



Karm & Company

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To,
The Executive officer,
Municipal Board Sojat City,
Rajasthan

Report to Financial Statement

We have audited the accompanying financial statements of **Municipal Board, Sojat City, Rajasthan** which comprise the Balance Sheet as at March 31, 2022, the Income and Expenditure Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

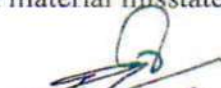
Management's Responsibility for the Financial Statements

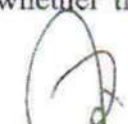
Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the ULB in accordance with the Rajasthan Municipal Accounts Manual. This responsibility includes the design, implementation and maintenance 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.

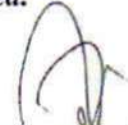
Opinion

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, GST, Royalty and Labourcess 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.**




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- 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, 2020 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



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

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Mumbai, the 04 January. 2023



Karm & Company

Chartered Accountants

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

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Annexure A to Auditor's Report (2021-22)

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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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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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 CardNo. 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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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


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


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Mumbai, the 04 January 2023

Balance Sheet of Municipal Board of Sojat City As on 31 March 2022

PARTICULARS	Schedule	2021-2022	2020-2021
		(Amount in Rs.)	(Amount in Rs.)
I - LIABILITIES			
RESERVE & SURPLUS			
Municipal (General) Fund	1	33,19,01,670	24,05,39,206
Earmarked Funds	2	66,360	66,360
Total Reserve & Surplus (A)		33,19,68,030	24,06,05,566
GRANT/ CONTRIBUTION FOR SPECIFIC PURPOSE (B)	3	5,85,33,373	2,88,29,206
CURRENT LIABILITIES & PROVISIONS			
Sundry Deposits	4	1,53,71,770	2,73,32,743
Sundry Creditors	5	2,14,790	2,20,765
Statutory Liabilities	6	38,80,968	26,13,688
Other Liabilities	7	-3,57,55,077	-2,38,44,692
Total Current Liabilities and Provisions (D)		-1,62,87,549	63,22,504
TOTAL LIABILITIES (A+B+C+D)		37,42,13,854	27,57,57,276
II - ASSETS			
FIXED ASSETS			
Gross Block	8	31,17,01,056	23,18,42,119
Depreciation Fund	9	6,58,94,644	4,04,45,355
Net Block		24,58,06,412	19,13,96,764
Total Fixed Assets (A)		24,58,06,412	19,13,96,764
INVESTMENTS			
General Fund Investments	10	7,38,12,584	4,12,86,614
Specific Fund Investments	11	3,15,52,579	2,87,23,829
Total Investments (B)		10,53,65,163	7,00,10,443
CURRENT ASSETS, LOAN & ADVANCES			
Cash & Bank Balances	12	2,30,42,279	1,43,50,069
Total Current Assets, Loans & Advances (C)		2,30,42,279	1,43,50,069
TOTAL ASSETS(A+B+C)		37,42,13,854	27,57,57,276

Notes to Accounts and Accounting Policies

For KARM & CO.
Chartered Accountants
Firm Regn. No. 105237W
Dharmendra Molani
(Partner)
Membership No. 125602

Date: - 04.1.2023
Place: - Sojat City




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For and Behalf on Nagar Palika


(Executive Officer)
अधिसाधी अधिकारी
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**Income and Expenditure Account of Municipal Board of Sojat City
For the Year Ending 31 March 2022**

