

INDEPENDENT AUDITOR'S REPORT

The Commissioner,
Sri Ganganagar Municipal Council
(Rajasthan)

We have audited the accompanying financial statements of Sri Ganganagar Municipal Council (Rajasthan), which comprise the Balance Sheet as at March 31, 2016, the Income and Expenditure Account for the year the ended, and a summary of significant accounting policies and other explanatory information and notes to accounts.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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

In our opinion and to the best of our information and according to the explanations given to us and subject to notes to account & significant policies, 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
- b) in the case of the Income and Expenditure Account, of the surplus for the year ended on that date; and



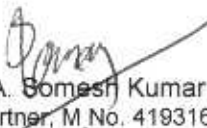
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

We further report that:

- a) we have obtained all the 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, Income and Expenditure Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, Income and Expenditure Account, and Cash Flow Statement comply with the Rajasthan Municipal Accounts Manual;

A statement on additional matters is given in the annexure.

For SOMESH SINGAL & ASSOICATES
Chartered Accountants
Firm Regn.019414C


CA. Somesh Kumar Singal
Partner, M.No. 419316

Place : Sri Ganganagar
Date :

Additional Matters to be reported by the financial statement auditor:


1. In our opinion and according to records examined by us all sums due to and received by the municipal Council have been brought to account and have been appropriately classified;
2. In our opinion and on the basis of test check and according to the information and explanations given to us all grants sanctioned or received by the Municipal Council during the year, have been accounted properly and where such deduction is made out of such grants towards any dues of the Municipal Council such deductions have been properly accounted;
3. In our opinion and according to the information and explanations given to us, earmarked funds have been created by the Municipal Council for Gratuity and Provident Fund and earmarked Funds have been utilized for the purposes for which they were created;
4. In our opinion and according to the information and explanations given to us, Municipal Council is not maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
5. In our opinion and according to the information and explanations given to us, lease rentals are collected and accounted on cash basis.
6. In our opinion and according to the information and explanations given to us, no store record is maintained by the Municipal Council.
7. According to information and explanations given to us, parties to whom loans or advances have been given by the Municipal Council during the year are repaying the principal amounts as stipulated. No interest is charged by the Municipal Council on such loans and advances during the year.
8. In our opinion and according to the information and explanations given to us, the Municipal Council has granted loans to his employees against provident fund and no record is maintained by the Municipal Council. No comment can be made on deduction from salary towards the repayment of principal of loans and interest thereon.
9. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Municipal Council with regards to the purchase of stores, fixed assets and services.
10. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure for the contracting of works and projects, periodic inspections and measurements, quality checks and payment there for.
11. According to the records of the Municipal Council and information and explanations given to us, the Municipal Council has been generally regular in depositing undisputed statutory dues including provident Fund, TDS, Works contract Tax, cess and any other statutory dues with the appropriate authorities during the year.



12. In our opinion and according to the information and explanations given to us, no personal expenses have been charged to the Municipal Council's accounts.
13. In our opinion and according to the information and explanations given to us, the books and registers specified under the Rajasthan Municipal Accounts Manual and other applicable acts and rules have been properly maintained. Bank Reconciliation statements of are prepared for all bank accounts of the Municipal Council;
14. In our opinion and according to the information, explanations given to us and to the best of our knowledge, the year end and reconciliation procedures have been carried out by the Municipal Council.

For SOMESH SINGAL & ASSOCIATES

Chartered Accountants
Firm Regn.019414C


CA. Somesh Kumar Singal
Partner, M No.419316

Place : Sri Ganganagar
Date :



