



कार्यालय नगर पालिका गंगापुर जिला-भीलवाडा (राज०.)

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क्रमांक : न.पा.गं./2017-18/2363

दिनांक : 21.03.2018

श्रीमान् मुख्य लेखाधिकारी महोदय,

निदेशालय स्थानीय निकाय विभाग,

राज., जयपुर

विषय :- नगरपालिका गंगापुर -भीलवाडा की उर्पाजन आधारित दोहरा लेखा पद्धति से वर्ष 2016-17 की ऑडिट रिपोर्ट भिजवाने बाबत ।

महोदय,

उपरोक्त निवेदन है कि नगर पालिका गंगापुर -भीलवाडा के उर्पाजन आधारित दोहरा लेखा पद्धति से वर्ष 2016-17 के संधारित लेखों की मैसर्स अग्रवाल गुप्ता एण्ड एसोसियेट्स से प्राप्त ऑडिट रिपोर्ट आवश्यक कार्यवाही हेतु श्रीमान् को संलग्न प्रेषित है ।

संलग्न-ऑडिट रिपोर्ट वर्ष 2016-17



(सुरेश कुमार मीणा)

अधिशायी अधिकारी

नगरपालिका गंगापुर

INDEPENDENT AUDITOR'S REPORT

To,
The Executive Officer,
Municipal Board Gangapur,
Rajasthan.

Report to Financial Statement

We have audited the accompanying financial statements of **Municipal Board, Gangapur, Rajasthan** which comprise the Balance Sheet as at March 31, 2017, the Income and Expenditure Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the ULB in accordance with the Rajasthan Municipal Accounts Manual. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected



depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the ULB's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ULB's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Subject to statement on additional matters as given in Annexure-A attached herewith, and the following :

- a) Liabilities that may arise on account of late filing of return, late payment, short or non-deduction and mismatching of TDS, RVAT, Royalty and Labour cess has not been ascertained and hence not considered. To this extent Surplus of Income over Expenditure is overstated and Liabilities are understated.*
- b) Liabilities or recovery on account of pending cases and/or notices filed against or by municipal board 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 board nor has been disclosed in notes to accounts.*
- c) Closing Stock of Stores has not been determined by the municipality and hence not considered in the accounts. To this extent both, Surplus of Income over Expenditure and Assets are understated.*



- d) *Bank Reconciliation, in respect of several bank accounts, have not been provided since long. Hence, treatment of differences arising out of reconciliation remains unaccounted for. Besides, bank charges as also interest income on deposit in saving account remains unaccounted for. The amount has not been determined by the management. To this extent accounts does not reflect true and fair view.*
- e) *The amount receivable on account of Urban Development Tax has not been determined and not considered as income of the year. As such, Income and Assets are understated to this extent.*
- f) *All expenses except salary, contribution towards new pension scheme, accounting charges and audit fee are accounted for on cash basis. Similarly, all incomes are accounted for on cash basis. Receipts in PD Accounts (treasury) by deposit of amount directly by the tax payers are taken into account on verification with treasury irrespective of the year of receipt.*

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

- a) in the case of the Balance Sheet, of the state of affairs of the ULB as at March 31, 2017; and
- b) in the case of the Income and Expenditure Statement, of the surplus for the year ended on that date.

We further report that:

- a) we have obtained all the available information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the ULB so far as appears from our examination of those books;
- c) the Balance Sheet and Income & Expenditure Account dealt with by this Report are in agreement with the books of account;



d) in our opinion, the Balance Sheet and Income & Expenditure Account comply with the Rajasthan Municipal Accounts Manual.



