015 as per double entry accounts . For this charge, no proper explanation has been given to 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*
- m) *Interest on Fixed Deposit held in bank has not been provided. As such, both Surplus of Income over expenditure and assets are understated.*
- n) *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 agreed. Besides, voucher no. and cheques no are not specified in all the vouchers in computerized accounts.*



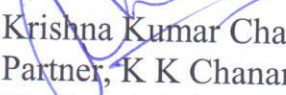
o) Bank Reconciliation, in respect of several bank accounts, have been given in the Cash Book for the year 2014-15. However, treatment of differences arising out of reconciliation including old differences and bank charges debited by bank remains unaccounted for. Besides, bank statement for the period 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, 2015;
- b) in the case of the Income and Expenditure Statement, of the deficit 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 28th December, 2016



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Annexure A to Auditor's Report (2014-15)

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 Muncipal 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

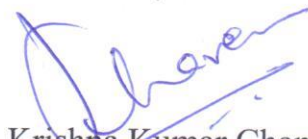


checks and payments there for. *Besides, some weakness in internal control procedures* which require immediate attention of the management are as under:

- 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, etc 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 28th December, 2016

MUNICIPAL COUNCIL SIKAR

ANNEXURE "A1" TO ANNEXURE ON AUDITOR'S REPORT FOR YEAR ENDED 31.03.2015

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, 2014	29,763	15-05-2014	05-06-2014
	VAT(TFC)	July, 2014	11,868	15-08-2014	01-09-2014
2	VAT	April, 2014	50,056	15-05-2014	02-06-2014
	VAT	July, 2014	177,854	15-08-2014	01-09-2014
	VAT	Sept, 2014	129,969	15-10-2014	12-11-2014
	VAT	Dec, 2014	112,185	15-01-2015	10-02-2015
	VAT	Jan, 2015	72,674	15-02-2015	16-02-2015
	VAT				
3	VAT(IDSMT)	April, 2014	216	15-05-2014	02-06-2014
	VAT(IDSMT)	Jun, 2014	4,519	15-07-2014	21-07-2014
4	VAT(MP&MLA)	Sept, 2014	17,464	15-10-2014	12-11-2014
5	VAT(SFC)	April, 2014	6,758	15-05-2014	05-06-2014
6	Labour Cess(TFC)	April, 2014	29,763	15-05-2014	05-06-2014
	Labour Cess(TFC)	24-07-2014	106	15-08-2014	01-09-2014
7	Labour Cess	April, 2014	3,715	15-05-2014	02-06-2014
	Labour Cess	July, 2014	177,854	15-08-2014	01-09-2014
	Labour Cess	Sept, 2014	116,944	15-10-2014	12-11-2014
	Labour Cess	Dec, 2014	97,028	15-01-2015	10-02-2015
	Labour Cess	Jan, 2015	74,336	15-02-2015	16-02-2015
	Labour Cess				
8	Labour Cess(IDSMT)	15-04-2014	216	15-05-2014	02-06-2014
	Labour Cess(IDSMT)	25-06-2014	4,519	15-07-2014	21-07-2014
9	Labour Cess(MP&MLA)	Sept, 2014	5,821	15-10-2014	12-11-2014
10	Labour Cess(SFC)	April, 2014	6,758	15-05-2014	05-06-2014
11	Royalty(TFC)	April, 2014	60,942	15-05-2014	05-06-2014
	Royalty(TFC)	24-07-2014	158	15-08-2014	01-09-2014
12	Royalty	April, 2014	11,342	15-05-2014	02-06-2014
	Royalty	July, 2014	397,850	15-08-2014	01-09-2014
	Royalty	Sept, 2014	324,520	15-10-2014	12-11-2014
	Royalty	Dec, 2014	239,264	15-01-2015	10-02-2015
	Royalty	Jan, 2015	223,007	15-02-2015	16-02-2015
	Royalty				
13	Royalty(IDSMT)	15-04-2014	648	15-05-2014	02-06-2014
	Royalty(IDSMT)	25-06-2014	13,556	15-07-2014	21-07-2014

.....CONTD.....



