

INDEPENDENT AUDITORS' REPORT

To the members of Nagarpalika, Mundwa (Nagaur, Raj.)

We have audited the accompanying financial statements of **Nagarpalika, Mundwa**, (“the **Nagarpalika**”) which comprise the Balance Sheet as at March 31, 2018 and the Income and Expenditure Account for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Nagarpalika's 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 Nagarpalika in accordance with the Rajasthan Municipal Accounts Manual (“**the manual**”). This responsibility also includes the maintenance of adequate accounting records in accordance with the manual for safeguarding of the assets of the Nagarpalika and for preventing and detecting the frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Nagarpalika's Management are also responsible for overseeing the company's financial reporting process.

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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 Nagarpalika'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 Nagarpalika'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.



Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matters described in the Basis for Qualified Opinion section of our report*, the aforesaid 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 Nagarpalika as at March 31, 2018 and
- b) in the case of the Income and Expenditure Account, of the excess of income over expenditure for the year ended on that date;

Basis for Qualified Opinion

We invite attention to:

1. Fixed Asset:

As per Rajasthan Municipal Accounts manual "Depreciation on the fixed assets shall be provided on straight line method uniformly on all assets having useful life of more than one year with respect to prescribed rates of depreciation guided by the Income Tax Act, 1961 and rules subject to 95 % of their book value (cost less residual value 5%). However, the Nagarpalika has not made any provision for depreciation in the financial statements. Due to Voluminous nature of data, incompleteness and non-maintenance of fixed asset register, the actual depreciation as per manual could not be ascertained. Hence, the Impact of the same on Income & Expenditure a/c could not be quantified.

2. Provisions, Contingent Liabilities and Contingent Assets:

The Nagarpalika has not made any Provision regarding Salary & major expenses head. Contingent Liabilities are also not disclosed in the notes to accounts of the financial statements.

3. Statutory Liabilities:

Liabilities that may arise on account of late filing of return, late payment/short/non deduction/mismatching of TDS, Rajasthan VAT, 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.

4. Debit Balances of Liability side items:

There are some account heads in asset side of Balance Sheet having nature of Liability. For instance, Income Tax Deduction shown on asset side amounting to Rs. 7,762.00 which depicts that TDS payment has been made in advance but no deductions were made while making the payment for the amount due to the vendor.

5. Pending Litigations:

Liabilities or recovery on account of Pending Cases and/or notices filed against or by Nagarpalika 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. Nagarpalika has neither estimated Liability or recovery nor disclosed the same in notes to accounts.



6. Closing stock of Stores

Value of Closing Stock of stores has not been determined by the Nagarpalika and hence not considered in the financial statements. To this extent both, Surplus of income over expenditure and assets are understated.

7. Party wise details:

The Nagarpalika has not made accounting entries for Earnest Money and Security Deposits party Wise, because of which we are unable to reconcile the party wise receipts and refunds. Hence there may be chances that municipality has paid excess refund to parties. Hence, the Impact of the same on Income & Expenditure a/c could not be quantified.

Other matters:

We further report that:

- a) we have obtained all the information and explanations 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 Nagarpalika so far as appears from our examination of those books;
- c) the Balance Sheet and Income and Expenditure Account, dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet and Income and Expenditure Account comply with the Rajasthan Municipal Accounts Manual;

A statement on additional matters is given in the Annexure "A"

For **A. P. Sanzgiri & Co.**
Chartered Accountants
Firm Registration No.: 116293W



CA. Ankush Goyal
Partner
Membership No: 146017



Place: Jaipur
Date: 15.02.2019

Annexure "A" to the Independent Auditor's Report of even date on the Financial Statements of Nagarpalika, Mundwa for the year ended March 31, 2018