MUNICIPALITY SRIGANGANAGAR
BALANCE SHEET AS ON 31/03/2016

LIABILITIES	SCHEDULE	Current Year (AMOUNT IN RS.)	Previous Year (AMOUNT IN RS.)
RESERVE & SURPLUS :-			
Municipal (General) Fund	1	1183770527.00	1225263979.00
Earmarked Funds	2	117783483.00	117862784.00
RESERVE & SURPLUS	3	0	0
Total Reserve & Surplus (A)		1301554010.00	1343126763.00
GRANT / CONTRIBUTION FOR SPECIFIC PURPOSE (B) :-			
	4	212546610.00	170981946.00
LOANS :-			
Secured Loans	5	156453.00	144453.00
Unsecured Loans	6	0	0
Total Loans ©		156453.00	144453.00
CURRENT LIABILITIES & PROVISIONS :-			
Sundry Deposits	7	62769463.00	54788614.00
Sundry Creditors	8	0.00	4370000.00
Statutory Liabilities	9	22109674.00	15817232.00
Other Liabilities	10	0.00	0
Provisions	11	801502.00	601127.00
Total Current Liabilities and Provisions (D)		85680639.00	75576973.00
TOTAL LIABILITIES (A+B+C+D)		1599937712.00	1589830135.00
ASSETS			
FIXED ASSETS :-			
Gross Block	12	1680702364.00	1577332344.00
Depreciation Fund	13	473362360.00	352406822.00
Net Block		1207340004.00	1224925522.00
Capital Work In Process	14	0	0
Total Fixed Assets (A)		1207340004.00	1224925522.00
INVESTMENTS :-			
General Fund Investments	15	0	0
Specific Fund Investments	16	117783483.00	130964616.00
Total Investments (B)		117783483.00	130964616.00
CURRENT ASSETS, LOAN & ADVANCES :-			
Inventories	17	64750.00	64750.00
Sundry Debtors / Receivables	18	75472154.00	78670695.00
Cash & Bank Balances	19	199277321.00	155204552.00
Loans, Advances & Deposits	20	0	0
Total Current Assets, Loans & Advances ©		274814225.00	233939997.00
TOTAL ASSETS (A+B+C)		1599937712.00	1589830135.00


NOTES TO ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES

Notes referred to above and notes attached here to form an integral part of Balance Sheet


This is the Balance Sheet referred to in our Report of even date.

FOR SOMESH SINGAL & ASSOCIATES
Chartered Accountants

For and on behalf of Municipal Council


(CA. Somesh Kumar Singal)
Partner
Membership No. 419316
Firm Reg. No.: 019414C


Commissioner


Account Officer

Place: Sriganaganagar
Date: 31/03/2016


नगर परिषद श्री गंगानगर

MUNICIPALITY SRIGANGANAGAR
INCOME & EXPENDITURE FOR THE YEAR ENDED 31/04/2016

PARTICULARS	SCHEDULE	Current Year (AMOUNT IN RS.)	Previous Year (AMOUNT IN RS.)
INCOME :-			
Income From Taxes	21	1920941.00	10000000.00
Assigned Compensations	22	264607000.00	234551000.00
Rental Income From Municipal Properties	23	4117611.00	1568176.00
Fees and User Charges	24	19776921.00	25365579.00
Revenue Grants, Contributions and Subsidies	25	39657011	0
Income From Corporation Assets and Investment	26	4097376.00	89650988.00
Miscellaneous Income	27	2840576.00	855318.00
Total Income		337017436.00	361991061.00
EXPENDITURE :-			
Establishment Expenses	28	188912963.00	171770424.00
General Administrative Expenses	29	5947041.00	14841448.00
Decrease In Stores / (Increase In Stock)			
Public Works	30	99934179.00	90906068.00
Miscellaneous Expenses	31	35933147.00	24330380.00
Interest & Financial Exp			
Depreciation During The Year		120955538.00	123279337.00
Total Expenditure		451682868.00	425127657.00
Surplus / Deficit before adjustment of prior period items and Dep.		-114665432.00	-63136596.00
Less : Prior Period Items			
Less : Prior Period Adjustment of Depreciation			
NET SURPLUS / DEFICIT		-114665432.00	-63136596.00
Notes to Accounts and Accounting Policies			

FOR SOMESH SINGAL & ASSOCIATES
Chartered Accountants

For and on behalf of Municipal Council


(CA. Somesh Kumar Singal)
Partner
Membership No. 419316
Firm Reg. No.: 019414C


आयुक्त
नगरपालिका श्रीगंगानगर
Commissioner


Account Officer
नगर पार्षद श्री गंगानगर

Place : Sri Ganganagar
Date :