MUNICIPAL COUNCIL SIKAR (2014-15)

CASES OF DELAY IN DEPOSIT OF TAXES...contd

14	Royalty(IMP/MLA)	Sept,2014	17,464	15-10-2014	12-11-2014
15	Royalty(SFC)	04-04-2014	20,274	15-05-2014	05-06-2014
16	Tax deducted at source(TFC)	24-07-2014	106	07-08-2014	01-09-2014
17	Tax deducted at source(IDSMT)	15-04-2014	216	07-05-2014	02-06-2014
	Tax deducted at source(IDSMT)	25-06-2014	9037	07-07-2014	21-07-2014
18	Tax deducted at source(salary)	31-05-2014	20200	07-06-2014	02-07-2014
	Tax deducted at source(salary)	31-07-2014	37900	07-08-2014	01-09-2014
	Tax deducted at source(salary)	30-09-2014	10,000	07-10-2014	05-11-2014
	Tax deducted at source(salary)	30-11-2014	1,500	07-12-2014	01-01-2015
	Tax deducted at source(salary)	31-12-2014	6,200	07-01-2015	04-02-2015
	Tax deducted at source(salary)	28-02-2015	67,300	26-03-2015	07-03-2015
19	Patrakar Kalyan Khosh	2014-15	24,590	2014-15	30-03-2015

ANNEXURE "A2" TO ANNEXURE ON AUDITOR'S REPORT FOR YEAR ENDED 31.03.2015

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	Other Contingencies	12-08-2014 29-01-2015	39,375 38,750	194C 194C	1% 1%
2	Printing & Stationery	25-02-2015	38,955	194C	1%
3	Accounting Charges	10-09-2014	213,324	194 J	8%
4	Election Expenses(Tent)	23-12-2014	42,150	194C	(Short Deduction) 1%



NAGAR PARISHAD SIKAR
Balance Sheet As on 31st March 2015

LIABILITIES	Schedule	31st March 2015	31st March 2014
		(Amount)	(Amount)
<u>RESERVE & SURPLUS</u>			
Municipal (General) Fund	1	279,057,045.65	429,376,894.52
Earmarked Funds	2	59,200,253.00	55,256,313.00
Reserve & Surplus	3	477,740,226.00	247,678,152.00
Total Reserve & Surplus (A)		815,997,524.65	732,311,359.52
<u>GRANT/ CONTRIBUTION FOR SPECIFIC PURPOSE</u>			
Grant/Contribution for Specific purpose	4	71,453,963.30	143,614,170.30
Total Grant/Contribution (B)		71,453,963.30	143,614,170.30
<u>LOANS</u>			
Secured Loans	5	55,665,536.00	57,381,536.00
Total Loans (C)		55,665,536.00	57,381,536.00
<u>CURRENT LIABILITIES & PROVISIONS</u>			
Sundry Deposits	6	41,597,408.00	34,978,867.00
Statutory Liabilities	7	4,298,561.00	3,888,216.00
Other Liabilities	8	5,752,354.00	6,079,409.00
Provisions	9	266,750.00	209,500.00
Total Current Liabilities and Provisions (D)		51,915,073.00	45,155,992.00
TOTAL LIABILITIES (A+B+C+D)		995,032,096.95	978,463,057.82
Notes to Accounts and Accounting Policies		27	
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 28 th December, 2016			

NAGAR PARISHAD SIKAR
Balance Sheet As on 31st March 2015

ASSETS	Schedule	31st March 2015	31st March 2014
		(Amount)	(Amount)
<u>FIXED ASSETS</u>			
Gross Block	10	490,520,776.00	259,166,868.00
Depreciation Fund	11	66,624,745.00	24,772,914.55
Net Block		423,896,031.00	234,393,953.45
Total Fixed Assets (A)		423,896,031.00	234,393,953.45
<u>INVESTMENTS</u>			
General Fund Investments	12	109,494,718.00	143,437,123.00
Specific Fund Investments	13	131,638,568.00	118,643,036.00
Total Investments (B)		241,133,286.00	262,080,159.00
<u>CURRENT ASSETS, LOAN & ADVANCES</u>			
Cash & Bank Balances	14	203,830,363.95	344,864,798.37
Loans, Advances and Deposits	15	126,172,416.00	137,124,147.00
Total Current Assets, Loans & Advances (C)		330,002,779.95	481,988,945.37
TOTAL ASSETS(A+B+C)		995,032,096.95	978,463,057.82