PARTICULARS	Schedule	2021-2022	2020-2021
		(Amount in Rs.)	(Amount in Rs.)
INCOME			
Income From Taxes	13	32,97,868	15,13,619
Assigned Compensations	14	6,60,65,000	6,00,59,000
Rental Income from Municipal Properties	15	4,39,496	5,05,318
Fees and User Charges	16	10,02,05,950	2,41,71,584
Income from Corporation Assets and Investment	17	28,40,800	31,16,381
Miscellaneous Income	18	1,04,15,830	2,19,20,977
Total Income - I		18,32,64,944	11,12,86,879
EXPENDITURE			
Establishment Expenses	19	4,58,86,111	5,06,75,221
General Administrative Expenses	20	1,66,20,751	1,61,60,901
Public Works	21	2,77,785	1,44,20,838
Interest & Financial Exp.	22	-	265
Miscellaneous Expenses	23	34,12,144	44,13,317
Depreciation During the Year		2,54,49,289	1,94,04,968
Total Expenditure - II		9,16,46,080	10,50,75,510
Surplus\ (Deficit) before adjustment of prior period items and Depreciation		9,16,18,864	62,11,369
Less: Prior Period Items			
Less: Prior Period adjustment of Depreciation			
Less: Transfer to Reserve Fund			
NET SURPLUS\ DEFICIT		9,16,18,864	62,11,369

Notes to Accounts and Accounting Policies

For KARM & CO.

Chartered Accountants

Firm Regn. No. 105237W

Dharmendra Molani
(Partner)

Membership No. 125602

Date: - 04.1.2023

Place: - Sojat City



For and Behalf on Nagar Palika

(Signature)
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(Signature)
(Executive Officer)
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**Schedule forming part of Balance Sheet of Municipal Board of Sojat City
As on 31 March 2022**

PARTICULARS	2021-2022	2020-2021
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 1		
MUNICIPAL (GENERAL) FUND		
Opening balance	24,02,82,806	23,43,27,837
Add : - Addition during the year	-	-
Less:- Deduction during the year	-	-
Add: Excess of Income over Expenditure	9,16,18,864	62,11,369
Total	33,19,01,670	24,05,39,206
Schedule - 2		
EARMARKED FUND		
Special Fund - Other	66,360	66,360
Total	66,360	66,360
Schedule - 3		
GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE		
Special Grant for 11/12th Financial Commission	4,30,32,892	1,83,37,244
Special Grant for Swarna Jayanti Sahari Roj gar Sch.	12,77,618	15,95,300
Special Grant from S.F.C.	349	-
Grant from Swachh Bharat Mission	89,50,648	90,47,948
Grant from Ctn Jal Swalbhan Yojana	6,72,411	6,72,411
Grant from MLA Fund	4,05,584	4,05,584
Grant from MPLAD Fund	-	-27,044
Grant from RUIRP	41,93,750	-12,25,949
Grant from Covid 19 Korana	121	23,712
Total	5,85,33,373	2,88,29,206
Schedule - 4		
SUNDRY DEPOSITS		
Security & Amanat Payable	1,53,71,770	2,73,32,743
Total	1,53,71,770	2,73,32,743

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**Schedule forming part of Balance Sheet of Municipal Board of Sojat City
As on 31 March 2022**

PARTICULARS	2021-2022	2020-2021
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 5 SUNDARY CREDITORS		
Creditors For supplies	2,14,790	2,20,765
Other Creditors	-	-
Total	2,14,790	2,20,765
Schedule - 6 STATUTORY LIABILITIES		
Income Tax (TDS) Payable	-10,067	31,053
Commercial Tax Payable	3,18,830	3,93,304
Salary Payable	-	-
Labour Cess Deduction	35,72,205	21,89,331
Total	38,80,968	26,13,688
Schedule - 7 OTHER LIABILITIES		
Royalty Payable	-	31,575
Employee Liabilities	-3,58,37,716	-2,39,37,001
Others	82,639	60,734
Total	-3,57,55,077	-2,38,44,692
Schedule - 8 GROSS BLOCK		
Immovable Assets		
Land	1,60,79,022	1,60,79,022
Parks & Garden A/c	26,97,423	23,97,279
Office Building	4,12,83,000	4,12,83,000
Residential Building	-	-
Other fixed assets	9,87,47,101	4,58,31,776
Infrastructure Assets		
Roads & Bridge	5,77,64,000	5,77,64,000
Sewerage & Drainage	56,81,000	56,81,000
Water ways	7,59,799	7,59,799
Public Lighting	8,12,01,546	5,68,97,034
Others	-	-
Moveable Assets		
Plant & Machinery	3,65,766	3,65,766
Vehicles	58,57,444	37,30,238
Furniture & Fixture	2,33,840	2,33,840
Office Equipment	9,38,781	7,27,031
Computers	92,334	92,334
Live Stock	-	-
Total	31,17,01,056	23,18,42,119



