

OFFICE OF MUNICIPAL BOARD
SAMBHAR LAKE

Financial Statements

As per Rajasthan Municipal Accounting Manual

2014-15

OFFICE OF MUNICIPAL BOARD SAMBHAR LAKE

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GUPTA KANIKA & ASSOCIATES

CHARTERED ACCOUNTANTS

26-27, Nareda Colony, Jharkhand More, Khatipura, Jaipur-302012
Telefax:-(O) 0141-2358838, Mobile:-9829384548,9602268918

INDEPENDENT AUDITOR'S REPORT

To,
The Executive Officer

We have audited the accompanying financial statements of Office of Municipal Board, Sambhar Lake which comprise the Balance Sheet as at March 31, 2015 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.

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, 2015
- b) in the case of the Income and Expenditure Statement, of the surplus/ deficit for the year ended on that date; and



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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 GUPTA KANIKA & ASSOCIATES,
CHARTERED ACCOUNTANTS,

Kanika

(KANIKA GUPTA)
Partner

Mem. No. :- 425035
FRN :- 019310C
Date :- 01/09/2015
Place:- Jaipur



GUPTA KANIKA & ASSOCIATES

CHARTERED ACCOUNTANTS

26-27, Nareda Colony, Jharkhand More, Khatipura, Jaipur-302012
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- 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;
 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 whether 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 maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
These fixed assets have been physically verified at reasonable intervals by the Management of the ULB
According to the information and explanations given to us no material discrepancies were noticed on such verification.
 5. As explained to us lease rentals are collected regularly by the Municipality and that the lease agreements are renewed after their expiry;
 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 loans to the employees against PF. Deduction from salary are made towards the loans, however no interest is charged on such loans. Whether advances given to municipal employees and interest thereon are being regularly recovered;
 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 regularly depositing undisputed statutory dues including tax deducted at source, works contract tax, cess payable to the Government, ESI, PF etc.
 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.



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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 and Bank Reconciliation statements have been properly prepared for all the bank accounts of the Municipality;
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;

For GUPTA KANIKA & ASSOCIATES,
CHARTERED ACCOUNTANTS,

Kanika

(KANIKA GUPTA)
Partner

Mem. No. :- 425035

FRN :- 019310C

Date :- 01/09/2015

Place:- Jaipur



OFFICE OF MUNICIPAL BOARD

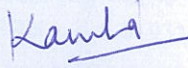
SAMBHAR LAKE

BALANCE SHEET

As at 31st March 2015

Code No	Description of items	Schedule No.	Amount in ₹	
			As at 31st March 2015	As at 31st March 2014
	LIABILITIES			
	Reserve & Surplus			
3-10	Municipal (General) Fund	B-1	2,87,83,530.08	2,75,72,851.58
3-11	Earmarked Funds	B-2	14,89,780.00	14,24,710.00
3-12	Reserves	B-3	12,22,758.00	12,22,758.00
3-20	Grants, Contributions for specific purposes	B-4	3,89,75,726.91	2,21,60,071.91
	Current Liabilities and Provisions			
3-40	Deposits Received	B-5	3,54,609.00	3,93,812.00
3-50	Other Liabilities (Sundry Creditors)	B-6	8,60,000.00	8,62,500.00
3-60	Provisions	B-7	-	2,86,214.00
	Total Current Liabilities and Provisions		12,14,609.00	15,42,526.00
	TOTAL LIABILITIES		7,16,86,403.99	5,39,22,917.49
	ASSETS			
	Fixed Assets			
4-10	Gross Block	B-8	6,74,80,944.00	4,96,08,314.00
4-11	Less: Accumulated Depreciation		1,12,27,413.50	58,08,947.00
	Net Block		5,62,53,530.50	4,37,99,367.00
4-12	Capital Work-in-Progress		-	-
	Total Fixed Assets		5,62,53,530.50	4,37,99,367.00
4-50	Cash and Bank Balances	B-9	1,47,25,991.49	98,89,520.49
4-60	Loans, advances and deposits	B-10	7,06,882.00	2,34,030.00
	TOTAL ASSETS		7,16,86,403.99	5,39,22,917.49


