



Karm & Company

Chartered Accountants

Head Office: 201, Sterling Chambers, Opp. Eco Space Bidg, Mogra Village, Off Old Nagardas Road, Andheri (E), Mumbai, Maharashtra-40069.

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INDEPENDENT AUDITOR'S REPORT

To,
**The Executive officer,
Municipal Board Bhusawar,
Rajasthan**

Report to Financial Statement

We have audited the accompanying financial statements of **Municipal Board, Bhusawar, Rajasthan** which comprise the Balance Sheet as at March 31, 2016, 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.

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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) 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.***


अधिकारी



- 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, 2016 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;


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- 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.



Dharmendra Molani
Partner, Karm & Co.
Chartered Accountants
FRN No. 105237W
Membership No. 125602


अधिराष्ट्री अधिकाारी
नगरपालिका मुसावर

Mumbai, the 15 October. 2018



Karm & Company

Chartered Accountants

Head Office: 201, Sterling Chambers, Opp. Eco Space Bidg, Mogra Village, Off Old Nagardas Road, Andheri (E), Mumbai, Maharashtra-40069.

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Annexure A to Auditor's Report (2015-16)

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.*


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शुभम शर्मा



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.

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नगरपालिका धुसावर



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.


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नगरपालिका, भुसावा



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.*



Dharmendra Molani
Partner, Karm & Co.
Chartered Accountants
FRN No. 105237W
Membership No. 125602

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अधिशायी अधिकारी
नगरपालिका भुसावर

Mumbai, the 15 October. 2018

Financial Statement for the year 2015-16
Nagar Palika, Bhusawar

Balance Sheet of Nagar Palika, Bhusawar Rajasthan As at 31-03-2016			
LIABILITIES	Schedule	2015-16	2014-15
		(Amount Rs.)	(Amount Rs.)
RESERVE & SURPLUS			
Municipal (General) Fund	1	18,296,150.95	11,813,431.00
Earmarked Funds	2	6,103,590.71	-
Reserve & Surplus	3	6,707,125.00	-
Total Reserve & Surplus (A)		31,106,866.66	11,813,431.00
GRANT/ CONTRIBUTION			
Grant/ Contribution For Specific Purpose	4	67,756,192.00	35,160,533.00
Total Grant (B)		67,756,192.00	35,160,533.00
LOANS			
Secured Loans	5	-	-
Unsecured Loans	6	-	-
Total Loans (C)		-	-
CURRENT LIABILITIES & PROVISIONS			
Sundry Deposits	7	1,899,847.00	1,425,377.00
Sundry Creditors	8	-	-
Statutory Liabilities	9	-5,834,089.00	-4,031,448.00
Other Liabilities	10	10,000.00	-
Provisions/Previous Year Differences	11	-	-
Total Current Liabilities and Provisions (D)		-3,924,242.00	-2,606,071.00
TOTAL LIABILITIES (A+B+C+D)		94,938,816.66	44,367,893.00

Notes to Accounts and Accounting Policies

For KARM & CO.
Chartered Accountants
Firm Regn. No. 105237W

Dharmendra Molani
(Partner)
Membership No. 125602

Date:- 15/10/2018
Place- Bhusawar

For and Behalf on Nagar Palika



(Executive Officer)