Ashok Kumar
Partner, Agrawal Gupta & Associates
Chartered Accountants
FRN No. 005244C
Membership No.412244
Raipur, the 07 March. 2018

Annexure A to Auditor's Report (2016-17)

Additional Matters to be reported by the financial statement auditor

1. In our opinion and according to records examined by us and to the best of our knowledge and belief all sums due to and received by the Municipality have been brought to account on Cash Basis except for certain expenditure which are brought to accounts on accrual basis and have been *generally* appropriately classified;

2. In our opinion and according to the information and explanations given to us all grants sanctioned or received by the Municipality during the year, have been accounted properly on cash basis, and where any deduction is made out of such grants towards any dues of the Municipality, *in some cases such deductions have not been properly accounted. As such income and expenditure are understated to that extent.*

3. Earmarked Funds have been created by the Municipality for Gratuity and Provident Fund, According to the information and explanations given to us Earmarked Funds have been utilized for the purposes for which they were created. *However, contribution to these funds in respect of previous year is yet to be made and for which amount has not been ascertained.*



4. As explained to us the Municipality is maintaining records showing full particulars, including quantitative details. However, *situation* of fixed assets has not been specified in the records so maintained. Management of ULB has not carried out *physical verification of fixed assets*. As such we are unable to comment on material discrepancies, if any, on physical verification and its treatment in books of accounts.
5. The Municipality *is not maintaining proper records showing full particulars of leasehold property*. Lease Rentals are therefore not verified.
6. As explained to us, physical verification has been conducted by the Municipality at reasonable intervals in respect of stores.
In our opinion and according to the information and explanations given to us, the procedures of physical verification of stores followed by the Municipality are reasonable.
In our opinion and according to the information and explanations given to us, no material discrepancies have been noticed on physical verification of stores as compared to stores records. *However, neither the stores has been verified at the year-end nor has same been recognized in the accounts prepared for the year under report.*
7. As explained to us, there are no parties other than the employees to whom loans or advances have been given by the Municipality.
8. The Municipality has granted loans to the employees against PF. Deduction from salary are made towards the loans and interest.
9. In our opinion and according to the information and explanations given to us, there exists an adequate internal control procedure for the purchase of stores, fixed assets and services.



10. In our opinion and according to the information and explanations given to us, there exists an adequate internal control procedure for the contracting of works and projects, periodic inspections and measurements, and payments there for. *However, according to information and explanation given to us, works contracts are not subject to quality checks. Besides, some weakness in internal control procedures* which require immediate attention of the management are as under:

- a) In PWA Form 278, Pan No. and Aadhar Card No. should be given at suitable place along with details of bank account where NEFT payment is to be done. Besides, such Form should be signed under the seal of the firm and passing authority should also affix their seal.
- b) The suppliers of materials and/ or providers of services should submit their bill within 30 days of the completion of their supply and/or job and the concerned passing authority should pass the bill or otherwise do necessary action within a further period of 30 days. Any delay on either part should be penalized with fine as deemed necessary by the competent authority. This will help in determining liability as and when arises to a great extent.
- c) Payment Voucher Serial No. is as per voucher issued by various department. Voucher No. and date should be specified on each voucher separately on the basis of date of issue of cheques. Cheques should be prepared only after the sanction by competent authority.

11. *The Municipality is not regular in depositing undisputed statutory dues including tax deducted at source, works contract tax, cess and royalty payable to the Government, ESI, PF etc.*



12. To the best of our knowledge and according to information and explanation given to us, no personal expenses have been charged to the Municipality's accounts.
13. To the best of our knowledge and according to information and explanation given to us, the books and registers specified under the Rajasthan Municipal Accounts Manual and other applicable acts and rules have been properly maintained. *However, Bank Reconciliation statements have not been prepared for the bank accounts of the Municipality. Accounting effect of bank charges debited by Bank, Non- collection of cheques, Interest credited by Bank, Cancellation of stale cheques not Presented has not been determined and considered in accounts.*
14. To the best of our knowledge and according to information and explanation given to us, year-end procedures have been carried out *but reconciliation procedures at year end have not been carried out.*



A handwritten signature in blue ink, appearing to read 'Ashok Kumar', written over the stamp.