Particulars	Submission
1. Whether all sums due to and received by the Nagarpalika have been brought to account and have been appropriately classified;	Accounting is as per cash book maintained by ULB
2. Whether all grants sanctioned or received by the Nagarpalika during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the Nagarpalika whether such deductions have been properly accounted;	Accounting is as per cash book maintained by ULB
3. Whether any Earmarked Funds have been created as per the provision of any statute and, if so, whether such Earmarked Funds have been utilized for the purposes for which they were created;	No
4. Whether the Nagarpalika is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;	No
5. Whether in case of leasehold property given by the Nagarpalika, whether lease rentals are collected regularly by the Nagarpalika and that the lease agreements are renewed after their expiry;	No, Complete details are not Maintained by Nagarpalika
6. Whether physical verification has been conducted by the Nagarpalika at reasonable intervals in respect of stores; Whether the procedures of physical verification of stores followed by the Nagarpalika are reasonable and adequate if not, state the inadequacies in such procedures; Whether any material discrepancies have been noticed on physical verification of stores as compared to stores records, and if so, whether the same have been properly dealt with in the books of account;	No - There is no procedure for physical verification
7. Whether the parties to whom loans or advances have been given by the Nagarpalika are repaying the principal amounts as stipulated and are also regular in payment of the interest and if not, whether reasonable steps have been taken by the Nagarpalika for recovery of the principal and interest;	No, Complete details are not Maintained by Nagarpalika
8. Whether advances given to municipal employees and interest thereon are being regularly recovered;	No, Complete details are not Maintained by Nagarpalika
9. Whether there exists an adequate internal control procedure for the purchase of stores, fixed assets and services	No
10. Whether there exists an adequate internal control procedure for the contracting of works and projects, periodic inspections and measurements, quality checks and payments there for	No
11. Whether the Nagarpalika is regular in depositing statutory dues including tax deducted at source, works contract tax, cess payable to the Government, ESI, PF etc., and if not, the nature and cause of such delay and the amount not deposited;	No
12. Whether any personal expenses have been charged to the Nagarpalika's accounts; if so, the details thereof;	No
13. Whether the books and registers specified under the Rajasthan Municipal Accounts Manual and other applicable acts and rules have been properly maintained; whether Bank Reconciliation statements have been properly prepared for all the bank accounts of the Nagarpalika;	No
14. Whether the year-end and reconciliation procedures have been carried out;	No



MUNDWA NAGARPALIKA
BALANCE SHEET AS AT 31.03.2018

	Schedule	As At 31 March 2018	As At 31 March 2017
LIABILITIES			
RESERVE & SURPLUS			
Municipal (General) Fund	1	51,384,199	30,107,191
Total Reserve & Surplus (A)		51,384,199	30,107,191
GRANTS & CONTRIBUTIONS			
Grants & Contributions for Specific Purposes	2	10,972,300	6,429,300
Total Grants & Contributions (B)		10,972,300	6,429,300
CURRENT LIABILITIES & PROVISIONS			
Sundry Deposits	3	7,031,533	5,334,207
Statutory Liabilities	4	11,387,383	11,261,176
Other Current Liabilities	5	1,379,222	444,434
Total Current Liabilities and Provisions (C)		19,798,138	17,039,817
TOTAL LIABILITIES (A+B+C)		82,154,637	53,576,308
ASSETS			
FIXED ASSETS			
Gross Block	6	16,559,374	15,975,981
Less: Depreciation		(126,342)	(126,342)
Net Block	5	16,433,032	15,849,639
Total Fixed Assets (A)		16,433,032	15,849,639
CURRENT ASSETS, LOAN & ADVANCES			
Cash & Bank Balances	7	65,713,843	37,720,221
Other Current Assets	8	7,762	6,448
Total Current Assets, Loans & Advances (B)		65,721,605	37,726,669
TOTAL ASSETS(A+B)		82,154,637	53,576,308
Other notes forming part of Financial Statements		(0)	(0)
Significant Accounting Policies			

As per our Report of even date attached

For A.P.Sanzgiri & Co.

Chartered Accountants

(CA Ankush Goyal)

Partner

M.No. 146017

FRN : 116293W

Date: 15.02.2019

Place:Jaipur

For & on behalf of Board of Directors

(Executive Officer)

अधिसायी अधिकारी
नगर पालिका, मा. मूण्डवा

(Chairman)

नगर पालिका, मा. मूण्डवा



MUNDWA NAGARPALIKA
STATEMENT OF INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED ON 31 MARCH 2018

I

PARTICULARS	Schedule	For the Year Ended 31.03.2018 (Amount in Rs.)	For the Year Ended 31.03.2017 (Amount in Rs.)
INCOME			
Revenue Grants, Contributions and Subsidies	9	42,530,300.00	51,546,455.00
Fees and User Charges	10	3,682,430.00	4,678,554.00
Income from Taxes	11	22,152,632.00	220,959.00
Miscellaneous Income	12	639,722.00	306,122.00
Total Income		69,005,084.00	56,752,090.00
EXPENDITURE			
Establishment Expenses	13	17,034,740.00	15,409,753.00
General Administrative Expenses	14	3,422,600.75	2,536,781.00
Public Works	15	27,270,735.00	26,988,208.00
Depreciation	6	-	-
Total Expenditure		47,728,075.75	44,934,742.00
Surplus\ Deficit before adjustment of prior period items and Depreciation		21,277,008.25	11,817,348.00
Less; Prior Period Items			
Less: Prior Period adjustment of Depreciation			
NET SURPLUS\ DEFICIT		21,277,008.25	11,817,348.00