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**Schedule forming part of Balance Sheet of Municipal Board of Sojat City
As on 31 March 2022**

PARTICULARS	2021-2022	2020-2021
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 9		
DEPRECIATION FUND		
Opening Balance	4,04,45,355	2,10,40,387
Add:- Depreciation provided during the year	2,54,49,289	1,94,04,968
Less:- Depreciation for the previous year		
Total	6,58,94,644	4,04,45,355
Schedule - 10		
GENERAL FUND INVESTMENT		
Non-Interest Bearing PD A/c	7,38,12,584	4,12,86,614
Total	7,38,12,584	4,12,86,614
Schedule - 11		
SPECIFIC FUND INVESTMENT		
Employee's GPF Accounts	80,82,778	82,71,662
Gratuity P.D A/c	2,34,69,801	2,04,52,167
Total	3,15,52,579	2,87,23,829
Schedule - 12		
CASH & BANK BALANCES		
Cash in Hand		
Balances in Saving & Current a/cs	2,30,42,279	1,43,50,069
Total	2,30,42,279	1,43,50,069

Tharwada



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**Schedule forming part of Income and Expenditure Account of Municipal Board of Sojat City
For the Year Ending 31 March 2022**

PARTICULARS	2021-2022	2020-2021
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 13		
INCOME FROM TAXES		
Urban Development Tax	8,42,328	4,32,159
Other taxes	24,55,540	10,81,460
Total	32,97,868	15,13,619
Schedule - 14		
ASSIGNED COMPENSATION		
Octroi Compensations	6,60,65,000	6,00,59,000
Total	6,60,65,000	6,00,59,000
Schedule - 15		
RENTAL INCOME FROM MUNICIPALE PROPERTIES		
Income from Rent and Teh Bazari	4,39,496	3,40,209
Rent from lease of lands	-	1,57,109
Other rents	-	8,000
Total	4,39,496	5,05,318
Schedule - 16		
FEES AND USER CHARGES		
Copy Fees	3,437	3,982
Empancment & Registration Charges	-	48,280
Fees for Certificate or Extract	12,34,723	3,10,206
Fees for Grant of Permit	124	3
Development Charges	1,85,07,256	63,98,226
Regularisation Fees	3,26,55,548	-
User Charges	23,90,020	20,536
Mobile Toilet Fees	27,800	3,500
Mobile Tower Reg Fees	29,05,964	40,000
Nomination 140-10-04	9,57,260	9,63,086
Other Fees	-	14,46,313
Adverstiment Income 140-40-01	29,97,384	6,11,462
Agriculture Income 140-15-03	1,05,08,917	58,70,389
B S U P	8,86,061	14,67,258
Building Const., 140-12-01	12,93,839	10,64,532
Joint Income Ekiran Income	-	1,23,089
Lease One Time Agri	2,56,56,617	55,64,722
Varkhropan Fees	1,81,000	2,36,000
Total	10,02,05,950	2,41,71,584



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**Schedule forming part of Income and Expenditure Account of Municipal Board of Sojat City
For the Year Ending 31 March 2022**