Notes to Accounts and Accounting Policies

27

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 28th December, 2016

NAGAR PARISHAD SIKAR

Income and Expenditure Statement for the year ended on 31st March 2015


PARTICULARS	Schedule	31st March 2015	31st March 2014
		(Amount)	(Amount)
<u>INCOME</u>			
Income from Taxes	16	5,272,731.00	2,020,927.00
Assigned Compensations	17	105,926,000.00	96,296,000.00
Rental Income from Municipal Properties	18	3,342,213.00	223,590.00
Fees and User Charges	19	45,215,495.00	227,967,248.00
Revenue Grants, Contributions and Subsidies	20	44,006,466.00	71,251,665.00
Income from Corporation Assets and Investment	21	25,634,745.58	20,846,548.00
Miscellaneous Income	22	1,669,128.00	2,555,090.00
Total Income		231,066,778.58	421,161,068.00
<u>EXPENDITURE</u>			
Establishment Expenses	23	112,654,714.00	113,574,408.00
General Administrative Expenses	24	19,818,173.00	15,487,170.00
Public Works	25	66,277,576.00	139,327,168.00
Miscellaneous Expenses	26	25,869,778.00	66,378,946.00
Depreciation During the Year	11	41,851,830.45	20,565,349.55
Total Expenditure		266,472,071.45	355,333,041.55
Surplus\ Deficit before adjustment of prior period items and Depreciation		(35,405,292.87)	65,828,026.45
Less; Prior Period Items		-	-
Less: Prior Period adjustment of Depreciation		-	-
NET SURPLUS\ (DEFICIT)		(35,405,292.87)	65,828,026.45


Notes to Accounts and Accounting Policies


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 28th December, 2016




EO/Commissioner


CAO/ Sr. A.O

NAGAR PARISHAD SIKAR
Statement of Cash FlowAs on 31st March 2015

S.NO	PARTICULARS	2014-15	2013-14
A.	<u>Cash flow From Operating Activities</u>		
a.	Surplus/(Deficit) over expenditure	-35,405,292.87	65,828,026.45
b.	Add : Non Cash Items Debited in Income & Expenditure A/c. Depreciation	41,851,830.45	20,565,349.55
	Add : Non-operating Items debited in Income & Expenditure A/c	-	-
	Less: Non-operating Items credited in Income & Expenditure A/c. Interest Received	24,048,047.58	19,210,748.00
	Sale of Land , etc	1,586,698.00	1,635,800.00
	Rental Income	3,342,213.00	223,590.00
c.	Adjusted income over expenditure before changes in current assets current liabilities and extra ordinary items.	-22,530,421.00	65,323,238.00
d.	Changes in current assets and current liabilities Add : Increase in sundry deposit	6,618,541.00	21,525,232.00
	Add : Increase in Statutory Liabilities	410,345.00	914,021.00
	Add : Increase in Other Liabilities	-327,055.00	6,244,104.00
	Add : Increase in Provisions	57,250.00	57,250.00
	Less : Increase in Loans and Advances	10,951,731.00	-53,349,689.00
e.	Add : Adjustment to Capital Contribution	230,062,074.00	194,728,230.00
	Add : Adjustment to Municipal General Fund	-110,970,616.00	429,243.00
	Net cash generated from/ (used in) operating activities (A)	114,271,849.00	235,871,629.00
B.	<u>Cash flows from investing activities</u>		
a.	Add : Proceeds from sale of land & obsoletes	1,586,698.00	1,635,800.00
b.	Add : Interest Received	24,048,047.58	19,210,748.00
c.	Add : Rental Income	3,342,213.00	223,590.00
d.	Add : Increase in General funds investments	33,942,405.00	-88,151,895.00
e.	Less: Increase in Specific Fund Investment	-12,995,532.00	-20,126,053.00
f.	Less: Purchase of fixed assets	-231,353,908.00	-189,562,571.00
	Net cash generated from/ (used in) investing activities (B)	-181,430,076.42	-276,770,381.00
C.	<u>Cash flows from financing activities</u>		
a.	Add : Grants utilised for specific purpose	-72,160,207.00	51,963,017.00
b.	Add : Increase in Loans	-1,716,000.00	-10,504,000.00
	Net cash generated from (used in) financing activities(C)	-73,876,207.00	41,459,017.00
D.	<u>Net increase/ (decrease) in cash and cash equivalents (A + B + C)</u>	-141,034,434.42	560,265.00
E.	<u>Change in Cash and Cash Equivalents</u>		
a.	Cash and cash equivalents at beginning of period	344,864,798.37	344,304,533.37
b.	Cash and cash equivalents at end of period	203,830,363.95	344,864,798.37
	Net increase/ (decrease) in cash and cash equivalents(b-a)	-141,034,434.42	560,265.00