Ashok Kumar
Partner, Agrawal Gupta & Associates
Chartered Accountants
FRN No. 005244C
Membership No.412244

Raipur, the 07 March 2018

Financial Statement for the year 2016-17

Nagar Palika, Gangapur

Balance Sheet of Nagar Palika, Gangapur Rajasthan As at 31-03-2017

LIABILITIES	Schedule	2016-17	2015-16
		(Amount in Rs.)	(Amount in Rs.)
RESERVE & SURPLUS			
Municipal (General) Fund	1	67,531,755.47	60,622,409.00
Earmarked Funds	2	7,447,400.00	9,194,328.00
Reserve & Surplus	3	53,185,674.00	34,252,474.00
Total Reserve & Surplus (A)		128,164,829.47	104,069,211.00
GRANT/ CONTRIBUTION			
Grant/ Contribution For Specific Purpose	4	54,085,838.00	34,788,943.00
Total Grant (B)		54,085,838.00	34,788,943.00
CURRENT LIABILITIES & PROVISIONS			
Sundry Deposits	5	5,541,961.00	6,218,491.00
Sundry Creditors	6	-	-
Statutory Liabilities	7	1,579,103.00	1,494,832.00
Other Liabilities	8	541,137.00	378,539.00
Provisions/Previous Year Differences	9	358,623.00	358,623.00
Total Current Liabilities and Provisions (C)		8,020,824.00	8,450,485.00
TOTAL LIABILITIES (A+B+C)		190,271,491.47	147,308,639.00

Notes to Accounts and Accounting Policies

For Agrawal Gupta & Associates

Chartered Accountants

Firm Regn. No. - 005244C

Ashok Kumar

(Partner)

Membership No. - 412244



For and Behalf of Nagar Palika
जयशंकर जयपालिका
नगर पालिका गंगपुर
(Executive Officer)

Date: - 07.03.2018

Place: - Raipur

Financial Statement for the year 2016-17

Nagar Palika, Gangapur

Balance Sheet of Nagar Palika, Gangapur Rajasthan As at 31-03-2017

ASSETS	Schedule	2016-17	2015-16
		(Amount in Rs.)	(Amount in Rs.)
FIXED ASSETS			58,384,823.00
Gross Block	10	72,133,168.00	11,283,771.25
Less : Depreciation Fund	11	17,654,865.78	47,101,051.75
Net Block		54,478,302.22	47,101,051.75
Total Fixed Assets (A)			9,194,328.00
INVESTMENTS			9,194,328.00
Deposits Against Earmarked Funds	12	7,447,400.00	
Total Investments (B)		7,447,400.00	
CURRENT ASSETS, LOAN & ADVANCES			90,079,659.25
Cash & Bank Balances	13	128,345,789.25	933,600.00
Loans, Advances & Deposits	14	-	
Total Current Assets, Loans & Advances (C)		128,345,789.25	91,013,259.25
TOTAL ASSETS(A+B+C)		190,271,491.47	147,308,639.00

Notes to Accounts and Accounting Policies

For Agrawal Gupta & Associates
Chartered Accountants
Firm Regn. No. - 005244C

Ashok Kumar
(Partner)
Membership No. - 412244



For and Behalf of Nagar Palika
 नगर पालिका गंगापूर
 (Executive Officer)

Date: - 07.03.2018
Place: - Raipur

Financial Statement for the year 2016-17
Nagar Palika, Gangapur

Profit and Loss Account of Nagar Palika, Gangapur Rajasthan For the Year Ending 31-03-2017