MUNICIPALITY SRIGANGANAGAR

As On 31.03.2016

	Current Year (AMOUNT IN RS.)	Previous Year (AMOUNT IN RS.)
SCHEDULE - 1		
MUNICIPAL (GENERAL) FUND :-	1183770527	1225263979
Opening Balance	1225263979	1257997696
Add :- Addition during the year	86273813	30402879
Less :- Excess of Expenditure of Income	127767265	63136596
Add : Excess Of Income Over Expenditure		
SCHEDULE - 2		
EARMARKED FUND :-	117783483	117862784
Gratuity Fund	1301519	557168
Pension Fund	63384670	57434548
General Provident Fund	53097294	59871068
SCHEDULE - 3		
RESERVE & SURPLUS	0	0
Opening Balance		
Add :- Addition During the Year		
Less :- Withdrawal during the Year		
SCHEDULE - 4		
GRANT/ CONTRIBUTION FOR SPECIFIC PURPOSE	212546610	170981946
Special Grant for 13th Financial Commission	9971479	8757178
Special Grant	81368	81368
Grant for FFC	29862272	0
Jansabhagi Yojana	111438153	110239613
Railway Under Bridge Grand	1399726	1399726
MP MLA Fund	1691329	1395982
State Financial Commission	50727429	49108079
SWACH BHARAT MISSION	7374854	0

For and on behalf of Muncipal Council


नगरपालिका, श्रीगंगानगर
Commissioner


लेखाधिकारी
नगर पार्षद श्री गंगानगर
Account Officer

Place : Sri Ganganagar

MUNICIPALITY SRIGANGANAGAR

As On 31.03.2016

	Current Year (AMOUNT IN RS.)	Previous Year (AMOUNT IN RS.)
SCHEDULE 5		
SECURED LOANS :-	156453	144453
Vehcile Loan	156453	144453
Secured Loan From RUIDP		
Loan From RUIDFCO		
Loan From HUDCO (Secured by Govt. Guarantee)		
Loan From RUIFDCO For JCTSL (Interest Free Loan)		
SCHEDULE-6		
UNSECURED LOAN :-	0	0
Bank Of Rajasthan (Long Term Loan)		
SCHEDULE-7		
SUNDRY DEPOSITS :-	62769463	54788614
Security & Amanant Payable	62769463	54788614
SCHEDULE-8		
SUNDARY CREDITORS :-	0	4370000
Other Creditors	0	4370000

For and on behalf of Muncipal Council




Commissioner


Account Officer
नगर पालिकी
नगर पालिकी श्री गंगानगर

Place : Sri Ganganagar

MUNICIPALITY SRIGANGANAGAR

As On 31.03.2016

	Current Year (AMOUNT IN RS.)	Previous Year (AMOUNT IN RS.)
SCHEDULE-9		
STATUTORY LIABILITIES :-	22109674	15817232
Income Tax (TDS) Payable		
Kalyan kosh	2387	0
Sales Tax Payable		
Salary Payable	22107287	15817232
Labour Cess Deduction		
SCHEDULE-10		
OTHER LIABILITIES :-	0	0
Payable to other Department Agency Recoveries		
Royalty Payable		
Flood Relief Fund		
Relief Fund		
SCHEDULE-11		
PROVISIONS :-	801502	601127
Audit Fees Payable	229002	171752
Accounting Fees Payable	572500	429375
Interest Payable		
Petrol / Diesel Payable		
Telephone Payable		
Water Payable		
SCHEDULE-12		
GROSS BLOCK	1680702364	1577332344
IMMOVABLE ASSETS	204148566	194474672
Land	992126	992126
Buildings	9703488	7392543
Other Immovable Assets	193452952	186090003