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 28th December, 2016

EO/Commissioner

CAO/ Sr. A.O

NAGAR PARISHAD SIKAR

Schedule forming part of Financial Statements As on 31st March 2015

2014-15

2013-14

Schedule - 1

MUNICIPAL (GENERAL) FUND	Amount	Amount
Opening Balance		
Add Addition during the year	429,376,894.52	367,595,760.07
Less Deduction during the year	9,051,592.00	15,654,815.00
Add Excess of Income over expenditure	123,966,148.00	19,701,707.00
Total	-35,405,292.87	65,828,026.45
	279,057,045.65	429,376,894.52

Schedule - 2

EARMARKED FUND	Amount	Amount
Gratuity Fund (As per Pass Book)	1,426,900.00	619,828.00
General Provident Fund(As per Pass Book)	57,773,353.00	54,636,485.00
Total	59,200,253.00	55,256,313.00

Schedule - 3

RESERVE & SURPLUS	Amount	Amount
Capital Contribution		
Opening Balance		
Add Addition during the year	247,678,152.00	-
Less Withdrawal during the year	230,062,074.00	247,678,152.00
Total	477,740,226.00	247,678,152.00

Schedule - 4

GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE	Amount	Amount
Grant from State Finance Commission	17,581,283.00	6,202,387.00
Grant under IDSMT Scheme	5,816,882.00	7,928,297.00
Special Grant for 13th Financial Commission	23,951,928.00	35,747,751.00
Grant Under IHSDP Scheme	6,452,010.00	6,192,968.00
M.P./ MLA Fund	2,470,417.00	2,536,963.00
CM Housing Scheme	-	6,110,000.00
CM Saree Kambal Yojana	2,826,525.00	-
SJSRY	6,737,918.30	6,705,000.30
NULM Grant	5,617,000.00	-
Nirband Anudan Grant	-	72,190,804.00
Total	71,453,963.30	143,614,170.30



NAGAR PARISHAD SIKAR(2014-15)

Schedule - 5

SECURED LOANS	Amount	Amount
Loan from RUIDFCO	55,665,536.00	57,381,536.00
Total	55,665,536.00	57,381,536.00

Schedule - 6

SUNDRY DEPOSITS	Amount	Amount
Security Deposits	11,093,327.00	7,559,707.00
Amanat Payable	30,504,081.00	27,419,160.00
Total	41,597,408.00	34,978,867.00

Schedule - 7

STATUTORY LIABILITIES	Amount	Amount
Income Tax (TDS) Salary Payable	48,200.00	72,100.00
Commercial Tax Payable	7,080.00	7,080.00
Labour Cess Payable	56,722.00	56,722.00
Royalty Payable	257,855.00	283,299.00
Gratuity Payable	132,662.00	146,999.00
New Pension (NPS) Payable	1,854,602.00	1,236,368.00
Pension Contribution	663,918.00	768,539.00
G P F Loan Payable	55,710.00	74,440.00
Providend fund Payable	955,279.00	968,114.00
LIC Deduction Payable	265,233.00	236,004.00
State Insurance	1,300.00	-
Other Deduction	-	38,551.00
Total	4,298,561.00	3,888,216.00

Schedule - 8

OTHER LIABILITIES	Amount	Amount
Bank Loan Recoveries from Employees	225,830.00	226,200.00
Patrakar Kalyan Kosh	1,543.00	1,543.00
Salary Payable	5,489,181.00	5,808,616.00
R D Payable	35,800.00	43,050.00
Total	5,752,354.00	6,079,409.00

Schedule - 9

PROVISIONS	Amount	Amount
Audit fees Payable	95,000.00	114,500.00
Accounting fees payable	171,750.00	95,000.00
Total	266,750.00	209,500.00



NAGAR PARISHAD SIKAR(2014-15)