For Gupta Kanika & Associates
Chartered Accountants


Kanika Gupta
(Partner)

Mem No.:- 425035
FRN :-019310C



For Office of Municipal Board, Sambhar Lake


Executive Officer

OFFICE OF MUNICIPAL BOARD

SAMBHAR LAKE

Income & Expenditure Statement

For the Period ended 31st March 2015

Code No.	Item/ Head of Account	Schedule No	Amount in ₹	
			2014-15	2013-14
	INCOME			
1-10	Tax Revenue	I-1	4,67,952.00	3,39,324.00
1-20	Assigned Revenues & Compensation Rental	I-2	1,09,51,000.00	1,07,09,000.00
1-30	Income from Municipal Properties	I-3	5,09,173.00	5,11,433.00
1-40	Fees & User Charges	I-4	13,32,101.00	16,98,799.00
1-50	Sale & Hire Charges	I-5	1,11,59,347.00	-
1-60	Revenue Grants, Contributions & Subsidies	I-6	4,71,915.00	54,19,569.00
1-71	Interest Earned	I-7	69,758.00	74,323.00
A	Total – INCOME		2,49,61,246.00	1,87,52,448.00
	EXPENDITURE			
2-10	Establishment Expenses	I-8	1,50,63,622.00	1,35,67,519.00
2-20	Administrative Expenses	I-9	15,23,997.00	19,32,112.00
2-30	Operations & Maintenance	I-10	11,68,913.00	22,88,452.00
2-40	Interest & Finance Expenses	I-11	2,433.00	983.00
2-50	Programme Expenses	I-12	3,16,336.00	3,76,249.00
2-60	Revenue Grants, Contributions & subsidies	I-13	2,56,800.00	15,99,107.00
2-70	Provisions & Write off		-	64,548.00
2-72	Depreciation		54,18,466.50	41,39,629.00
B	Total – EXPENDITURE		2,37,50,567.50	2,39,68,599.00
<i>A-B</i>	<i>Gross surplus/ (deficit) of income over expenditure before Prior Period Items</i>		12,10,678.50	(52,16,151.00)
2-80	Add: Prior period Items (Net)		-	-
	<i>Gross surplus/ (deficit) of income over expenditure after Prior Period Items</i>		12,10,678.50	(52,16,151.00)
2-90	Less: Transfer to Reserve Funds		-	-
	<i>Net balance being surplus/ deficit carried over to Municipal Fund</i>		12,10,678.50	(52,16,151.00)

For Gupta Kanika & Associates
Chartered Accountants

Kanika

Kanika Gupta
(Partner)

Mem No.:- 425035

FRN :-019310C



For Office of Municipal Board, Sambhar Lake

[Signature]

Executive Officer

OFFICE OF MUNICIPAL BOARD

SAMBHAR LAKE

Schedule to the Financial Statements

Schedule B-1: Municipal (General) Fund [Code No 310]

Code No.	Particulars	Opening balance	Additions during the year	Total	Deductions during the year	Amount in ₹ Balance at the end of 31st March 2015
1	2	3	4	5 (3+4)	6	7 (5-6)
310-10	Municipal Fund					
310-20	Excess of Income & Expenditure	2,75,72,851.58	-	2,75,72,851.58	-	2,75,72,851.58
	Total Municipal fund	2,75,72,851.58	-	2,75,72,851.58	12,10,678.50	2,87,83,530.08

Schedule B-2: Earmarked Funds

Particulars	Gratuity Fund	General Provident fund	TOTAL
(a) Opening Balance	1,22,451.00	13,02,259.00	14,24,710.00
(b) Additions to the Special Fund			
Interest earned	16,971.00	67,239.00	84,210.00
Addition during the year	1,60,733.00	5,85,191.00	7,45,924.00
Total (b) Total (a+b)	3,00,155.00	19,54,689.00	22,54,844.00
(c) Revenue Expenditure			
Paid during the year	1,07,152.00	6,57,912.00	7,65,064.00
Sub - total (c)	1,07,152.00	6,57,912.00	7,65,064.00
Net balance at the year end - (a+b)-c	1,93,003.00	12,96,777.00	14,89,780.00