Other notes forming part of Financial Statements
Significant Accounting Policies

As per our Report of even date attached
For A.P.Sanzgiri & Co.
Chartered Accountants



(CA Ankush Goyal)
Partner
M.No. 146017
FRN : 116293W
Date: 15.02.2019
Place: Jaipur

For & on behalf of Board of Directors



(Executive Officer)

अधिकाारी अधिकारी
नगर पालिका, मा. मूण्डवा



(Chairman)
नगर पालिका, मा. मूण्डवा



17K

MUNDWA MUNICIPAL BOARD
Notes on Financial Statements for the year ended 31st March, 2018

Particulars	For the period ending on 31.03.2018	For the period ending on 31.03.2017
-------------	---	---

Schedule-1

MUNICIPAL (GENERAL) FUND

Opening balance	30,107,191.00	18,289,843.00
Add: Excess of Income over Expenditure	21,277,008.25	11,817,348.00
Total	51,384,199.25	30,107,191.00

Schedule-2

GRANTS & CONTRIBUTIONS FOR SPECIFIC PURPOSE

Swachh Bharat Mission		
Opening Balance	6,429,300.00	3,177,300.00
Received During the Year	8,215,000.00	8,104,000.00
Used During the Year	(3,672,000.00)	(4,852,000.00)
Balance	10,972,300.00	6,429,300.00

Schedule- 3

SUNDRY DEPOSITS

Earnest Money	2,421,657.00	-
Security & Amanat Payable	4,609,876.00	5,334,207.00
Total	7,031,533.00	5,334,207.00

Schedule- 4

STATUTORY LIABILITIES

GPF Loan	181,058.00	2,289,254.00
Cess Tax Deduction	240,399.00	145,501.00
Gratuity	2,629,954.00	2,708,900.00
Insurance Deduction	271,881.00	271,881.00
Labour Cess	5,881.00	5,881.00
Other Deductions	20,339.00	20,339.00
Pension Payable	3,005,940.00	3,745,022.00
Prasanik Deduction	548.00	548.00
Provident Fund (Employ)	1,622,004.00	1,696,549.00
Employee Provident Fund Loan	547,441.00	-
Royalty	753,992.00	209,809.00
Sales Tax Deduction	758,850.00	167,492.00
LIC	29,740.00	-
Income Tax Payable	28,474.00	-
Stale Cheques	12,600.00	-
Employee Liabilities	154,470.00	-
Welfare Fund	1,123,812.00	-
Total	11,387,383.00	11,261,176.00

Schedule- 5

Other Current Liabilities

Salary Payable		200.00
Advance to Contractor		200.00
Sundry Creditors	1,174,356.00	12,600.00
Audit fees Payable	46,711.50	180,334.00
Accounting Fees Payable	101,100.00	251,100.00
DA Arrear Payable	57,054.00	
Total	1,379,221.50	444,434.00

Schedule- 7

CASH & BANK BALANCES

Cash in Hand	340.00	70,307.00
Balances in Saving & Current a/cs:		
P.D. Account	46,415,566.20	21,490,210.00

FOR A. P. SANZGIRI & CO.
CHARTERED ACCOUNTANTS
F. R. N. 116293W

C.A. SATISH KUMAR GUPTA
PARTNER
M. No. 101134



अधिशायी अधिकारी
नगर पालिका, मा. मूडवा

SBBJ 51061991104
ICICI A/c 0961
ICICI Bank
SBI-8479
ICICI A/c 0444
ICICI Bank A/c 0064
C.B.I A/c 3196
Total

548,124.70
5,082,666.00
3,337,745.00
107,723.00
839,286.00
6,882,392.00
2,500,000.00
65,713,842.90