For and on behalf of Muncipal Council




आयुक्त
नगरपालिका, श्रीगंगानगर
Commissioner


लेखाधिकारी
Account Officer
नगर पार्षद श्री गंगानगर

Place : Sri Ganganagar

MUNICIPALITY SRIGANGANAGAR

As On 31.03.2016

	Current Year (AMOUNT IN RS.)	Previous Year (AMOUNT IN RS.)
Infrastructure Assets	1457504631	1377874497
Drains		10919387
Light Fitting	136716	136716
Other Construction Work	38635737	32330582
Other Construction Fixed Assets	26810681	26351136
Railway Under Bridge	20014274	20014274
Park Constaction	245324672	242828139
Public lighting	931293	0
Contraction of Lab	381167	0
Contraction of Road & Gutter	8371089	0
Development of Undevelopment Colony	1649855	0
Public Toilet	251063	0
Road Constaction	1114998084	1045294263
Movable Assets	8129780	4983175
Vehicles	4375780	4375780
Plant & Machinery	195428	195428
Chairs	416354	307872
Computer	47125	47125
Fan	29085	29085
Water Harwasting	1042428	0
Electricity Equipment	1995695	0
Table	27885	27885
SCHEDULE-13		
DEPRECIATION FUND :-	473362360	352406822
Opening Balance	352406822	229127485
Add :- Depreciation Provided during the year	120955538	123279337
SCHEDULE-14		
CAPITAL WORK IN PROGRESS:-	0	0
Carcass Plant		
Cattle House		
Development Work Through SFC		
Development of 12th Finance Commission		
Development of 13th Finance Commission		
Flush Toilet		
Gardens		

For and on behalf of Municipal Council

नगरपालिका, श्रीगंगानगर

Commissioner

लेखाधिकारी

Account Officer

Place : Sri Ganganagar

नगर परिषद श्री गंगानगर

MUNICIPALITY SRIGANGANAGAR

As On 31.03.2016

	Current Year (AMOUNT IN RS.)	Previous Year (AMOUNT IN RS.)
SCHEDULE-15		
GENERAL FUND INVESTMENT :-	0	0
P.D. Account With Interest		
Non-Intererest Bearing PD A/c		
RUDF Equity Contribution		
RUIS Equity Contribution		
Equity Contribution Of JCTSL		
SCHEDULE-16		
SPECIFIC FUND INVESTMENT :-	117783483	130964616
Pension Fund A/c	63384671	57434548
PF A/C	53097294	59871068
Gratuity Fund A/c	1301518	13659000
SCHEDULE-17		
INVENTORIES :-	64750	64750
B A Set	200	200
Collecting Head	100	100
D C P Amistuser	417	417
Divading Criching	200	200
Fire Amistuser	2600	2600
Foam Cratch	500	500
Log Cratch	600	600
Shot Cratch	300	300
Tyre and Tubes	59733	59733
Univeral Krach	100	100

For and on behalf of Municipal Council

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आयुक्त
नगरपरिषद, श्रीगंगानगर
Commissioner

[Signature]

लेखाधिकारी
Account Officer
नगर परिषद श्री गंगानगर

Place : Sri Ganganagar

MUNICIPALITY SRIGANGANAGAR

As On 31.03.2016

	Current Year (AMOUNT IN RS.)	Previous Year (AMOUNT IN RS.)
SCHEDULE-18		
SUNDRY DEBTORS / RECEIVABLES	75472154	78670695
House Tax	4923149	5707187
City Development Tax	70549005	72963508
Less : Provision For Doubtful Recoveries		
SCHEDULE-19		
CASH & BANK BALANCES :-	199277321	155204552
Cash In Hand	447777	970409
ICICI Bank	7665591	4070068
IHSDP A/c	5000	5000
oriental Bank OF Commerce CA-05	6533914	3262993
oriental Bank OF Commerce CA-61	6698244	4626309
oriental Bank OF Commerce SA-5406	137474778	120749816
oriental Bank OF Commerce SA-5420	1000	1000
State Bank Of Bikaner & Jaipur PD a/c	24087126	21512957
oriental Bank Of commerce SA-FFC	8935987	0
Axis Bank- SBM	7421904	0
Saurashtra Bank Jaipur	1000	1000
UIDSSMT	5000	5000
SCHEDULE-20		
LOANS, ADVANCES & DEPOSITS:-	0	0
Loans to Staff		
Advances		