Schedule B-3: Reserves [Code No 312]

Code No.	Particulars	Opening balance	Additions during the year	Total	Deductions during the year	Amount in ₹ Balance at the end of 31st March 2015
1	2	3	4	5 (3+4)	6	7 (5-6)
312-10	Special Funds (Utilised) - Swan Jayanti Yojana	12,22,758.00	-	-	-	12,22,758.00
	Total Reserve funds	12,22,758.00	-	-	-	12,22,758.00

Schedule B-4: Grants & Contribution for Specific Purposes [Code No 320]

Particulars	Grants from 13th Finance Commission	Grant From 14th finance Commission	Grant From State finance Commission	12Th finance Commission Grant	Nirbhand Yojana	Balika Samridhi Yojana	CM BPL Yojana	Jan Sahyogi Yojana	Swarn Jayanti Yojana	Amount in ₹
(a) Opening Balance	68,69,637.00	86,08,000.00	-	18,190.00	48,78,000.00	742.00	10,70,292.00	13,094.00	7,02,116.91	2,21,60,071.91
(b) Additions to the Grants	30,69,000.00		1,46,63,000.00	1,112.00		30.00	43,240.00	529.00	24,559.00	1,77,32,000.00
(i) Grant received during the year										
(ii) Interest/Dividend earned on Grant Investments										
Total (b)	30,69,000.00		1,46,63,000.00	1,112.00		30.00	43,240.00	529.00	24,559.00	69,470.00
(c) Payments out of funds	99,38,637.00	86,08,000.00	1,46,63,000.00	19,302.00	48,78,000.00	772.00	11,13,532.00	13,623.00	7,26,675.91	1,78,01,470.00
(d) Capital expenditure on Fixed Assets										3,99,61,541.91
(i) Revenue Expenditure										
Other administrative charges										
Grants/Expenses as per scheme	5,76,548.00								4,09,267.00	9,85,815.00
Sub - total (c)	5,76,548.00								4,09,267.00	9,85,815.00
Net balance at the year end - (a+b)-(c)	93,62,089.00	86,08,000.00	1,46,63,000.00	19,302.00	48,78,000.00	772.00	11,13,532.00	13,623.00	3,17,408.91	3,89,75,726.91



Schedule B-5: Deposits Received [Code No 340]

Code No.	Particulars	Amount in ₹	
		As at 31st March 2015	As at 31st March 2014
340-10	From Contractors	3,54,609.00	3,93,812.00
	Total deposits received	3,54,609.00	3,93,812.00

Schedule B-6: Other Liabilities (Sundry Creditors) [Code No 350]

Code No.	Particulars	Amount in ₹	
		As at 31st March 2015	As at 31st March 2014
350-11	Employee Liabilities- Unpaid Salary	8,60,000.00	8,62,500.00
	Total Other liabilities (Sundry Creditors)	8,60,000.00	8,62,500.00

Schedule B-7: Provisions [Code No. 360]

Code No.	Particulars	Amount in ₹	
		As at 31st March 2015	As at 31st March 2014
360-10	Provision for Expenses	-	2,86,214.00
	Total Provisions	-	2,86,214.00

Schedule B-9 :Cash and Bank Balances [Code No 450]