अधिकाारी आधकारा
नगरपालिका भुसावर

Financial Statement for the year 2015-16
Nagar Palika, Bhusawar

Balance Sheet of Nagar Palika, Bhusawar Rajasthan As at 31-03-2016			
ASSETS	Schedule	2015-16	2014-15
		(Amount Rs.)	(Amount Rs.)
FIXED ASSETS			
Gross Block			
Less : Depreciation Fund	12	9,782,746.00	3,808,339.00
Net Block	13	1,327,118.05	-
Capital Work In Process		8,455,627.95	3,808,339.00
Total Fixed Assets (A)	14	-	-
INVESTMENTS			
Deposits Against Earmarked Funds			
General Fund Investments	15	6,103,590.71	-
Total Investments (B)	16	-	-
CURRENT ASSETS, LOAN & ADVANCES			
Inventories			
Sundry Debtors/ Receivables	17	-	-
Cash & Bank Balances	18	-	-
Loans, Advances & Deposits	19	80,348,864.73	40,509,694.00
Cash Book Differences	20	31,360.00	49,860.00
Total Current Assets, Loans & Advances (C)		-626.73	-
TOTAL ASSETS(A+B+C)		80,379,598.00	40,559,554.00
		94,938,816.66	44,367,893.00

Notes to Accounts and Accounting Policies

For KARM & CO.
Chartered Accountants
Firm Regn. No. 105237W

Dharmendra Molani
(Partner)
Membership No. 125602

Date:- 15/10/2018
Place- Bhusawar

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अधिसाषी अधिकारी
नगरपालिका भुसावर

For and Behalf on Nagar Palika



Financial Statement for the year 2015-16

Nagar Palika, Bhusawar

Profit and Loss Account of Nagar Palika, Bhusawar Rajasthan For the Year Ending 31-03-2016			
PARTICULARS	Schedule	2015-16	2014-15
		(Amount Rs.)	(Amount Rs.)
INCOME			
Income From Taxes			
Assigned Compensations	21	36,835.00	6,308,360.00
Rental Income from Municipal Properties	22	14,277,000.00	7,263,000.00
Fees and User Charges	23	56,023.00	-
Revenue Grants, Contributions and Subsidies	24	222,116.00	235,245.00
Sale and Hire Charges	25	2,962,221.00	-
Miscellaneous Income	26	2,439,700.00	25,760.00
Total Income	27	542,637.00	227,249.00
EXPENDITURE			
		20,536,532.00	14,059,614.00
Establishment Expenses	28		
General Administrative Expenses	29	7,809,039.00	5,957,726.00
Decrease in Stores / (Increase in Stock)		616,806.00	1,429,954.00
Interest & Finance Charges		-	-
Public Works	30	382.00	1,487.00
Miscellaneous Expenses	31	3,664,458.00	1,163,337.00
Yojna Expenses	32	196,429.00	1,139,395.00
Depreciation During the Year	33	439,580.00	-
Total Expenditure		1,327,118.05	-
Surplus\ Deficit before adjustment of prior period items and Depreciation		14,053,812.05	9,691,899.00
Less: Prior Period Items		6,482,719.95	4,367,715.00
Less: Prior Period adjustment of Depreciation		-	-
NET SURPLUS\ DEFICIT		-	-
Notes to Accounts and Accounting Policies		6,482,719.95	4,367,715.00

For KARM & CO.
Chartered Accountants
Firm Regn. No. 105237W

Dharmendra Molani
(Partner)
Membership No. 125602

Date:- 15/10/2018
Place- Bhusawar



(Signature)
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नगरपालिका भुसावर

For and Behalf on Nagar Palika

Schedule forming part of Balance Sheet of Nagar Palika, Bhusawar Rajasthan As on 31-03-2016		
PARTICULARS	2015-16	2014-15
	(Amount Rs.)	(Amount Rs.)
Schedule-1		
MUNICIPAL (GENERAL) FUND		
Opening balance		
Add :- Addition during the year	11,813,431.00	7,445,716.00
Addition during the year	6,482,719.95	4,367,715.00
Less:- Deduction during the year	-	-
TOTAL	18,296,150.95	11,813,431.00
Schedule-2		
EARMARKED FUND		
Earmarked Fund- Gratuity	1,680,170.00	-
Earmarked Fund - Pf	4,423,420.71	-
TOTAL	6,103,590.71	-
Schedule-3		
RESERVE & SURPLUS		
Opening balance (Capital Contribution)		
Add :- Addition during the Year	-	-
Less :- Withdrawal during the Year	6,707,125.00	-
TOTAL	6,707,125.00	-
Schedule- 4		
GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE		
Grant of MLA/MPs	678,400.00	678,400.00
Grant of Sari Comble	1,735,265.00	1,735,265.00
Grant of Sbm	3,162,000.00	-
Grant of State Finance Commission	27,346,279.00	7,733,404.00
Grant of 13/14 Finance Aayog	30,426,784.00	20,606,000.00
Nirbhand Yojna	4,378,000.00	4,378,000.00
Other Grants	29,464.00	29,464.00
TOTAL	67,756,192.00	35,160,533.00