For and on behalf of Municipal Council


जयप्रकाश
नगरपालिका, श्रीगंगानगर
Commissioner


लेखाधिकारी
Account Officer
नगर परिषद श्री गंगानगर

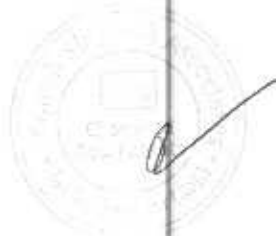
Place : Sri Ganganagar

MUNICIPALITY SRIGANGANAGAR

As On 31.03.2016

	Current Year (AMOUNT IN RS.)	Previous Year (AMOUNT IN RS.)
SCHEDULE-21		
INCOME FROM TAXES	1920941	10000000
City Development tax	1920941	10000000
House Tax		
SCHEDULE-22		
ASSIGNED COMPENSATION	264607000	234551000
Octroi Compensations	248235000	225668000
Electricity Surcharge	16372000	8883000
Income From UIT	0	0
SCHEDULE-23		
RENTAL INCOME FROM MUNICIPLE PROPERTIES :-	4117611	1568176
Income From Building Rent	1796855	682331
Income From Vehicle Rent	184206	547280
Income From House Rent	6000	34228
Annual Lease Rent	1882121	0
Income From tah. Bazari Rent	248429	304337

For and on behalf of Municipal Council




आ. व. ल. स.
नगरपालिका, श्री गंगानगर
Commissioner


लेखाधिकारी
नगर पालिका श्री गंगानगर
Account Officer

Place : Sri Ganganagar

MUNICIPALITY SRIGANGANAGAR

As On 31.03.2016

SCHEDULE-24

FEES AND USER CHARGES

	19776921	25365579
Vadhgarh Income	300750	70128
Meet shop	5900	6300
Hotel and Restorants Fee	884660	15300
Laghu Yantralya	750	13455
House Permit Fee	68850	950128
Mobile Tower Income	240000	120000
Copy Fees	8782	27098
Birth and Death Certificate Fee	20336	14808
Marriage Reg. Fees	66653	61670
Aquistion Fees		162084
Transfer Fees	963818	472750
Lease Hold Instalment		1619246
Water Supply Income	70500	95500
Other Income	8903472	3682929
Road Cutting	232613	298250
Tender Fees	395000	345000
Land Used Fees	1198634	6126849
Atichajan	145459	
Advetisement and Sign Board Fees	6270744	11284084

SCHEDULE-25

REVENUE GRANT, CONTRIBUTION, SUBSIDIES

	39657011	0
FFC Revenue Grant	626866	0
SBM Revenue Grant	15928621	0
SFC Revenue Grant	15282694	0
13Va vit ayog revenu	7818830	0

For and on behalf of Muncipal Council


आयुक्त
नगरपरिषद, श्रीगंगानगर
Commissioner


लेखाधिकारी
नगरपरिषद श्री गंगानगर
Account Officer

Place : Sri Ganganagar

MUNICIPALITY SRIGANGANAGAR

As On 31.03.2016

	Current Year (AMOUNT IN RS.)	Previous Year (AMOUNT IN RS.)
SCHEDULE-26		
INCOME FROM CORP. ASSET/INVESTMENT :-	4097376	89650988
Sale Of Land	3875505	89614152
Interest From Sales of Land	221871	36836
SCHEDULE-27		
MISCELLANEOUS INCOME :-	2840576	855318
Death Animal Contact	595500	182500
Sale of Waste Material	0	372500
Waste Collection Fees	211992	3600
Waste Water Income	0	30000
Other Rent	54400	0
Salary Recovery	167641	0
Vehicle Rent	1000	0
Penalties Under Different Act & Rules	1810043	266718
SCHEDULE-28		
ESTABLISHMENT EXP. :-	188912963	171770424
Salary & Wages	188665206	153559417
Bonus	16935	1286180
Medicial Allowance	41533	495991
Vehicle Allowance	0	66260
Councillors Allowance	0	1055056
Travelling Allowance	189289	122513
Contribution Pension	0	1718971
Labour	0	7057379
Pension	0	6408657