Code No.	Particulars	Amount in ₹	
		As at 31st March 2015	As at 31st March 2014
450-10	Cash	12,345.00	4,176.00
	Balance with Bank – Municipal Funds		
450-20	Central Bank of India-4024	1,00,39,731.70	31,560.70
450-21	Central Bank of India-8500	2,66,043.53	7,44,336.53
450-22	Bank Account-PD- 8448	11,52,868.00	43,13,264.00
450-23	State Bank of India	8,15,585.35	17,92,038.35
	Sub-total	1,22,74,228.58	68,81,199.58
	Balance with Bank – Special Funds		
450-30	Bank A/c Balika Samridhi Yojana	772.00	742.00
450-31	Bank A/c- Jan Sahyogi Yojana	13,623.00	13,094.00
450-32	Bank A/C- CM BPL Yojana	11,13,532.00	10,70,292.00
450-33	Bank A/c -Swarn Jayanti yojana(CBI)	2,19,551.50	6,08,537.50
450-34	Bank A/c -Swarn Jayanti yojana(PNB)	86,640.00	82,791.00
450-35	Bank A/c -Swarn Jayanti yojana(SBI)	11,217.41	10,788.41
450-36	Bank A/c- PF	7,81,777.00	10,77,259.00
450-37	Bank A/C - Gratuity	1,93,003.00	1,22,451.00
450-38	Bank A/c - 12th Finance commssion grant	19,302.00	18,190.00
	Sub-total	24,39,417.91	30,04,144.91
	Total	1,47,25,991.49	98,89,520.49

Schedule B-10: Loans, advances and deposits [Code 460]

Code No.	Particulars	Amount in ₹	
		As at 31st March 2015	As at 31st March 2014
460-20	Employee Provident Fund Loans	5,15,000.00	2,25,000.00
460-80	Rent Deposit	9,030.00	9,030.00
460-90	Other loans	1,82,852.00	-
	Total Loans, advances, and deposits	7,06,882.00	2,34,030.00



Schedule B-8: Fixed Assets

Code No	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		Opening Balance	Additions during the period	Deductions during the period	Cost at the end of the year	Opening Balance	Additions during the period	Deductions during the period	Total at the end of the year	At the end of current year	At the end of the previous year
1	2	3	4	5	6	7	8	9	10	11	12
410-10	Land	80,00,000.00	-	-	80,00,000.00	-	-	-	-	80,00,000.00	80,00,000.00
410-20	Buildings	18,00,000.00	-	-	18,00,000.00	-	-	-	-	18,00,000.00	18,00,000.00
	<u>Infrastructure Assets</u>										
410-30	Roads, Bridges & Drains	3,74,15,992.00	1,72,92,354.00	-	5,47,08,346.00	37,41,599.00	48,42,624.30	-	85,84,223.30	4,61,24,122.70	3,36,74,393.00
	<u>Other assets</u>										
410-40	Plants & Machinery	4,85,150.00	4,04,700.00	-	8,89,850.00	3,99,554.00	1,14,270.00	-	5,13,824.00	3,76,026.00	85,596.00
410-50	Vehicles	16,25,524.00	-	-	16,25,524.00	13,80,689.00	2,43,828.60	-	16,24,517.60	1,006.40	2,44,835.00
410-70	Furniture, fixtures, fittings and electrical appliances	2,81,648.00	1,75,576.00	-	4,57,224.00	1,07,105.00	37,743.60	-	1,44,848.60	3,12,375.40	1,74,543.00
	Total	4,96,08,314.00	1,78,72,630.00	-	6,74,80,944.00	58,08,947.00	54,18,466.50	-	1,12,27,413.50	5,62,53,550.50	4,37,99,367.00



Schedule I-1: Tax Revenue [Code No 110]

Code No	Particulars	Amount in ₹	
		2014-15	2013-14
110-01	Property Tax		
	Total tax revenue	4,67,952.00	3,39,324.00
		4,67,952.00	3,39,324.00

Schedule I-2 : Assigned Revenues & Compensation [Code No 120]

Code No.	Particulars	Amount in ₹	
		2014-15	2013-14
120-20	Compensation in Lieu of octroi		
	Total assigned revenues & compensation	1,09,51,000.00	1,07,09,000.00
		1,09,51,000.00	1,07,09,000.00

Schedule I-3 : Rental Income From Municipal Properties (Code no. 130)

Code No.	Particulars	Amount in ₹	
		2014-15	2013-14
130-10	Rent from Civic Amenities		
130-20	Rent from Municipal Properties	38,500.00	1,51,893.00
130-40	Rent from lease of lands	32,141.00	20,343.00
	Total Rental Income from Municipal Properties	4,38,532.00	3,39,197.00
		5,09,173.00	5,11,433.00