Schedule - 10

FIXED ASSETS : GROSS BLOCK	Amount	Amount
Immovable Assets		
Office Building	61,458,519.00	4,548,000.00
Community Centre(Rain Basera)	1,002,379.00	1,002,379.00
School Building	854,068.00	-
Infrastructure Assets		
Roads & Bridge	339,719,235.00	205,061,906.00
Sewrage & Drainage	63,522,764.00	35,843,785.00
Public Lighting	8,453,823.00	572,900.00
Garden	2,729,438.00	649,182.00
Moveable Assets		
Furniture		
Furniture & Fixture	197,450.00	197,450.00
Coolar	8,650.00	8,650.00
Fans	10,756.00	10,756.00
RO Water Machine	43,700.00	43,700.00
Plant & Machinery		
Hand Pump	895,280.00	495,280.00
Generator	714,000.00	-
Others Machinery	1,774,644.00	1,774,644.00
Vehicles		
Car /Jeeps	1,332,599.00	1,332,599.00
Hydraulic Trolly	112,000.00	-
Auto Teepar	1,548,000.00	1,548,000.00
Loader	1,190,834.00	1,125,000.00
Trucks	1,184,500.00	1,184,500.00
Tata 709	3,346,610.00	3,346,610.00
Office Equipments		
Computer	247,600.00	247,600.00
Air Conditioner	138,550.00	138,550.00
Office - Other Equipments	35,377.00	35,377.00
Total	490,520,776.00	259,166,868.00

Schedule - 11

DEPRECIATION FUND	Amount	Amount
Opening balance	24,772,914.55	4,207,565.00
Depreciation for the year (as per Annexure I enclosed)	41,851,830.45	20,565,349.55
Total	66,624,745.00	24,772,914.55



NAGAR PARISHAD SIKAR(2014-15)

Schedule - 12

GENERAL FUND INVESTMENT	Amount	Amount
PD-8338 (Interest bearing)	8,429,687.00	8,429,687.00
PD-8448 (Non-Interest bearing)	101,065,031.00	135,007,436.00
Total	109,494,718.00	143,437,123.00

Schedule - 13

SPECIFIC FUND INVESTMENT	Amount	Amount
Gratuity P.D A/c (As per Pass Book)	1,426,900.00	619,828.00
Employee's GPF A/c (As per Pass Book)	57,773,353.00	54,636,485.00
Pension PD A/c 8011	71,346,716.00	62,861,828.00
New Pension	1,091,599.00	524,895.00
Total	131,638,568.00	118,643,036.00

Schedule - 14

CASH & BANK BALANCES	Amount	Amount
Cash in Hand	-	-
Cheque in hand	-	-
Balances in Saving & Current a/cs (As per Annexure II enclose	372,525,334.95	543,558,234.37
Less Transfer to General Fund Investment	-109,494,718.00	-143,437,123.00
Less Transfer to Specific Fund Investment	-59,200,253.00	-55,256,313.00
Total	203,830,363.95	344,864,798.37

Schedule - 15

LOANS,ADVANCES & DEPOSITS	Amount	Amount
Rajasthan Avas Vikas and Infracture	3,783,000.00	25,000,000.00
Sulabh International Social Service	5,009,000.00	5,009,000.00
PWD Advance	848,000.00	848,000.00
Deposites with AVVNL	7,765,697.00	7,765,697.00
TCIL (Power House technique)	108,446,427.00	98,446,427.00
Other Advances	320,292.00	55,023.00
Total	126,172,416.00	137,124,147.00

Schedule - 16

INCOME FROM TAXES	Amount	Amount
House Tax	5,088,170.00	1,996,631.00
Nagriye Vikas Tax.	157,553.00	22,046.00
Property Tax	27,008.00	2,250.00
Total	5,272,731.00	2,020,927.00

Schedule - 17

ASSIGNED COMPENSATION	Amount	Amount
Octroi Compensations	105,926,000.00	96,296,000.00
Total	105,926,000.00	96,296,000.00



NAGAR PARISHAD SIKAR(2014-15)

Schedule - 18

RENTAL INCOME FROM MUNICIPAL PROPERTIES	Amount	Amount
Income from Municipal Properties	3,342,213.00	223,590.00
Total	3,342,213.00	223,590.00