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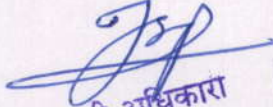


Schedule forming part of Balance Sheet of Nagar Palika, Bhusawar Rajasthan As on 31-03-2016		
PARTICULARS	2015-16	2014-15
	(Amount Rs.)	(Amount Rs.)
Schedule- 5		
SECURED LOANS		
	-	-
Schedule- 6		
UNSECURED LOAN		
Rudf Loan		
	-	-
Schedule- 7		
SUNDRY DEPOSITS		
Security Deposits and Amanat Payable		
Md	1,899,847.00	1,425,377.00
	-	-
Schedule- 8		
SUNDRY CREDITORS		
Creditors against Supplier		
Creditors against Contractor		
	-	-
TOTAL	1,899,847.00	1,425,377.00
	-	-



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 नगरपालिका भुसावर

Schedule forming part of Balance Sheet of Nagar Palika, Bhusawar Rajasthan As on 31-03-2016		
PARTICULARS	2015-16	2014-15
	(Amount Rs.)	(Amount Rs.)
Schedule- 9		
STATUTORY LIABILITIES		
Income Tax Deducted		
Vat and Sales Tax	-279,848.00	-312,046.00
Labour Tax	-233,401.00	-236,578.00
Royalty	1,492.00	-
Employee Liabilities	-38,160.00	-41,238.00
Other Deduction	-3,441,586.00	-3,441,586.00
Gpf Payable	60,000.00	-
Gratuity Payable	-237,069.00	-
Lic	-975,962.00	-
Pension Contribution	3,362.00	-
Nps	-736,533.00	-
Salary Payable	18,580.00	-
	25,036.00	-
TOTAL	-5,834,089.00	-4,031,448.00
Schedule- 10		
OTHER LIABILITIES		
Testing		
	10,000.00	-
TOTAL	10,000.00	-
Schedule- 11		
PROVISIONS		
Advisory Fees		
Provision for Rent From Office Building	-	-
Audit Fees Payable	-	-
TOTAL	-	-


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 नगरपालिका भुसावर



Schedule forming part of Balance Sheet of Nagar Palika, Bhusawar Rajasthan As on 31-03-2016

PARTICULARS	2015-16	2014-15
	(Amount Rs.)	(Amount Rs.)
Schedule- 12		
GROSS BLOCK		
Immovable Assets		
Office Building		
Land	218,958.00	218,958.00
	192,156.00	-
TOTAL	411,114.00	218,958.00
Infrastructure Assets		
Roads & Bridge	6,634,673.00	2,414,129.00
Public Toilets	-	-
Sewerage and Drainage	2,479,832.00	1,145,378.00
TOTAL	9,114,505.00	3,559,507.00
Movable Assets		
Furniture, Fix., Fitting, & Ele. Appli.	42,644.00	-
Other Fixed Assets	-	-
Other Construction	26,674.00	26,674.00
Office & Other Equipments	47,850.00	-
Plant And Machinery	3,200.00	3,200.00
Water Ways	136,759.00	-
Public Lighting	-	-
Vehicles	-	-
Computer	-	-
TOTAL	257,127.00	29,874.00
GRAND TOTAL	9,782,746.00	3,808,339.00
Schedule-13		
DEPRECIATION FUND		
Opening Balance	-	-
Add:- Depreciation provided during the year	1,327,118.05	-
TOTAL	1,327,118.05	-
Schedule- 14		
CAPITAL WORK IN PROGRESS		
TOTAL	-	-
Schedule- 15		
Specific Fund Investments		
Pd A/c Pf	4,423,420.71	-
Pd A/c Gratuity	1,680,170.00	-
TOTAL	6,103,590.71	-