PARTICULARS	2021-2022	2020-2021
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 17		
INCOME FROM CORP.ASSET/INVESTMENT		
Dividend	-	70,622
Interest from Bank Accounts	28,25,395	30,22,332
Other Interest	15,405	23,427
Total	28,40,800	31,16,381
Schedule - 18		
MISCELLANEOUS INCOME		
Penalties	1,42,824	10,200
Road Cutting N O C 140-40-03	14,70,678	1,07,355
Sale of Products	-	2,11,54,250
Sale of Forms & Publications	6,31,600	1,91,300
Sale of stores & scrap	12,58,000	-
Recovery from Employees	6,39,002	4,45,499
Others	62,73,726	12,373
Total	1,04,15,830	2,19,20,977
Schedule - 19		
ESTABLISHMENT EXP.		
Corporator (Parishad) Allowance	10,79,518	3,49,239
Leave Pension contribution	20,44,566	34,46,258
Salary and Other Payment	4,27,51,947	3,90,52,474
Travelling Reimbursement	10,080	59,980
Other Terminal & Retirement Benefits	-	77,67,270
Total	4,58,86,111	5,06,75,221
Schedule - 20		
GENERAL ADMINISTRATION EXP.		
Advertisement Expenses	25,61,133	27,66,078
Audit fees	1,40,580	1,83,900
Cleaning & Garbage Transportation on Contract	-	5,55,042
Court Expenses	9,600	1,33,930
Dress	-	1,70,100
Communication Expenses	73,137	87,058
Printing and Stationery	8,61,180	8,82,102
Travelling & Conveyance	-	47,700
Insurance	2,24,226	2,66,883
Professional and other Fees	1,79,260	87,500
Power & Fuel	57,64,206	29,83,676
Bulk Purchases	28,29,668	4,78,698
Repairs & maintenance - Vehicles	-	10,89,351
Computer Stationary & Repair 220-21-03	-	2,48,630
Other operating & maintenance expenses	12,85,923	-
Water Contract 220-102	26,91,838	26,31,935
Agri. Exp 40%	-	35,48,318
Total	1,66,20,751	1,61,60,901



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**Schedule forming part of Income and Expenditure Account of Municipal Board of Sojat City
For the Year Ending 31 March 2022**

PARTICULARS	2021-2022	2020-2021
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 21		
PUBLIC WORKS		
AWARA CATTALE CONTACT	2,47,280	1,99,150
Indira Rasoi	30,505	5,34,388
14 Th T F C Exp		1,36,87,300
Total	2,77,785	1,44,20,838
Schedule - 22		
INTEREST AND FINANCE CHARGES		
Bank Charges	-	265
Total	-	265
Schedule - 23		
MISCELLENOUS EXPENSES		
Election Expenses	17,96,912	2,44,465
Own Programmes	9,97,744	15,51,135
Finaye & Medicine 220-80-01	6,17,488	9,26,610
Other Miscellaneous Expenses		16,91,107
Total	34,12,144	44,13,317



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MUNICIPAL BOARD
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SCHEDULE 24

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS(2021-22)

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:

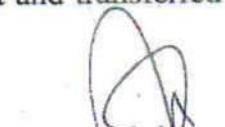
- a. Raw materials are valued at Cost based on first in first out method
- b. Finished goods are valued at lower of the cost or market value.

7. **Grants**

- a. General Grants, which are of revenue nature, are recognized as income on actual receipt
- b. Grants, which are re-imbursement 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. There is No Variation in Inventory.
7. There is detailed listing of assets of individual head is not ascertainable.
8. There is Opening balance of Depreciation fund as per last Audited Balance sheet is not appropriate.



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9. "Emplieeliabilities" balances are negative i.e. "Bank Loan" "GPF Fund, LIC ,NEW, Pension, Pension".
10. Accounting is not Done Properly by the writing Firm

Signatories to Schedule 1 to 24

In confirmation and witness of facts

Dharmendra


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

For Municipal Board :SOJAT CITY ,Rajasthan


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E.O./Comissioner
अधिकाारी अधिकारी
नगरपालिका, सोजत

Mumbai, the 07th January 2023

CAO/ Sr .A.O..