Schedule - 19

FEES AND USER CHARGES	Amount	Amount
Fees for Grant of Permit	10,904,859.00	28,126,516.00
Fees for Certificate or Extract	446,798.00	58,921.00
Development Charges	-	11,949,597.00
Regularisation fees	4,045,352.00	127,374,722.00
Penalty & Fines	1,166,209.00	505,045.00
Other Fee- Property Transfer Charges	2,790,393.00	6,749,972.00
Map Renuvation Fees	-	20,000.00
User Charges	840,300.00	1,318,600.00
Administrative Charges	-	2,422,380.00
Lease Money Received	21,596,868.00	46,941,426.00
Registration Charges	442,380.00	446,560.00
Audit Para	134,586.00	46,409.00
Advertisement Fees	2,847,750.00	2,007,100.00
Total	45,215,495.00	227,967,248.00

Schedule - 20

REVENUE GRANT,CONTRIBUTION,SUBSIDIES	Amount	Amount
Revenue Grant Transfer from IDSMT	2,111,415.00	16,026,986.00
Revenue Grant-Ganana (icluding Arthik Ganana)	248,998.00	-
Revenue Grant Transfer from SFC	16,000,000.00	4,358,121.00
Revenue Grant Transfer from SJSRY	4,582.00	5,666,286.00
Revenue Grant Transfer from TFC	23,966,823.00	29,010,209.00
Revenue Grant- Pannadhay Yojna	336,600.00	277,200.00
Revenue Grant (MP/MLA)	1,096,372.00	1,405,598.00
Revenue Grant- CM BPL Avas Yojana	-	4,490,000.00
Revenue Grant- C.M. Sadi Kambal Yojana	26,475.00	8,370,975.00
Manuval Swenger	-	89,000.00
Navachar Nidhi Yojana	200,000.00	250,000.00
BPL Scholarship Grant	-	313,200.00
Revenue Grant- Census	15,201.00	994,090.00
Total	44,006,466.00	71,251,665.00

Schedule - 21

INCOME FROM CORP.ASSET/INVESTMENT	Amount	Amount
Interest from Banks	24,048,047.58	19,122,845.00
Other Interest	-	87,903.00
Sale of Products	833,348.00	97,746.00
Sale of Stores & Scrap	-	1,113,700.00
Mobile Tower Fess	240,000.00	-
Sale of Forms & Publications	513,350.00	424,354.00
Total	25,634,745.58	20,846,548.00



NAGAR PARISHAD SIKAR(2014-15)

Schedule - 22

MISCELLANEOUS INCOME	Amount	Amount
Recoveries from Employees	91,546.00	154,630.00
Misc. Income	1,577,582.00	2,400,460.00
Total	1,669,128.00	2,555,090.00

Schedule - 23

ESTABLISHMENT EXP.	Amount	Amount
Salary, Bonus & Wages	101,328,084.00	108,809,384.00
Pension contribution	-	0.00
Gratuity Exp.	2,775,836.00	2,550,670.00
Conveyance Allowances	73,347.00	0.00
Medical Re Imbursement	-	3,700.00
Parshad Allowances	1,011,451.00	933,655.00
Uniform Allowances	375,900.00	405,581.00
Bonus	838,171.00	871,418.00
Leave Encashment	6,251,925.00	0.00
Total	112,654,714.00	113,574,408.00

Schedule - 24

GENERAL ADMINISTRATION EXP.	Amount	Amount
Advertisement & Promotion Expenses	2,556,666.00	4,371,836.00
Accounting Charging	213,324.00	-
Audit fees	357,250.00	57,250.00
Professionals & other Fees	88,040.00	1,320,153.00
Computer Operator	322,265.00	51,345.00
Communication Expenses	106,066.00	99,200.00
Books & Journals	21,807.00	14,961.00
Printing & stationary	419,535.00	645,801.00
Travelling & Conveyance	4,412.00	78,025.00
Office Maintance	3,915,810.00	305,953.00
Others Exp.	-	67,450.00
Finance Charges	1,045,939.00	758,818.00
Legal expenses	313,870.00	365,165.00
Repair & Maintainance-Office Building	-	80,963.00
Security Guard expenses	2,034,232.00	721,811.00
Vehicle Running and Maintanance Exp	916,948.00	1,883,193.00
Driver Salary	959,034.00	-
Insurance	208,100.00	325,235.00
Power and Fuel	4,382,255.00	3,445,078.00
Other Contingencies	1,952,620.00	894,933.00
Total	19,818,173.00	15,487,170.00



NAGAR PARISHAD SIKAR(2014-15)