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 नगरपालिका भुसावर



Schedule forming part of Balance Sheet of Nagar Palika, Bhusawar Rajasthan As on 31-03-2016		
PARTICULARS	2015-16	2014-15
	(Amount Rs.)	(Amount Rs.)
Schedule- 16		
General Fund Investments		
Fdr		
Cmar Deduction	-	-
TOTAL	-	-
Schedule - 17		
Stock others		
TOTAL	-	-
Schedule- 18		
SUNDRY DEBTORS / RECEIVABLES		
TOTAL	-	-
Schedule- 19		
CASH & BANK BALANCES		
Cash in Hand		
Bank Balance	58,311.78	675.00
TOTAL	80,290,552.95	40,509,019.00
Schedule- 20		
LOANS, ADVANCES & DEPOSITS		
Loan and Advance to Employees		
Other Advances	-18,500.00	49,860.00
TOTAL	49,860.00	-
	31,360.00	49,860.00


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 नगरपालिका भुसावर



Schedule forming part of Balance Sheet of Nagar Palika, Bhusawar Rajasthan As on 31-03-2016		
PARTICULARS	2015-16	2014-15
	(Amount Rs.)	(Amount Rs.)
Schedule – 21		
INCOME FROM TAXES		
House tax	-	-
Property Tax	36,835.00	8,360.00
Other Tax	-	6,300,000.00
TOTAL	36,835.00	6,308,360.00
Schedule – 22		
ASSIGNED COMPENSATION		
Compensations in lieu of taxes	9,377,000.00	7,263,000.00
Entry fees	4,900,000.00	-
TOTAL	14,277,000.00	7,263,000.00
Schedule - 23		
RENTAL INCOME FROM MUNICIPALE PROPERTIES		
Office Buildings for Rent	-	-
Shop Rent	56,023.00	-
Rent Other	-	-
TOTAL	56,023.00	-
Schedule - 24		
FEES AND USER CHARGES		
Cattle House	-	121,850.00
Copy Fees	-	86.00
Fees for Certificate Or Extract	140,736.00	51,137.00
Fees for Grant of Permit	25,084.00	9,400.00
Other Fees	13,488.00	10,000.00
User Charges	39,658.00	-
Penalties and Fines	-	19,956.00
Registration Charges	1,050.00	20,766.00
Viniyaman Fees	2,100.00	2,050.00
TOTAL	222,116.00	235,245.00

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नगरपालिका भुसावर




Schedule forming part of Balance Sheet of Nagar Palika, Bhusawar Rajasthan As on 31-03-2016

PARTICULARS	2015-16	2014-15
	(Amount Rs.)	(Amount Rs.)
Schedule - 25		
REVENUE GRANT, CONTRIBUTION, SUBSIDIES		
Annual Aid by Govt.		
Revenue Grant- Jaganana		
Revenue Grant- Tfc	42,880.00	-
Revenue Grant- Rashan Card	2,665,216.00	-
Revenue Grant- Pannadhay Yojna	20,125.00	-
	234,000.00	-
TOTAL	2,962,221.00	-
Schedule - 26		
SALE AND HIRE CHARGES		
Sale of Form and Format		
Sale Of Land	77,700.00	25,760.00
Sale of Products	-	-
	2,362,000.00	-
TOTAL	2,439,700.00	25,760.00
Schedule - 27		
MISCELLANEOUS OR INTEREST INCOME		
Interest From Bank A/c		
Recovery From Employees	542,637.00	221,650.00
Misc. Income	-	5,599.00
Intrest on Fd	-	-
	-	-
TOTAL	542,637.00	227,249.00
Schedule -28		
ESTABLISHMENT EXP.		
Salary, Wages and Bonus		
Wages	2,821,945.00	5,599,570.00
Travelling Allownace	84,360.00	-
Uniform Allowances	42,242.00	-
Parshad Allowance	22,290.00	-
Dearness Allowances	91,200.00	358,156.00
Grauity Allowance	3,025,630.00	-
H R A	263,656.00	-
Jhadu Masik Pada Allowances	253,402.00	-
L A Allowances 210.20.07	9,000.00	-
Leave Encashment	1,600.00	-
Medical Allowances	226,457.00	-
Membership Allowances	18,616.00	-
Pension Allowances	539,306.00	-
Tel Sabun Allowances	340,143.00	-
Bonus	15,000.00	-
	54,192.00	-
TOTAL	7,809,039.00	5,957,726.00