For and on behalf of Municipal Council



(Signature)
 आयुक्त
 नगरपालिका, श्रीगंगानगर
 Commissioner

(Signature)
 लेखाधिकारी
 नगर पार्षद श्री गंगानगर
 Account Officer

Place : Sri Ganganagar

MUNICIPALITY SRIGANGANAGAR

As On 31.03.2016

SCHEDULE-29

GENERAL ADMINISTRATION EXP :-	5947041	14841448
Dress Expenses	103180	670802
Electricity Expenses	0	572891
Postage and Telephone Expenses	300135	267268
Printing and Stationery	111365	317877
Books and Newspaper	8159	7397
Writing Material	1399	59488
Computer Stationery	65900	56751
Petrol and Diesel	421710	457651
Vehicle Insurance	205935	238262
Audit Fees	363250	57250
Court Expenses	0	161454
Advertisement Expenses	315359	406889
Contingency Expenses	2233858	1452894
Fuel Expenses (Gairaj)	0	8177792
Vehicle Maintenance (Gairaj)	1385039	1224652
Vehicle Maintenance Office	101656	101246
Accounting Expenses	143125	143125
Data Entry Expenses	38101	0
Medicine And Phinyal	148870	467759

For and on behalf of Muncipal Council



day
आयुक्त
नगरपरिषद, श्रीगंगानगर
Commissioner

[Signature]
होखाधिकारी
नगर परिषद श्री गंगानगर
Account Officer

Place : Sri Ganganagar

MUNICIPALITY SRIGANGANAGAR

As On 31.03.2016

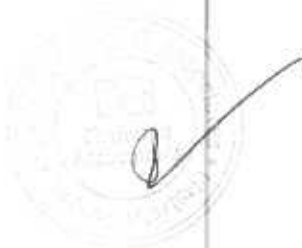
	Current Year (AMOUNT IN RS.)	Previous Year (AMOUNT IN RS.)
SCHEDULE-30		
PULIC WORKS :-	99934179	90906068
Public Toilet Repair	395935	1519863
Nali Maintenance	0	9460916
Clearing Expenses	25177149	20454673
Kachi Basti Expenses	3088099	5101125
Animal And Transporatation	13744795	7649213
Polluted Water Expenses	8913180	8480076
Eletrcity Line Lamp Expenses	39537	3677484
Wheel Baroj	0	286660
Sjsry Expenses	0	17489000
Other Maintance	3034046	0
Shawar Expenses	1668627	0
Park Maintance Expesnes	3654969	0
Citiy Nation Plan Grant	260831	0
FFC Expenses	626866	0
SBM Expenses	15928621	0
SFC Expenses	15282694	0
TFC Expenses	7818830	0
Undeveloped Colonies	300000	16787058
SCHEDULE-31		
MISCELLENOUS EXP:-	35933147	24330380
Fire Brigade Fuel Expenses	217800	420541
Fire Vehicle Maintenance	262603	518168
E- Governace	1664500	1638600
Electricity Bill	27999053	13356101
Seeds and Plant Purchase	80290	15390
Games and Sports Material	10000	10000
Office Building Repair	632236	3911672
Quarter Repair	0	487091
Electricity Material Repair	1703878	1163983
Festival Expenses	1270846	1581877
Fire Brigade Tools	252628	324153
Garden Tools Purchase	108280	196948
Social Liabilities	408000	544146
Mis. Expenses	260853	0
Refund of Revenue	312497	0
Tractor & Trolly	0	49000
Water Bill	749683	112710

For and on behalf of Muncipal Council

Commissioner

Account Officer

Place : Sri Ganganagar

लेखाधिकारी
नगर परिषद श्री गंगानगर

Municipal Council Sri Ganganagar (Rajasthan)