Schedule - 25

PUBLIC WORKS	Amount	Amount
Expenditure On Safai	29,610,968.00	27,054,734.00
Repair & Maintanance of Public Toilets	32,791.00	73,000.00
Repair and Maintenance-Sewerage and Drainage	556,705.00	13,904,468.00
Repair & Mainatenance- Roads & Bridge	20,819,002.00	38,512,023.00
Expenditure On Road Light	7,293,995.00	20,804,571.00
Electricity- Bulk Purchase	1,323,322.00	1,650,943.00
Water- Bulk Purchase	148,878.00	37,494.00
Expenditure on Parks and Gardens	1,956,733.00	14,735,846.00
Repair & Maintainance-Others	-	633,935.00
Rain Basera expenses	9,037.00	30,900.00
Grants and Subsidies	-	-
Census	1,215,099.00	1,894,910.00
BPL Scholarship	-	313,200.00
CM BPL Avas Yojana Exp.	-	4,490,000.00
C.M. Sadi Kambal Yojana Exp.	26,475.00	8,298,000.00
SJSRY Yojana Expenses	17,880.00	5,607,530.00
Pannadhay Scheme Exp.	334,800.00	-
Help to social organisation	2,050,000.00	-
Programme Expenditure	881,891.00	1,285,614.00
Total	66,277,576.00	139,327,168.00

Schedule - 26

MISCELLANEOUS EXPENSES	Amount	Amount
40% of Conv. Fees	-	47,572,539.00
Dedicate Consultant	3,500,000.00	3,000,000.00
E Governance	2,618,500.00	-
Interest Etc (Tds Etc)	19,640.00	36,894.00
Liabilities of Employees adjusted	6,931,081.00	3,591,413.00
Payment Against Court Order	-	45,800.00
Rudp Contribution	-	9,000,000.00
Ruidfc 10 % Remittance	12,500,000.00	3,117,700.00
Remittance of Unutilised Fund	300,557.00	-
Stale Cheques	-	14,600.00
Total	25,869,778.00	66,378,946.00



NAGAR PARISHAD SIKAR

ANNEXURE I TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2015

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	659,460	3,888,540	37,454,000	19,456,519	60,799,059	10%	5,107,080	61,458,519	5,766,540	55,691,979
Community Centre(Rain Basera)	1,002,379	100,238	902,141	-	-	902,141	10%	90,214	1,002,379	190,452	811,927
School Building	-	-	-	854,068	-	854,068	10%	85,407	854,068	85,407	768,661
Infrastructure Assets											
Roads & Bridge	205,061,906	18,626,588	186,435,318	73,541,399	61,115,930	321,092,647	10%	29,053,468	339,719,235	47,680,056	292,039,179
Sewrage & Drainage	35,843,785	3,548,482	32,295,303	6,754,723	20,924,256	59,974,282	10%	4,951,215	63,522,764	8,499,697	55,023,067
Public Lighting	572,900	83,071	489,829	7,207,668	673,255	8,370,752	10%	803,412	8,453,823	886,483	7,567,340
Garden	649,182	94,131	555,051	-	2,080,256	2,635,307	10%	159,518	2,729,438	253,649	2,475,789
Moveable Assets											
Furniture											
Furniture & Fixture	197,450	14,751	182,699	-	-	182,699	10%	18,270	197,450	33,021	164,429
Coolar	8,650	1,298	7,352	-	-	7,352	15%	1,103	8,650	2,401	6,249
Fans	10,756	1,613	9,143	-	-	9,143	15%	1,371	10,756	2,984	7,772
RO Water Machine	43,700	3,277	40,423	-	-	40,423	15%	6,063	43,700	9,340	34,360
Plant & Machinery											
Hand Pump	495,280	51,771	443,509	-	400,000	843,509	15%	96,526	895,280	148,297	746,983
Generator	-	-	-	714,000	714,000	714,000	15%	53,550	714,000	53,550	660,450
Others Machinery	1,774,644	266,197	1,508,447	-	-	1,508,447	15%	226,267	1,774,644	492,464	1,282,180
Vechile											
Carl Jeep	1,332,599	283,545	1,049,054	-	-	1,049,054	15%	157,358	1,332,599	440,903	891,696
Hudraulic Trolly	-	-	-	112,000	-	112,000	15%	16,800	112,000	16,800	95,200
Auto Teepar	1,548,000	232,200	1,315,800	-	-	1,315,800	15%	197,370	1,548,000	429,570	1,118,430
Loader	1,125,000	168,750	956,250	-	65,834	1,022,084	15%	148,375	1,190,834	317,125	873,709
Trucks	1,184,500	177,675	1,006,825	-	-	1,006,825	15%	151,024	1,184,500	328,699	855,801
Tata 709	3,346,610	250,996	3,095,614	-	-	3,095,614	15%	464,342	3,346,610	715,338	2,631,272
Office Equipments											
Computer	247,600	178,272	69,328	-	-	69,328	60%	41,597	247,600	219,869	27,731
Air Conditioner	138,550	20,782	117,768	-	-	117,768	15%	17,665	138,550	38,447	100,103
Office - Other Equipments	35,377	9,817	25,560	-	-	25,560	15%	3,834	35,377	13,651	21,726
	259,166,868	24,772,914	234,393,954	125,923,858	105,430,050	465,747,862		41,851,831	490,520,776	66,624,745	423,896,031



