



INDEPENDENT AUDITOR'S REPORT

To,
The Executive Officer,

We have audited the accompanying financial statements of Office of Municipal Council, Todabhim which comprise the Balance Sheet as at March 31, 2018 and 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

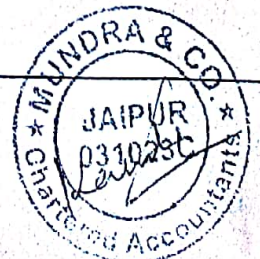
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform 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 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-I attached herewith, and the following:

- a) *Closing and Opening Stock of Stores has not been determined by the municipality and hence not considered in the books of accounts. To this extent Deficit of Income is overstated and Assets are understated.*
- b) *The amount receivable on account of Urban Development Tax has not been ascertained and accounted for during the financial year. As such Income and expense are understated to this extent.*
- c) *Liabilities that may arise on account of late filing of return, late/non payment, short or non-deduction and mismatching of TDS, WCT, Royalty, Labour cess and patrakar kalyan kosh has not*





been ascertained and hence not considered. To this extent Surplus of Income over Expenditure is overstated and Liabilities are understated.

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, 2018
- b) in the case of the Income and Expenditure Statement, of the surplus/ deficit for the year ended on that date; and

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 ULB so far as appears from our examination of those books;
- c) the Balance Sheet and Income and Expenditure Statement 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.

For MUNDRA & CO.,
CHARTERED ACCOUNTANTS


(KANIKA GUPTA)
Partner



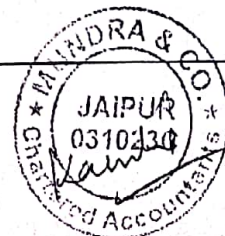
Mem. No. :- 425035
FRN :- 013023C
Date :- 12th Nov, 2018
Place:- Todabhim





I. Additional matters to be reported by the financial statements auditor

1. In our opinion and according to records examined by us all sums due to and received by the Municipality have been brought to account and have been appropriately classified *except for loan from RUIDP as confirmation/statement for the same was not made available for verification as well as Security Deposits for which register is also not maintained by the Municipality* ;
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, 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;
4. As explained to us the Municipality *is not maintaining proper records showing full particulars, including quantitative details and situation of fixed assets*;
These fixed assets *have not been physically verified* at reasonable intervals by the Management of the ULB
As such we are unable to comment on material discrepancies (if any) on physical verification.
5. As explained to us the *Municipality has not maintained proper records for verification of leasehold property* as well as Lease Rentals are accounted for on *Cash basis*. As such we are unable to comment on regularity of collection of Lease rentals.;
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.
7. The Municipality has granted advance to the employees for official purpose;
8. 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.
9. 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.
10. The Municipality is not regular in depositing undisputed statutory dues including tax deducted at source, works contract tax, cess payable to the Government, ESI, PF etc. The *Municipality has not deposited Royalty* deducted from contractors amounting to Rs 15.41 Lacs, TDS amounting to Rs.1.24 Lcs, Sales Tax amounting to Rs. 0.61 Lacs and Employee Deductions.
11. 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.





12. 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 *except for Security Deposit Register*. Also Bank Reconciliation statements *have not been prepared for all the bank accounts* of the Municipality; It was also noticed that there *were totaling mistakes at different dates in the cash book/bank book* maintained by the Municipality. However the totaling mistakes have been correctly dealt with in the Financial Statements.
13. To the best of our knowledge and according to information and explanation given to us, the year-end and reconciliation procedures have been carried out except for bank reconciliation.;