**NOTES FORMING PART OF AUDIT REPORT & FINANCIAL STATEMENT
FOR THE YEAR ENDED ON 31.03.2016**

Accounting policies

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

Recognition of Revenue

- a) Property and other taxes are recognized in the period in which they become due and demands are ascertainable.
- b) Advertisements incomes are accrued based on demand or the contract.
- c) Revenue in respect of Contract/License Fees is accrued in the year to which it pertains and when Demands are raised.
- d) Assigned revenues like Octroi, Duty / Surcharge on transfer of Immovable properties, Tender Fee, Development fee are accounted during the year only upon actual receipt.
- e) Lease Rental and interest on lease rental are accounted during the year on actual receipt basis.
- f) Interest received on Bank Deposit is accounted as actual receipts during the year and accrual at the end of the year.
- g) 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.

Recognition of Expenditure

- a) Expenses on Salaries are account on April to March and bonus and other allowances are recognised as and when they are due for payment.
- b) All other major 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 are becomes due for payment.
- d) Provision for expenses are made at the year-end for all bills received up to & cut off date.
- e) Provision for pensions is not made at Municipal Council level.
- f) Bank charges are accounted on cash basis.
- g) Provision of Electricity Bill, Water bill is not made.



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 acquisition or construction 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.

ii. Depreciation

- a) Depreciation is provided on WDV method using the rates prescribed in Income Tax Act 1961.

iii. Revaluation of Fixed Assets

The Municipal Council has not made any Revaluation of Fixed Assets during the year as there was no such need for revaluation.

Inventories : Inventory is NIL as at the end of financial year.

Grants

- a) General Grants which are of revenue nature are recognised as income on receipts basis.
- b) Grants, which are re-imbusement 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 capital receipt and transferred to Municipal general fund.

Employee benefits

Separate Funds are formed for meeting the provident and the retirement benefits including Gratuity.

Statutory deductions

Statutory deduction from claimants (Salary, Works, Supplier etc.,) which includes TDS, Sales tax (VAT), provident fund contribution etc., are to be recognized as liability in the same period in which the corresponding claim is recognized as expense.

Notes on Accounts and other disclosures:

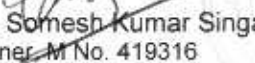
- a). Opening Balances adopted in Double Entry Accrual accounting are subject to audit and certified by the Municipal Council.



- b). In the opinion of the Management of Municipal Council and to the best of their knowledge and belief, the value on realisation of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance sheet.
- c). There are no fixed assets purchased out of borrowed money. So, there is no question of Borrowing Cost.
- d). There are no investments held by the Municipal Council during the year except Employee's GPF Accounts and Gratuity PD A/c. There are no long-term investments standing in the name of Municipal Council.
- e). Fixed assets, inventories & Stationeries item are valued, certified and physically verified by management. Initial recognition of fixed assets is taken as certified by the Municipal Council and subject to verification. No physical verification of fixed assets and inventories is conducted by us.
- f). All outstanding of third parties balances are subject to confirmation.
- g). Necessary adjustment for writing off of accounts receivable is not made. Further no provisions are made against outstanding receivables during the year.
- h). The entries in the cash book for bank transactions under General Ledger in Double Entry Accrual Accounting are compared with the entries on the bank statements and no differences are noted.
- i). Contingent liability, Judgment and Claims: No estimate of the liability for unsettled claims has been reported by the Municipal Council.
- j). Security Deposit and EMD : Party wise detail of security deposits / EMD is not available and subject to verification.
- k). Sale proceeds of land are treated as income under "Income from Corp Assets/Investment" in absence of cost of the respective assets.

For SOMESH SINGAL & ASSOICATES

Chartered Accountants
Firm Regn.019414C


CA. Somesh Kumar Singal
Partner M No. 419316


आयुक्त
नगरपालिका, श्रीगंगानगर
Commissioner


लगाधिकारी
Account Officer श्रीगंगानगर

Place : Sri Ganganagar
Date :