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 नगरपालिका भुसावर



Schedule forming part of Balance Sheet of Nagar Palika, Bhusawar Rajasthan As on 31-03-2016		
PARTICULARS	2015-16	2014-15
	(Amount Rs.)	(Amount Rs.)
Schedule -29		
GENERAL ADMINISTRATION EXP.		
Advertisement & Publicity	161,532.00	91,650.00
Audit Exp.	-	153,000.00
Books & Periodicals	2,158.00	-
Communication Exp.	28,844.00	31,029.00
Insurance Exp.	-	-
Legal Exp.	13,400.00	9,160.00
Rent, Rates and Taxes	-	54,180.00
Office Maintenance Exp.	259,829.00	-
Other (Admini. Exp.)	116,025.00	17,325.00
Printing & Stationery	35,018.00	43,917.00
Travelling & Conveyance	-	39,021.00
Power & Fuels	-	31,791.00
Repairs & Maintenance- Others	-	958,881.00
TOTAL	616,806.00	1,429,954.00
Schedule -30		
INTEREST AND FINANCE CHARGES		
Interest & Fina. Charges	382.00	1,487.00
TOTAL	382.00	1,487.00
Schedule -31		
OPERATING & OPERATIONAL EXPENSES (PUBLIC WORKS)		
Fuel, Petrol & Diesel	11,604.00	-
Repairs & Maintenance - Infrastructor Assets	1,645,354.00	1,134,537.00
Work Against Public Participation	-	28,800.00
Hire Charges	161,848.00	-
Other Operating and Maintainance Exp.	34,684.00	-
Bulk Purchases	370,072.00	-
Frieght Charges	-	-
Expenditure of Safai	1,440,896.00	-
TOTAL	3,664,458.00	1,163,337.00
Schedule -32		
MISCELLENOUS EXPENSES		
Own Programme Exps.	139,071.00	1,042,642.00
Chanadana Expenses	-	2,606.00
Other program exp.	57,358.00	-
Election Expenses	-	12,071.00
Misc. Exp.	-	82,076.00
TOTAL	196,429.00	1,139,395.00
Schedule -33		
Yojna Expenses		
Janganana Exp.	42,080.00	-
Sbm Exp.	134,000.00	-
Pannadhay Yojna Exp.	234,000.00	-
Rain Basera Exp.	29,500.00	-
TOTAL	439,580.00	-


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Office of Municipal Board, Bhusawar
Statement of Cash Flow for the FY 2015-16