Schedule I-4 : Fess & User Charges(Code 140)

Code No.	Particulars	Amount in ₹	
		2014-15	2013-14
140-12	Fees for Grant of Permit		
140-13	Fees for Certificate of Extract	-	1,74,216.00
140-14	Development Charges	77,601.00	70,199.00
140-15	Regularisation Fees	1,16,104.00	43,628.00
140-40	Other Fees	7,82,511.00	7,31,085.00
140-50	User Charges	1,20,000.00	1,16,212.00
140-60	Tender Fees	1,36,150.00	31,600.00
140-80	Other Charges	16,300.00	33,550.00
	Total income from Fees & User Charges – Income head-	83,435.00	4,98,309.00
		13,32,101.00	16,98,799.00

Schedule I-5 : Sale & Hire Charges (Cod-150)

Code No.	Particulars	Amount in ₹	
		2014-15	2013-14
150-10	Sale of Land		
	Total Revenue Grants, Contributions & Subsidies	1,11,59,347.00	
		1,11,59,347.00	-

Schedule I-6 : Revenue Grants , Contributions & Subsidies (Code no. 160)

Code No.	Particulars	Amount in ₹	
		2014-15	2013-14
160-10	Revenue Grant		
	Total Revenue Grants, Contributions & Subsidies	4,71,915.00	54,19,569.00
		4,71,915.00	54,19,569.00

Schedule I-7: Interest Earned (Code No. 171)

Code No.	Particulars	Amount in ₹	
		2014-15	2013-14
171-10	Interest from Bank account		
	Total. – Interest Earned	69,758.00	74,323.00
		69,758.00	74,323.00



Schedule I-8 Establishment Expenses [Code-210]

Code No.	Particulars	Amount in ₹	
		2014-15	2013-14
210-10	Salaries , Wages & Bonus	1,41,37,430.00	1,00,04,219.00
210-20	Benefit & allowances	5,40,498.00	4,37,750.00
210-30	Pension	3,85,694.00	7,71,554.00
210-40	Other Terminal & Retirement Benefits	-	15,08,822.00
210-50	Leave Encashment	-	8,45,174.00
	Total establishment expenses – expense head wise	1,50,63,622.00	1,35,67,519.00

Schedule I-9: Administrative Expenses-[Code No. 220]

Code No.	Particulars	Amount in ₹	
		2014-15	2013-14
220-12	Communication Expenses	47,692.00	44,493.00
220-20	Books & Periodicals	1,480.00	27,118.00
220-21	Printing & Stationary	68,622.00	1,23,042.00
220-30	Travelling & Conveyance	1,44,506.00	82,597.00
220-51	Legal Fees	3,025.00	80,207.00
220-52	Professional and other fees	4,58,417.00	27,450.00
220-60	Advertisements	4,99,522.00	2,22,751.00
220-61	Other Administrative Expenses	3,00,733.00	13,24,454.00
	Total administrative expenses – expense head wise	15,23,997.00	19,32,112.00

Schedule I-10 : Operations & Maintenance [Code No. 230]

Code No.	Particulars	Amount in ₹	
		2014-15	2013-14
230-10	Power & Fuel	3,50,595.00	9,61,733.00
230-52	Repair & Maintentance-Civic Amenities	6,51,524.00	8,57,927.00
230-53	Repair & Maintenance - Building		2,20,030.00
230-54	Repair & Maintenance - Vehicles	1,52,210.00	1,27,529.00
230-59	Repair & Maintenance - Others	14,584.00	1,21,233.00
	Total operations & maintenance - expense head wise	11,68,913.00	22,88,452.00

Schedule I-11 : Interest & Finance charges (code no. 240)

Code No.	Particulars	Amount in ₹	
		2014-15	2013-14
240-70	Bank charges	2,433.00	983.00
	Total Interest & Finance Charges	2,433.00	983.00

Schedule I-12: Programme Expenses [Code No 250]

Code No.	Particulars	Amount in ₹	
		2014-15	2013-14
250-30	Festival Organisation Expenses	3,16,336.00	3,76,249.00
	Total Programme Expenses	3,16,336.00	3,76,249.00