For MUNDRA & CO.,
CHARTERED ACCOUNTANTS,


(KANIKA GUPTA)
Partner

Mem. No. :- 425035
FRN :- 013023C
Date :- 12th Nov, 2018
Place:- Todabhim



BALANCE SHEET OF OFFICE OF MUNICIPAL BOARD ,TODABHIM

As on 31st March 2018

PARTICULARS	Schedule	31st March 2018 (Amount in Rs.)	31st March 2017 (Amount in Rs.)
<u>LIABILITIES</u>			
RESERVE & SURPLUS			
Municipal (General) Fund	1	8,529,855	7,515,223
Earmarked Funds	2	2,866,498	3,164,541
Reserve & Surplus	3	88,219,754	74,144,665
Total Reserve & Surplus (A)		99,616,108	84,824,429
GRANT/ CONTRIBUTION FOR SPECIFIC PURPOSE (B)	4	30,306,359	34,566,823
LOANS			
Secured Loans	5	4,333,900	4,333,900
Total Loans (C)		4,333,900	4,333,900
CURRENT LIABILITIES & PROVISIONS			
Sundry Deposits	6	3,715,038	3,280,184
Sundry Creditors	7	125,080	285,000
Statutory Liabilities	8	2,696,583	2,201,720
Total Current Liabilities and Provisions (D)		6,536,701	5,766,904
TOTAL LIABILITIES (A+B+C+D)		140,793,068	129,492,057
<u>ASSETS</u>			
FIXED ASSETS			
Gross Block	9	104,005,394	79,397,856
Depreciation Fund	10	27,951,612	18,498,904
Net Block		76,053,782	60,898,952
Total Fixed Assets (A)		76,053,782	60,898,952
INVESTMENTS			
General Fund Investments	11	26,161,701	26,682,727
Specific Fund Investments	12	4,858,871	6,576,938
Total Investments (B)		31,020,572	33,259,665
CURRENT ASSETS, LOAN & ADVANCES			
Cash & Bank Balances	13	33,718,714	35,333,420
Total Current Assets, Loans & Advances (C)		33,718,714	35,333,420
TOTAL ASSETS(A+B+C)		140,793,068	129,492,057
See Accompanying schedules forming part of the Financial Statements	1- 22		

In terms of our report attached
For MUNDRA & CO.
CHARTERED ACCOUNTANTS,

Kanika Gupta

(KANIKA GUPTA)
Partner

Mem. No. :- 425035
FRN :- 013023C
Date :- 12th Nov, 2018
Place:- Todabhim



For OFFICE OF MUNICIPAL BOARD
TODABHIM

[Signature]
अधिसायी अधिकारी
EXECUTIVE OFFICER
नगरपालिका टोडाभिम

**Profit and Loss Account of
Office of Municipal Board, Todabhim**
For the Year Ending 31st March 2018

PARTICULARS	Schedule	2017-18 (Amount in Rs.)	2016-17 (Amount in Rs.)
INCOME			
Income From Taxes	14	111,437	334,561
Assigned Compensations	15	2,841,000	2,819,000
Rental Income from Municipal Properties	16	138,986	688,010
Fees and User Charges	17	3,818,133	503,161
Revenue Grants, Contributions and Subsidies	18	24,303,247	20,998,076
Income from Corporation Assets and Investment	19	1,036,568	500,692
Total Income		32,249,371	25,843,500
EXPENDITURE			
Establishment Expenses			
General Administrative Expenses	20	12,437,564	11,160,553
Public Works	21	2,445,376	1,228,246
Depreciation During the Year	22	6,899,091	7,695,738
Total Expenditure		9,452,708	7,672,125
Surplus\ Deficit before adjustment of prior period items and Depreciation		31,234,739	27,756,662
Less; Prior Period Items		1,014,632	-1,913,162
NET SURPLUS\ DEFICIT		1,014,632	-1,913,162

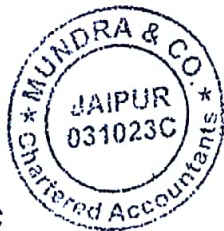
See Accompanying schedules forming part of the Financial Statements

22

For **MUNDRA & CO.**
CHARTERED ACCOUNTANTS,

For **OFFICE OF MUNICIPAL BOARD
TODABHIM**


(KANIKA GUPTA)
Partner

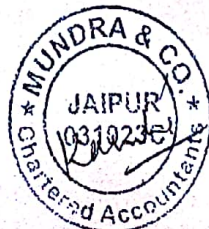



EXECUTIVE OFFICER

Mem. No. :- 425035
FRN :- 013023C
Date :- 12th Nov, 2018
Place:- Todabhim

**Schedule forming part of Financial Statements of
Office of Municipal Board, Todabhim
As on 31st March 2018**

	2017-18 (Amount in Rs.)	2016-17 (Amount in Rs.)
Schedule - 1		
MUNICIPAL (GENERAL) FUND		
Opening balance		9,551,210
Add :- Addition during the year	7,515,223	-122,825
Add: Excess of Income over Expenditure	1,014,632	-1,913,162
Total	<u>8,529,855</u>	<u>7,515,223</u>
Schedule - 2		
EARMARKED FUND		
General Provident Fund & Gratuity		
Total	<u>2,866,498</u>	<u>3,164,541</u>
Schedule - 3		
RESERVE & SURPLUS		
Capital Contribution		
Opening balance		
Add :- Addition during the Year	74,144,665	60,122,035
Total	<u>14,075,089</u>	<u>14,022,630</u>
Schedule - 4		
GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE		
Special Grant for 14th Financial Commission	4,459,446	17,195,652
Special Grant for 5th Financial Commission	17,285,530	6,492,247
Swatch Bharat Mission Grant	1,028,074	2,130,000
Panna Dhaya Yojana	18,000	
Special Grant BRGF	50,820	417,752
MPLAD Grant	136,510	130,080
MLA Special Grant	1,009,420	598,442
Special Grant for NSDP Yojana	683,827	660,726
Special Grant for Jal Pravahi Yojana	1,285,186	1,235,843
Special Grant for BPL Awas Yojana	1,696,870	3,208,480
Special Grant Under Nirbhand Yojana	37,500	37,500
Special Grant for Sadi Kambal Yojana	1,027,725	1,027,725
Special Grant for Swarna Jayanti Sahari Rojgar Sch.	1,335,769	1,333,676
NULM Grant	144,106	
Special Grant for Baad Aapda	8,876	
Special Grant from S.F.C.	98,700	98,700
Total	<u>30,306,359</u>	<u>34,566,823</u>
Schedule - 5		
SECURED LOANS		
Secured Loan from RUIDP		
Total	<u>4,333,900</u>	<u>4,333,900</u>
Schedule - 6		
SUNDRY DEPOSITS		
Security & Amanat Payable		
Total	<u>3,715,038</u>	<u>3,280,184</u>