S.No	Perticulars	Amount
A.	<u>Cash flow From Operating Activities</u>	
a.	Surplus/(Deficit) over expenditure	6,482,719.95
b.	Add : Non Cash Items Debited in Income & Expenditure Account	
	Depreciation	1,327,118.05
	Add : Non-operating Items Debited in Income & Expenditure Account	
	(Less) : Non Cash Items Credited in Income & Expenditure Account	
	(Less) : Non-operating Items Credited in Income & Expenditure Account	
	Interest Received	542,637.00
c.	Adjusted income over expenditure before effecting	7,267,201.00
d.	Changes in current assets and current liabilities	
	(Less) : (Increase) / decrease in other current assets	19,126.73
	Add : (Decrease)/ increase in Statutory Liabilities	(1,802,641.00)
	Add : (Decrease)/ increase in Provisions	
	Add : (Decrease)/ increase in Deposits received	474,470.00
	(Less) : (Decrease)/ increase in other current liabilities	10,000.00
	Net cash generated from/ (used in) operating activities	5,968,156.73
B.	<u>Cash flows from investing activities</u>	
a.	(Purchase) of fixed assets & CWIP	(5,974,407.00)
b.	(Increase) / Decrease in General funds investments	
c.	Interest income received	542,637.00
	Net cash generated from/ (used in) investing activities	(5,431,770.00)
C.	<u>Cash flows from financing activities</u>	
a	Grants received for specific purpose	32,595,659.00
b	Emarked Fund	6,103,590.71
c	Reserve and Surplus	6,707,125.00
d	Municipal Fund	
	Net cash generated from (used in) financing activities(C	45,406,374.71
D.	<u>Net increase/ (decrease) in cash and cash equivalents (A + B +</u>	45,942,761.44
a.	Cash and cash equivalents at beginning of period	40,509,694.00
b	Cash and cash equivalents at end of period	86,452,455.44
E.	<u>Change in Cash and Cash Equivalents</u>	45,942,761.44

Notes to Accounts and Accounting Policies

For KARM & CO.
Chartered Accountants
Firm Regn. No. 105237W

Dharmendra Molani
(Partner) (Partner)
Membership No. 125602

Date:- 15/10/2018
Place- Bhusawar



(Signature)
(Executive Officer)
अधिकाारी अधिकाारी
नगरपालिका भुसावर

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SCHEDULE 34

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS(2015-16)

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 salary payment, borrowing costs and contractual payments like accounting charges and audit fees and interest earned on bank deposits. The method of accounting is the double entry system..

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 Organizations/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

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 are recognized as and when they are due for payment
- 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, accounting charges, computer operator salary, etc.
- e. Retirement benefit viz encashment of leave etc. are recognized on cash 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 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.
- b. All assets costing less than Rs.5,000/- would be 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/-


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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 on accrual basis excepting the case of fixed assets.

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
- b. Grants, which are re-imbusement 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.



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8. Employee benefits

- a. Separate Funds are formed for meeting the provident and gratuity.
- b. Contribution towards Provident and gratuity funds are recognized as and when it is due

9. Investments

- a. All investments are initially recognized 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.

II NOTES TO ACCOUNT

1. Balance of the Deposits received from contractors/suppliers is on the basis of receipts issued against deposit and deduction made from payments to them and has been taken from the register maintained in computer.
2. Balance of Loan against Provident Fund given to employees are subject to their confirmation.
3. Balances of Debtors, Creditors and other parties are subject to confirmation
4. 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
5. The Financials are prepared on the basis of Books maintained by ULB and certify by the management & are subject to confirmation.
6. "Statutory liabilities" balances are negative i.e. Royalty, Sales Tax, TDS, Income Tax.
7. "Employee liabilities" balances are negative i.e. Gratuity Payable, Gpf Payable and Pension Contribution.
8. "Loan and Advance to Employees" balance are negative.
9. There is "Security Deposit A/c" also have debit balance.


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10. There is Cash Book Differences account maintained for shown Difference in various Bank accounts which maintained in General Cash Book.

Signatories to Schedule 1 to 34

In confirmation and witness of facts

Dharmendra Molani
Partner, Karm & Co.
Chartered Accountants
FRN No. 105237W
Membership No.125602

For Municipal Board :BHUSAWAR ,Rajasthan


EO/Comissioner
अधिशायी अधिकारी
नगरपालिका भुसावर

Ahmedabad, the 15th October. 2018

CAO/ Sr .A.O..