Schedule I-13: Revenue Grants , Contributions & Subsidies(Code no. 260)

Code No.	Particulars	Amount in ₹	
		2014-15	2013-14
260-10	Grants	2,56,800.00	15,99,107.00
	Total Revenue Grants, Contributions & Subsidies	2,56,800.00	15,99,107.00



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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. Revenues in respect of Profession Tax on Organisations /entities are accrued in the year to which it pertains and when demands are raised.
- c. Advertisement taxes are accrued based on Demand or the contract.
- d. Revenue in respect of Trade License Fees is accrued in the year to which it pertains and when Demands are raised.
- e. 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.
- 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 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



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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/-

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.

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 amortised by equivalent amount of depreciation charged on the revalued portion of the cost of the fixed assets.

5. Borrowing cost

Borrowing cost is recognised 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 recognised as income on actual receipt
- b. Grants, which are re-imbursement 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.

8. 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.



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9. Investments

- a. All investments are initially recognised at Cost. The cost of investment shall include cost incurred in acquiring the investment and other incidental expenses incurred for its acquisition.
- b. Long-term investments are carried at their cost. However in the event of any permanent diminution in their value as on the date of balance sheet, these are provided for.
- c. Short-term investments are carried at their cost or market value (if quoted) whichever is lower.

10. Opening Balances as at 31st March 2013

- a. **Municipal Fund**
The opening balance of Municipal has been arrived after deducting the total assets of the Municipal Board from the total Liabilities
- b. **Earmarked Funds/Special Funds**
The Balance of Earmarked Funds is the total assets available against such earmarked funds.
- c. **Deposits Received**
The amount of Deposits Received has been arrived at from the Register of Deposits maintained by the Accounts Officer of the Municipal Board.
- d. **Other Liabilities/Provisions**
Other liabilities/Provisions has been ascertained by performing Subsequent Event Testing i.e the liabilities paid like salary paid, electricity bills paid etc
- e. **Fixed Assets**
The amount of Fixed Assets have been ascertained as per Guidelines specified in the Rajasthan Municipal Accounting Manual.

There may exist possibilities that certain assets and liabilities are identified after preparation of draft Opening Balance Sheet as well as after preparation of the first Balance Sheet subsequent to Opening Balance Sheet. In such case, the value of assets or liabilities identified will be directly incorporated in the Opening Balance Sheet (where first Balance Sheet subsequent to the Opening Balance Sheet is not prepared) or through the account "Adjustments to Opening Balance Sheet" in the Balance Sheet for the period concerned.

**For GUPTA KANIKA & ASSOCIATES
CHARTERED ACCOUNTANTS,**

FOR OFFICE OF MUNICIPAL BOARD

Kanika

**(KANIKA GUPTA)
Partner**

Mem. No. :- 425035

FRN :- 019310C

Date :- 01/09/2015

Place :- Sambhar Lake



[Signature]

Executive Officer

**आधेशाषी अधिकारी
नगरपालिका मण्डल
साँभर लेक (राज.)**

कार्यालय नगरपालिका मण्डल सांभर लेक (जयपुर)

क्रमांक:नपासा/2016/2045

दिनांक 01/02/2016

श्रीमान् निदेशक महोदय,
स्थानीय निकाय विभाग
राज0 जयपुर।

विषय:- वर्ष ~~2013-14~~ व 2014-15 की BALANCE SHEET प्रस्तुत करने बाबत्।

उपरोक्त विषयान्तर्गत निवेदन है कि वित्तिय वर्ष 2013-14 व 2014-15 की पालिका द्वारा

दोहरा लेखा प्रणाली के अनुसार निर्धारित प्रपत्र में ऑडिटेड बैलस शीट बनाकर आपके कार्यालय में सादर प्रेषित है।



(हरिनारायण यादव)

अधिसाषी अधिकारी

नगरपालिका सांभर लेक

~~///~~ Audit Report received for 2014-15 only.
05/02/2016
Manish Jain