PARTICULARS	Schedule	2016-17	2015-16
		(Amount in Rs.)	(Amount in Rs.)
INCOME			
Income From Taxes	15	4,990,143.00	609,744.00
Assigned Compensations	16	21,274,792.00	11,272,000.00
Rental Income from Municipal Properties	17	987,724.00	531,165.00
Fees and User Charges	18	9,671,240.00	11,844,096.00
Revenue Grants, Contributions and Subsidies	19	6,960,718.00	-
Income from Corporation Assets and Investment	20	1,592,401.00	837,726.00
Miscellaneous Income	21	380,918.00	1,388,368.00
Total Income		45,857,936.00	26,483,099.00
EXPENDITURE			
Establishment Expenses	22	9,679,834.00	7,889,893.00
General Administrative Expenses	23	11,352,486.00	5,242,438.00
Public Works	24	6,911,454.00	3,184,677.00
Miscellaneous Expenses	25	2,153,723.00	542,268.00
Yojna Expenses	26	2,125,685.00	-
Depreciation During the Year		6,371,094.53	4,578,353.60
Total Expenditure		38,594,276.53	21,437,629.60
Surplus\ Deficit before adjustment of prior period items and Depreciation		7,263,659.47	5,045,469.40
Less: Prior Period Items		-	-
Less: Prior Period adjustment of Depreciation		-	-
NET SURPLUS\ DEFICIT		7,263,659.47	5,045,469.40

Notes to Accounts and Accounting Policies

For Agrawal Gupta & Associates

Chartered Accountants
Firm Regn. No. - 005244C

Ashok Kumar
(Partner)
Membership No. - 412244



For and Behalf of Nagar Palika
जोधशाही जयिका
नगर (पालिका) गंगपुर

Date: - 07.03.2018
Place: - Raipur

forming part of Balance Sheet of Nagar Palika, Gangapur Rajasthan As on 31-03-2017

PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	(Amount in Rs.)
Schedule-1		
MUNICIPAL (GENERAL) FUND		
Opening balance	60,622,409.00	55,576,939.60
Add :- Addition during the year	7,263,659.47	5,045,469.40
Less:- Deduction during the year	354,313.00	-
TOTAL	67,531,755.47	60,622,409.00
Schedule-2		
EARMARKED FUND		
Earmarked Fund- Gratuity	1,060,579.00	2,292,212.00
Earmarked Fund - Pf	6,386,821.00	6,902,116.00
TOTAL	7,447,400.00	9,194,328.00
Schedule-3		
RESERVE & SURPLUS		
Opening balance (Capital Contribution)	34,252,474.00	-
Add :- Addition during the Year	18,933,200.00	34,252,474.00
Less :- Withdrawal during the Year	-	-
TOTAL	53,185,674.00	34,252,474.00
Schedule- 4		
GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE		
12th 13th 14th Vith Aayog Anudaan	32,950,561.00	17,318,248.00
Balika Samridhi Yojana	8,500.00	8,500.00
S.J.S.R.Y.	251,492.00	251,492.00
Rain Basera Yojna	2,605,900.00	2,605,900.00
Vidhayak Nidhi	856,721.00	856,721.00
Saansad Nidhi	1,875,000.00	1,875,000.00
Rajya Vith Aayog Se Vikas Karya Anudaan	9,594,072.00	8,299,008.00
Parivaar Kalyan/ Samajik Surksha BPL	4,615.00	4,615.00
Shari BPL Aawasiya Yojana	800,000.00	800,000.00
Arthik Janganna & Oldage Pension Yojana	46,487.00	46,487.00
kshatigrast Sadak Marammat Yojana	-	-238,779.00
Swach bharat Abhiyaan	2,752,490.00	2,542,785.00
Bhamashah Yojana	-	-115,534.00
Bpl Sari Kambal	-	274,500.00
Police Thana Repair Anudan	260,000.00	260,000.00
NULM Yojana	500,000.00	-
Jal Swawlambhan Yojana	1,580,000.00	-
TOTAL	54,085,838.00	34,788,943.00

Ashok Jain

AGRAWAL GUPTA & ASSOCIATES
 CHARTERED ACCOUNTANTS
 M No. 412244
 CA
 ASHOK JAIN

forming part of Balance Sheet of Nagar Palika, Gangapur Rajasthan As on 31-03-2017

PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	(Amount in Rs.)
Schedule- 5		
SUNDRY DEPOSITS		
Security Deposits	3,677,049.00	3,942,489.00
EMD	1,769,535.00	2,180,625.00
Deduction by Officers	95,377.00	95,377.00
TOTAL	5,541,961.00	6,218,491.00
Schedule- 6		
SUNDRY CREDITORS		
Creditors against Supplier	-	-
Creditors against Contractor	-	-
TOTAL	-	-
Schedule- 7		
STATUTORY LIABILITIES		
Tds (it)	72,284.00	8,633.00
Income Tax Deducted	6,088.00	68,549.00
Service Tax	64,220.00	9,154.00
Labour Tax	-52,589.00	7,167.00
Net Salary Payble	137,134.00	137,134.00
Net Salary Payble (Officer Staff)	32,245.00	32,245.00
Gratuity Payable	13,695.00	25,754.00
State Insurance	6,300.00	6,300.00
Net Salary Payble(New Emp.)	249,772.00	249,772.00
Providend Fund Payable	38,978.00	38,593.00
LIC Payable	22,645.00	91,720.00
Pension Payable	619,147.00	450,627.00
NPS Payable	369,184.00	369,184.00
TOTAL	1,579,103.00	1,494,832.00
Schedule- 08		
OTHER LIABILITIES		
Royalty Payable	538,924.00	376,326.00
Bank Loan Payable	2,213.00	2,213.00
TOTAL	541,137.00	378,539.00
Schedule- 09		
PROVISIONS		
Audit Fees Payable	133,623.00	133,623.00
Accounting Fees Payable	225,000.00	225,000.00
TOTAL	358,623.00	358,623.00



forming part of Balance Sheet of Nagar Palika, Gangapur Rajasthan As on 31-03-2017

PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	(Amount in Rs.)
Schedule- 10		
GROSS BLOCK		
Immovable Assets		
Building	1,572,606.00	1,572,606.00
Land	5,602,604.00	4,325,269.00
TOTAL	7,175,210.00	5,897,875.00
Infrastructure Assets		
Roads & Bridge	52,985,892.00	48,204,704.00
Mal Jal Nali	3,626,097.00	2,676,335.00
Jal Marg	2,521,486.00	-
TOTAL	59,133,475.00	50,881,039.00
Movable Assets		
Plant and Machinery	1,608,090.00	328,165.00
Public Electricity Equipment	2,410,917.00	840,357.00
Office & Other Equipments	261,599.00	45,000.00
Furniture Fixture and Electricity Equipment	258,387.00	258,387.00
Vehicles	148,000.00	-
Other Fixed Assets	1,137,490.00	134,000.00
TOTAL	5,824,483.00	1,605,909.00
GRAND TOTAL	72,133,168.00	58,384,823.00
Schedule-11		
DEPRECIATION FUND		
Opening Balance	11,283,771.25	6,705,417.65
Add:- Depreciation provided during the year	6,371,094.53	4,578,353.60
TOTAL	17,654,865.78	11,283,771.25
Schedule- 12		
Specific Fund Investments		
Pd A/c 8338-58 Pf	6,386,821.00	6,902,116.00
Pd A/c8338-65 (2848) Gratuity	1,060,579.00	2,292,212.00
TOTAL	7,447,400.00	9,194,328.00
Schedule- 13		
CASH & BANK BALANCES		
Cash in Hand	117,903.00	568,788.00
Bank Balance	128,227,886.25	89,510,871.25
TOTAL	128,345,789.25	90,079,659.25
Schedule- 14		
LOANS,ADVANCES & DEPOSITS		
Advances to Other	-	933,600.00
TOTAL	-	933,600.00



forming part of Balance Sheet of Nagar Palika, Gangapur Rajasthan As on 31-03-2017

PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 15		
INCOME FROM TAXES		
House tax	2,611,689.00	37,041.00
Nagariya Vikas Tax	2,378,454.00	572,703.00
TOTAL	4,990,143.00	609,744.00
Schedule - 16		
ASSIGNED COMPENSATION		
Compensations in lieu of taxes	21,274,792.00	11,272,000.00
TOTAL	21,274,792.00	11,272,000.00
Schedule - 17		
RENTAL INCOME FROM MUNICIPLE PROPERTIES		
Other Rent(Lease of Land)	-	120,177.00
Rent From Public Facility	987,724.00	410,988.00
TOTAL	987,724.00	531,165.00
Schedule - 18		
FEES AND USER CHARGES		
Certificate and Pratilipi	261,469.00	23,962.00
Consumer Charges	1,248,200.00	2,314,772.00
Development Charges	2,546,669.00	3,060,614.00
Licensing Fee	-	444,550.00
Niyaman Fees	3,703,692.00	4,550,894.00
Other Fees	1,259,881.00	704,976.00
Penalty and Fines	109,638.00	110,821.00
Permit Fees	511,581.00	622,852.00
Service and Administation Fees	30,110.00	10,655.00
TOTAL	9,671,240.00	11,844,096.00



forming part of Balance Sheet of Nagar Palika, Gangapur Rajasthan As on 31-03-2017

PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 19		
REVENUE GRANT, CONTRIBUTION, SUBSIDIES		
Annual Aid by Govt.		
Revenue Grant- Swacch Bharat	-	-
Revenue Grant- 13th 14th	2,125,685.00	-
TOTAL	4,835,033.00	-
Schedule - 20	6,960,718.00	-
Schedule - 20		
INCOME FROM CORP.ASSET		
Interest on Corporation Investment		
Sale of Form and Format 150-11		
Income From Investment	10,679.00	111,792.00
Sale of Products	1,581,722.00	-
TOTAL	-	725,934.00
Schedule - 21	1,592,401.00	837,726.00
Schedule - 21		
MISCELLANEOUS OR INTEREST INCOME		
Interest From Bank A/c		
Misc. Income	-	941,051.00
Intrest-others	380,918.00	446,957.00
TOTAL	-	360.00
GRAND TOTAL	380,918.00	1,388,368.00
Schedule - 22	45,857,936.00	26,483,099.00
Schedule - 22		
ESTABLISHMENT EXP.		
Salary, Wages and Bonus		
Other Allowances	8,353,626.00	4,675,649.00
Earned Leave Salary Exp.	730,551.00	577,615.00
Pension	-	1,785,485.00
Gratuity	497,153.00	478,739.00
Other Allowances	98,504.00	97,672.00
TOTAL	-	274,733.00
TOTAL	9,679,834.00	7,889,893.00

Signature



forming part of Balance Sheet of Nagar Palika, Gangapur Rajasthan As on 31-03-2017

PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	(Amount in Rs.)
Schedule -23		
GENERAL ADMINISTRATION EXP.		
Advertisement & Publicity		
Books & Periodicals	928,366.00	1,782,957.00
Communication Exp.	12,331.00	11,321.00
Legal Expenses	51,209.00	59,037.00
Office Maintenance	20,000.00	16,604.00
Other (Admini. Exp.)	7,204,587.00	2,686,483.00
Printing & Stationery	86,270.00	143,696.00
Professional & Other Fees	130,109.00	120,562.00
Insurance Expenses	2,461,593.00	245,541.00
Travelling & Conveyance	16,600.00	-
Interest and Financial Expenses	303,229.00	173,623.00
Auditing Expenses	4,569.00	2,614.00
	133,623.00	-
TOTAL	11,352,486.00	5,242,438.00
Schedule -24		
OPERATING & OPERATIONAL EXPENSES (PUBLIC WORKS)		
Repairing and Under Construction Fixed Assets		
Carriage Expenses	1,114,947.00	-
Other Operating and Operational Expenses		
Repair and Maintenance Building Expenses	643,934.00	-
Repair and Maintenance of Public Assets Expenses	985,361.00	103,371.00
Repair and Maintenance-Vehicle	2,990,791.00	3,032,494.00
Repair and Maintenance Other Expenses	563,797.00	48,812.00
	612,624.00	-
TOTAL	6,911,454.00	3,184,677.00
Schedule -25		
MISCELLANEOUS EXPENSES		
Own Programme Exps.		
	2,153,723.00	542,268.00
TOTAL	2,153,723.00	542,268.00
Schedule -26		
Yojna Expenses		
Swacch Bharat Expense		
	2,125,685.00	-
TOTAL	2,125,685.00	-
GRAND TOTAL	32,223,182.00	16,859,276.00