15,587,746.00
338,923.00
107,723.00
125,311.00
37,720,221.00

278

Schedule- 8

Other Current Assets
TDS
Total

7,762.00
6,448.00
7,762.00 **6,448.00**

FOR A. P. SANZGIRI & CO.
CHARTERED ACCOUNTANTS
F. R. NO. 116293W

C.A. SATISH KUMAR GUPTA
PARTNER
M. No. 101134

आधेशापी अधिकारी
नगर पालिका, मा. मूण्डवा



1

Notes on Financial Statements for the year ended 31st March, 2018

Particulars	For the period ending on 31.03.2018	For the period ending on 31.03.2017
Schedule - 9		
REVENUE GRANT, CONTRIBUTION, SUBSIDIES		
Annual Aid by Govt. (Chungi)		8,784,000.00
Grant from MP Quota	27,116,300.00	499,860.00
Grant from State Govt.	15,414,000.00	10,796,000.00
F.F.C Yojna		-
MLA Fund		1,933,561.00
Special Grant for 11/12/13/14th Financial Commission		28,377,000.00
Samajik Nyay Adhishashi Lekha Bahi		100,404.00
NULM		1,000,000.00
Census		55,630.00
Total	42,530,300.00	51,546,455.00
Schedule - 10		
FEEES AND USER CHARGES		
Registration /Lease/Viniyaman Fees	798,641.00	1,493,034.00
Advertisement Fees	59,200.00	166,900.00
Application Fees	2,268.00	95,592.00
Birth Death Registration Fees		2,251.00
Died Animals Charges	1,029,193.00	112,000.00
Grant Sulk		-
Hording Income		-
Land Canversation Fees		835,827.00
License Fees Construction and Development Work	60,800.00	1,225,098.00
Malba Safai Sulk	25,180.00	-
Marriage Registration Fees	11,828.00	21,660.00
Nakal Sulk	4,360.00	19,172.00
Other Certificate Fees		3,700.00
Pramanptra Sulk		-
Property Transfer Charges	114,290.00	82,067.00
Transfer Fees	92,300.00	-
Rental Income		154,200.00
Road Cutting Fees	361,802.00	38,708.00
Regularization Fees	7,219.00	-
User Charges	649,623.00	-
Other Fees	51,804.00	75,845.00
Tamir Ijjajat Fees	164,500.00	131,600.00
Tender Fees		4,800.00
Entry Fees	188,500.00	206,100.00
Water & Electricity NOC Fees	18,703.00	-
Hire Charges	2,500.00	-
B.P.L Card fees	4,719.00	-
Facility Fees	35,000.00	-
Mobile Tower Fees	3,682,430.00	4,678,554.00
Total	3,682,430.00	4,678,554.00
Schedule - 11		
INCOME FROM TAXES		
House Tax	22,679.00	49,370.00
Urban Development Tax	12,781,953.00	171,589.00
Octroi	9,348,000.00	-
Total	22,152,632.00	220,959.00
Schedule - 12		
MISCELLANEOUS INCOME		
Other Income	113,645.00	227,869.00
Interest from Bank	526,077.00	78,253.00
Total	639,722.00	306,122.00



FOR A. P. SANZGIRI & CO.
CHARTERED ACCOUNTANTS
F. R. N.: 116200W
C.A. SATISH KUMAR GUPTA
PARTNER
M. No. 10/1941

अधिसूचना अधिकारी
नगर प्रशासन, मा. मुण्डवा

Schedule -13

ESTABLISHMENT EXP.

Salary and Other Payment
Travelling Reimbursement
Total

17,034,740.00	15,297,195.00
	112,558.00
17,034,740.00	15,409,753.00

Schedule -14

GENERAL ADMINISTRATION EXP.

Accounting Fees
Advertisement Expenses
Audit Fees
Cleaning & Garbage Transportation on Contract
Computer Exp
Contigent Exp
Dress Exp
Other Exp
DSC Charges
Printing & Stationery 220-21
Vehicle Hire Expenses
Budget Preparation
Office Maintenance
Travelling & Conveyance
Nyaley Fees
Total

	75,000.00
826,804.00	47,220.00
	44,541.00
	1,165,066.00
	-
	-
50,700.00	13,200.00
1,457,478.75	1,087,420.00
	9,850.00
234,098.00	94,484.00
279,174.00	-
15,000.00	
239,008.00	
284,888.00	
35,450.00	
3,422,600.75	2,536,781.00

Schedule- 15

PUBLIC WORKS

Bhamashah Expenses
Expenses against aid for Roads & Gutter
Nalavali Nirman Karya/ Public Toilets
Other Construction Work
Palika Udhyan Exp.
Vidhayak Yojna
Rain Basera Exp.
Repair & Main. Of Building
Road Light Development
Roads & Bridge
Pipe Fitting Exp
Sign Board
Drains Repairing
Construction Work
Harit Rajasthan 2017
Cleaning Work Expenses
NULM Yojna
S.M.E.D. House Soshiya
Total