NAGAR PARISHAD SIKAR(2014-15)

ANNEXURE II TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2015

DETAILS OF BANK ACCOUNT AS ON 31.03.2015

NAME OF BANK ACCOUNT	2014-15	2013-14
Investment in Bank		
<i>FDR</i>	110,000,000.00	195,000,000.00
GENERAL Cash Book Bank		
<i>Allahabad Bank</i>	514,813.00	5,095,691.00
<i>Bank of Sourastra</i>	1,000.00	1,000.00
<i>BOB</i>	2,166,101.00	9,733,710.00
<i>OBC 2527</i>	1,359,401.65	16,070,259.07
<i>CPf 8338</i>	57,773,353.00	54,636,485.00
<i>Gratuity Bank A/c 8338</i>	1,426,900.00	619,828.00
<i>PD 8338</i>	8,425,784.00	8,425,784.00
<i>PD 8448</i>	71,888,106.00	122,322,541.00
<i>SKSB 81</i>	6,754,177.00	29,073,249.00
<i>UCO 9211</i>	33,976,113.00	30,827,437.00
IDSMT Cash Book Bank		
<i>Axis Bank 9645 IDSMT</i>	4,455,757.00	5,689,105.00
<i>Bob 5239 IDSMT</i>	12,423.00	9,827.00
<i>Obc 3282 IDSMT</i>	581,395.00	558,834.00
<i>RGB 3814 IDSMT</i>	236,669.00	1,168,439.00
<i>SKSB 573 IDSMT</i>	374,185.00	351,714.00
<i>SKSB 783 IDSMT</i>	156,453.00	150,378.00
IHSDP Cash Book Bank		
<i>BOB 4551 IHSDP</i>	1,734,936.00	1,667,567.00
<i>BOB 8360 IHSDP</i>	2,224,056.00	2,129,145.00
<i>OBC 3213 IHSDP</i>	2,493,018.00	2,396,256.00
MLA/MP Cash Book Bank		
<i>BOB- MLA/MP</i>	2,470,417.00	2,536,963.00
SFC Cash Book Bank		
<i>PD 8448 SFC</i>	17,074,115.00	6,167,975.00
<i>SKSB 701 SFC</i>	507,168.00	34,412.00
Sjsry		
<i>Bob Sjsry</i>	103,503.00	99,484.00
<i>Pd8448 Sjsry</i>	12,102,810.00	6,516,920.00
<i>SKSB 81 Sjsry</i>	148,605.30	88,596.30
Sundray Cash Book		
<i>Bob Sundray C. B.</i>	93,238.00	89,617.00
<i>Icici 2249 Sundry C. B.</i>	90,175.00	6,282,765.00
<i>ICICI A/C</i>	9,359,704.00	-
<i>Pd 8338 Sundray C. B.</i>	3,903.00	3,903.00
<i>SKSB A/c No.181</i>	65,128.00	62,599.00
TFC Bank Accounts		
<i>Icici 1853 TFC</i>	23,453,057.00	35,422,286.00
<i>IDBI 32993 TFC</i>	498,871.00	325,465.00
Grand Total	372,525,334.95	543,558,234.37



MUNICIPAL COUNCIL
SIKAR (2014-15)

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.



MUNICIPAL COUNCIL

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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 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
FRN NO. 322232E
Membership No .056045



For Municipal Council :Sikar, Rajasthan

Om
EO/Commissioner

Kolkata, the 28th December , 2016 *hail* CAO/ Sr . A.O..