Ashok Jain

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SCHEDULE 27

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS(2016-17)

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 Taxes , Duty / Surcharge on transfer of Immovable properties, Advertisement taxes and others are recognised in the period in which they are received
- b. 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 recognised on actual receipt.

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 more than three years old and no longer payable due to non-claim by parties or otherwise are being written back and considered as income



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3. Recognition of Expenditure

i. *Expenditure*

- a. Expenses on Salaries, bonus and other allowances and borrowing costs are recognised as and when they are paid.
- b. All revenue expenditures and expenditure towards works contracts are treated as expenditures in the period in which they are paid..
- c. 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.
- d. Retirement benefit viz encashment of leave etc. are booked on Payment basis i.e when they are due for payment..

ii. *Provision against receivables*

- a. Provisions against receivables are made based on type of income; age of receivable and judgment and past experience of the management. Incomes that have been accrued and are doubtful of recovery are provided for.

4. Fixed Assets

i. *Recognition*

- a. All Fixed Assets are carried at cost less accumulated depreciation. The cost of fixed assets include cost incurred/money spent in acquiring or installing or constructing the fixed asset, interest on borrowings directly attributable to acquisition or construction of qualifying fixed assets up to the date of commissioning of the assets and other incidental and indirect expenses incurred up to that date.
- b. 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.



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5. 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.

6. Grants

- a. General Grants, which are of revenue nature, are recognised as income on actual receipt
- b. Grants, which are re-imburement of specific revenue expenditure is recognised 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.

7. 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

8. 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.



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9. Correction to Opening Balances

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" and/or through "Municipal General Fund" in the Balance Sheet for the period concerned.

II NOTES TO ACCOUNT

1. The value of fixed assets have been depreciated as per rates specified in the Income Tax Act,1961 on written down value method from 1stApril,2015. During the earlier period , no depreciation has been charged and recognized. The depreciation amount so obtained has been considered in Depreciation Fund.
2. Balances of Debtors, Creditors and other parties are subject to confirmation. The balances of the Deposits received from contractors/suppliers is on the basis of receipts issued against deposit and deduction made from payments to them.
3. 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.
4. The Financials are prepared on the basis of Cash Books maintained by ULB and Information provided by Municipal Board.
5. "Security Deposits" are not maintained Party-wise only Control Account is maintained.
6. There is "Statutory Liabilities" "Labour tax" Balance Rs. 52,589 Dr. which shown excess payment by Municipal council.
7. There is No Proper Accounting Maintain related to "GPF Fund" and "Gratuity Fund".
8. There is "Balance mismatch" account maintained for shown Difference in various Bank accounts which maintained in General Cash Book.



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Signatories to Schedule 1 to

In confirmation and witness of facts

Ashok Kumar



Ashok Kumar
Partner, Agrawal Gupta & Associates
Chartered Accountants
FRN No. 005244C
Membership No. 412244

For Municipal Board :GANGAPUR ,Rajasthan

[Signature]
EO/Commissioner
नगर पालिका गंगापूर

Raipur, the 07th March. 2018

[Signature]
CAO/ Sr .A.O..