Schedule - 7
SUNDRY CREDITORS

Creditors for Expenses
Total

125,080	285,000
125,080	285,000

Schedule - 8
STATUTORY LIABILITIES

Income Tax (TDS) Payable
Commercial Tax Payable
Royalty Deducted from Contractors
Gratuity, PF and CPF Deduction Payable
Salary Payable
Total

124,513	79,786
60,952	43,446
1,541,719	1,345,549
301,908	17,427
667,491	715,512
2,696,583	2,201,720

Schedule - 9
GROSS BLOCK

Immovable Assets

Land
Layout
Office Building

7,554,301	7,554,301
3,511,680	
1,005,693	907,193

Infrastructure Assets

Roads & Bridge
Sewerage
Public Toilet
Lamp Post
Public Lighting
High Mast Light
Other Infrastructure Assets
Fire Station
CCTV

52,338,644	46,516,135
5,792,823	5,635,633
2,304,453	492,338
8,205,252	3,197,000
79,142	30,000
5,822,235	5,697,196
9,036,646	7,239,438
1,032,975	
909,440	

Moveable Assets

Vehicles
Office Equipments
Computer
Furniture & Fixture
Total

3,980,876	1,455,731
983,960	329,454
309,550	163,250
1,137,725	180,188
104,005,394	79,397,856

Schedule - 10
DEPRECIATION FUND

Opening Balance
Add:- Depreciation provided during the year
Total

18,498,904	10,826,780
9,452,708	7,672,125
27,951,612	18,498,904

Schedule - 11
GENERAL FUND INVESTMENT

Pd-Development
Pd-Grant
Total

25,182,573	25,529,864
979,128	1,152,883
26,161,701	26,682,747

Schedule - 12
SPECIFIC FUND INVESTMENT

PD Jal Pravahi Yojana
PD A/c - SJSRY
Gratuity & PF P.D A/c
Total

690,900	2,134,900
1,277,497	1,277,497
2,890,474	3,164,541
4,858,871	6,576,938



Schedule - 13
CASH & BANK BALANCES

Cash in Hand	392,539	153,950
Balances in Saving & Current a/cs (BPL Awas Yojana)		
PNB	688,870	3,208,480
Balances in Saving & Current a/cs (Development Fund)		
BRGB-1986	603,833	596,586
Balances in Saving & Current a/cs (MLAID)		
BRGB	148,148	137,170
Balances in Saving & Current a/cs (SJSRY)		
SBBJ	58,272	56,179
Balances in Saving & Current a/cs (NSDP Yojana)		
SBBJ	683,858	660,757
Balances in Saving & Current a/cs (Baad Aapda)		
Baroda Raj. Gramin Bank	8,876	
Balances in Saving & Current a/cs (SBM)		
ICICI Bank	1,345,174	
Balances in Saving & Current a/cs (MPLAD)		
Aravali Bank	136,510	130,080
Balances in Saving & Current a/cs (Jal Pravahi Yojana)		
BRGB	1,285,186	1,235,843
Balances in Saving & Current a/cs		
BRGB-BRGF	50,820	417,752
PNB	24,974,251	12,960,000
SBBJ	3,342,378	15,776,624
Total	<u>33,718,714</u>	<u>35,333,420</u>

Schedule - 14
INCOME FROM TAXES

Urban Development Tax	111,437	334,561
Total	<u>111,437</u>	<u>334,561</u>

Schedule - 15
ASSIGNED COMPENSATION

Octroi Compensations	2,841,000	2,819,000
Total	<u>2,841,000</u>	<u>2,819,000</u>

Schedule - 16
RENTAL INCOME FROM MUNICIPALE PROPERTIES

Rent From Lease of Lands	29,926	611,310
Income from Rent and Teh Bazari	109,060	76,700
Total	<u>138,986</u>	<u>688,010</u>