	-
543,918.00	268,031.00
556,851.00	1,100,902.00
19,644,407.00	
1,713,762.00	
747,753.00	
1,247,401.00	1,211,243.00
909,135.00	24,054,262.00
	2,968.00
	24,900.00
	102,002.00
	223,900.00
134,336.00	
1,603,260.00	
141,912.00	
28,000.00	
27,270,735.00	26,988,208.00

FOR A. P. SANZGIRI & CO.
CHARTERED ACCOUNTANTS
F. R. NO. 110283W

C.A. SATTAR KUMAR GUPTA
PARTNER
M. No. 101134




आध्यापक अधिकारी
नगर पालिका, मा. मूण्डवा

Registration /Lease/Viniyaman Fees
Lease Fees
Registration Fees
Viniyaman Fees

796,541.00 -
2,100.00 -

798,641.00

Expenses against aid for Roads & Gutter

Repair & Maintanance
Repair & Maintinace Vehical
Roadlight Work Expenses
Sadak Marramat

437,303.00 41,125.00
102,215.00 226,906.00
4,400.00 -

543,918.00 268,031.00

Other Expenses

Communication Expenses 220-12
Court Charges
Diesel Expenses
Festival Expenses
Election Expenses
Electricity Exp.
Electricity Fitting Exp.
Hire Exp.
Legal Exp.
Nal Fitting
News Paper Expenses
Ring Bell Expense
Paint Expenses
Sundry Expenses
Telephone Exp.
Refreshment Expenses
Utsav & Parv Exp.
Water Expenses
Other
Bank Charges

82,498.00
23,200.00 233,908.00
108,830.00
65,500.00 64,436.00

73,800.00

9,684.00 9,638.00
450.00
122,885.00
178,589.00
47,563.00
1,005.00 14,740.00
311,538.00
29,253.00

1,142,173.75
24,588.00 620.00

1,457,478.75 1,087,420.00

FOR A. P. BANZGIRI & CO.
CHARTERED ACCOUNTANTS
F. R. N. MUMBAI

C.A. S. P. GUPTA
PARTNER
M. No. 12345

अधिसापी अधिकारी
नगर पालिका, मा. मूण्डवा



Schedule-6

Tangible Assets	RATE	GROSS BLOCK AT COST				DEPRECIATION			NET BLOCK	
		As at 01-Apr-17	Additions	Deductions	As at 31-Mar-18	Upto 01-Apr-17	For the year	Upto 31-Mar-18	As at	As at
									31-Mar-18	31-Mar-17
Bamda Nirman Karay	0%	330,594.00			330,594.00	-	-	-	330,594.00	330,594.00
Divar Nirman	0%	3,013,750.00			3,013,750.00	-	-	-	3,013,750.00	3,013,750.00
Hanuman Vatika	0%	6,530,526.00			6,530,526.00	-	-	-	6,530,526.00	6,530,526.00
Hanuman Vatika Nirman Karya	0%	3,455,393.00			3,455,393.00	-	-	-	3,455,393.00	3,455,393.00
Vehicle	11.88%	1,187,350.00			1,187,350.00	41,164.20		41,164.20	1,146,185.80	1,146,185.80
Computer	19.00%	76,400.00	117,400.00		193,800.00	14,516.00		14,516.00	179,284.00	61,884.00
Office Equipment	19.00%	521,850.00			521,850.00	68,400.00		68,400.00	453,450.00	453,450.00
Furniture	9.50%	319,616.00			319,616.00	2,261.48		2,261.48	317,354.53	317,354.53
Guard Room Nirman	0%	448,002.00			448,002.00				448,002.00	448,002.00
Air Conditioner	0%	92,500.00			92,500.00				92,500.00	92,500.00
CCTV Camera	0%		465,993.00		465,993.00				465,993.00	-
TOTAL		15,975,981.00	583,393.00		16,559,374.00	126,341.68		126,341.68	16,433,032.33	15,849,639.33

FOR A. P. SANZGIRI & CO.
CHARTERED ACCOUNTANTS
F. R. NO. 116233W

G.A. SATISH KUMAR GUPTA
PARTNER
M. No. 101134



अधिकाारी अधिकारी
नगर पालिका, मा. मूण्डवा