Schedule - 17**FEES AND USER CHARGES**

NOC		
Copy Fees	49,807	-
Tender Fees	36,620	9,500
Birth/Death/Marriage Certificate	54,900	10,900
License Fees Construction and Development Work	2,380	9,740
Regularisation Fees	287,801	151,542
Advertisement Fees	3,278,417	43,726
Miscellaneous Income	-	1,000
Audit Recovery	96,062	211,853
Other Fees	4,602	
Total	7,544	64,900
	3,818,133	503,161

Schedule - 18**REVENUE GRANT, CONTRIBUTION, SUBSIDIES**

BRGF	268,317	3,896
Scholarship	-	204,000
CM BPL Awas Yojana	-	87,189
5th State Finance Commission Grant	1,835,050	10,850,345
Swatch Bharat Mission	378,600	-
Depreciation Fund	9,452,708	-
14th Finance Commission Grant	12,368,572	9,852,646
Total	24,303,247	20,998,076

Schedule - 19**INCOME FROM CORP. ASSET/INVESTMENT**

Interest on Balances with Bank	1,036,568	500,692
Sale of Obseletes	-	-
Total	1,036,568	500,692

Schedule - 20**ESTABLISHMENT EXP.**

Parshad Allowance	595,250	553,800
Medical Allowance	23,142	9,117
Salary and Other Payment	11,046,754	9,873,981
Leave Encashment	360,437	319,112
Death cum Retirement Gratuity	347,211	210,000
Uniform Allowance	-	27,900
Dearness Allowance Arrear	64,770	166,643
Total	12,437,564	11,160,553

Schedule - 21**GENERAL ADMINISTRATION EXP.**

Advertisement Expenses	749,812	374,807
Accounting Charges	95,580	270,000
Legal Expenses	67,583	18,470
Insurance	73,942	88,338
Books and Newspaper	11,418	7,703
Travelling Expenses	151,396	100,325
Printing & Stationery	251,047	57,172
Postage Expenses	3,000	6,000
Telephone Expenses	22,129	25,666
Power & Fuel	252,389	182,996
Audit Fees	57,980	44,630
Bank Charges	8,824	699
Electricity Expense	1,500	-
Office Expenses	698,776	51,440
Total	2,445,376	1,228,246



Schedule - 22

PUBLIC WORKS

Garbage Clearance	4,286,230	3,130,730
Other Contingencies	313,536	70,504
Repair & Maintainance (Public Amenities)	574,203	413,083
Repair & Maintainance (Vehicles)	119,838	46,019
Repair & Maintainance (Lighting)	1,387,342	3,948,190
Festival & Programme Expenses	217,942	81,212
Renbasera Exp	-	6,000
Total	6,899,091	7,695,738



OFFICE OF MUNICIPAL BOARD

TODABHIM

BASIS OF ACCOUNTING AND ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements are prepared on a going concern and under historical cost basis under accrual basis of accounting. The method of accounting is the double entry system.

2. Recognition of Revenue

i. Revenue

- a. Property and Other Taxes are recognised in the period in which they become due and demands are ascertainable
- b. Advertisement taxes are accrued based on Demand or the contract.
- c. Revenue in respect of Trade License Fees is accrued in the year to which it pertains and when Demands are raised.
- d. Assigned revenues like Entertainment Tax, Duty / Surcharge on transfer of Immovable properties are accounted during the year only upon actual receipt. However, at year-end, they are accrued if sanction order (or proceedings) is passed and the amount is ascertained.
- e. 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 receivables

- a. Prudential norms are applied based on type of income and age of receivable. Based on the principle on provisioning, incomes that have been accrued and are doubtful of recovery are provided for.

3. Recognition of Expenditure

- a. Expenses on Salaries, bonus and other allowances are recognised as and when they are due for payment
- b. All revenue expenditures are treated as expenditures in the period in which they are incurred.
- c. In case of works, expenditures are accrued as soon as the work has been measured and becomes due for payment.
- d. Provision for expenses are made at the year-end for all bills received upto a cut off date.
- e. Post-Retirement benefits are booked on Payment basis i.e when they are due for payment.

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.



**OFFICE OF MUNICIPAL BOARD
TODABHIM**

- 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/-

ii. Depreciation

Depreciation is provided on Straight line method as per rates specified in Income Tax Act, 1961 as suggested in Rajasthan Municipal Accounting Manual.

5. Grants

- a. General Grants, which are of revenue nature, are recognised as income on actual receipt
- b. Grants, which are re-imbursment 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.

6. Employee benefits

- a. Separate Funds are formed for meeting the provident and other retirement benefits including Gratuity.
- b. Contribution towards Provident and other retirement benefit funds are recognised as and when it is due.



**FOR OFFICE OF MUNICIPAL BOARD
TODABHIM**

EXECUTIVE OFFICER

Date :- 12 Nov 2018

Place :- Todabhim