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09/09/2021

**AGARWAL &
DHANDHANIA**
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To,
The Executive Officer,
Municipal Board Nimbahera,
Rajasthan.

Report to Financial Statement

We have audited the accompanying financial statements of **Municipal Board, Nimbahera, Rajasthan** which comprise the Balance Sheet as at March 31, 2020, the Income and Expenditure Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

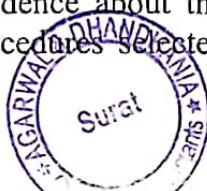
Management's Responsibility for the Financial Statements

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the ULB's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ULB's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Subject to statement on additional matters as given in Annexure-A attached herewith, and the following :

- a) *Liabilities that may arise on account of late filing of return, late payment, short or non-deduction and mismatching of TDS, RVAT, Royalty and Labour cess has not been ascertained and hence not considered. To this extent Surplus of Income over Expenditure is overstated and Liabilities are understated.*
- b) *Liabilities or recovery on account of pending cases and/or notices filed against or by municipal board by/against third parties is not ascertainable and hence not considered. Financial impact of such cases has not been ascertained and hence we are unable to comment on correctness or otherwise of Income, Expenditure, Assets or Liabilities to this extent. Contingent Liabilities, if any, arising out of these cases has not been estimated by the municipal board nor has been disclosed in notes to accounts.*
- c) *Closing Stock of Stores has not been determined by the municipality and hence not considered in the accounts. To this extent both, Surplus of Income over Expenditure and Assets are understated.*



- 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;
- 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.



Alok Dhandhania
Partner, Agarwal & Dhandhania
Chartered Accountants
FRN No. 125756W
Membership No. 111062
Surat, the 27 August. 2021



Annexure A to Auditor's Report (2019-20)

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.*



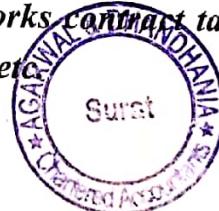
4. As explained to us the Municipality is maintaining records showing full particulars, including quantitative details. However, *situation* of fixed assets has not been specified in the records so maintained. Management of ULB has not carried out *physical verification of fixed assets*. As such we are 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.
9. In our opinion and according to the information and explanations given to us, there exists an adequate internal control procedure for the purchase of stores, fixed assets and services.



10. In our opinion and according to the information and explanations given to us, there exists an adequate internal control procedure for the contracting of works and projects, periodic inspections and measurements, and payments there for. *However, according to information and explanation given to us, works contracts are not subject to quality checks. Besides, some weakness in internal control procedures* which require immediate attention of the management are as under:

- a) In PWA Form 278, Pan No. and Aadhar Card No. should be given at suitable place along with details of bank account where NEFT payment is to be done. Besides, such Form should be signed under the seal of the firm and passing authority should also affix their seal.
- b) The suppliers of materials and/ or providers of services should submit their bill within 30 days of the completion of their supply and/or job and the concerned passing authority should pass the bill or otherwise do necessary action within a further period of 30 days. Any delay on either part should be penalized with fine as deemed necessary by the competent authority. This will help in determining liability as and when arises to a great extent.
- c) Payment Voucher Serial No. is as per voucher issued by various department. Voucher No. and date should be specified on each voucher separately on the basis of date of issue of cheques. Cheques should be prepared only after the sanction by competent authority.

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.*



Alok Dhandhania

Partner, Agrawal & Dhandhania

Chartered Accountants

FRN No. 125756W

Membership No. 111062



Surat, the 27 August, 2021

Balance Sheet of Municipal Board of Nimbahera

As on 31 March 2020

PARTICULARS	Schedule	2019-2020	2018-2019
		(Amount in Rs.)	(Amount in Rs.)
I - LIABILITIES			
RESERVE & SURPLUS			
Municipal (General) Fund	1	22,62,16,462	31,64,32,496
Earmarked Funds	2	4,39,35,222	3,87,15,507
Reserve & Surplus	3	85,20,56,637	59,95,37,442
Total Reserve & Surplus (A)		1,12,22,08,321	95,46,85,445
GRANT/ CONTRIBUTION FOR SPECIFIC PURPOSE (B)			
LOANS	4	25,09,59,882	52,23,19,224
Secured Loans	5	29,75,000	29,75,000
Total Loans (C)		29,75,000	29,75,000
CURRENT LIABILITIES & PROVISIONS			
Sundry Deposits	6	9,78,46,955	8,10,63,986
Sundry Creditors	7	37,87,124	1,21,19,150
Statutory Liabilities	8	1,20,04,642	1,83,44,763
Other Liabilities	9	34,44,849	44,32,717
Total Current Liabilities and Provisions (D)		11,70,83,570	11,59,60,616
TOTAL LIABILITIES (A+B+C+D)		1,49,32,26,773	1,59,59,40,285
II - ASSETS			
FIXED ASSETS			
Gross Block	10	1,16,78,33,477	1,13,31,69,307
Depreciation Fund	11	45,22,34,519	33,29,28,196
Net Block		71,55,98,958	80,02,41,111
Capital Work In Process	12	43,50,36,295	43,50,36,295
Total Fixed Assets (A)		1,15,06,35,253	1,23,52,77,406
INVESTMENTS			
General Fund Investments	13	8,33,29,799	-
Specific Fund Investments	14	4,39,35,222	3,87,15,507
Total Investments (B)		12,72,65,021	3,87,15,507
CURRENT ASSETS, LOAN & ADVANCES			
Inventories	15	64,106	64,106
Sundry Debtors/ Receivables	16	1,26,137	1,28,791
Cash & Bank Balances	17	20,35,84,694	30,90,38,637
Loans, Advances & Deposits	18	1,15,51,562	1,27,15,838
Total Current Assets, Loans & Advances(C)		21,53,26,499	32,19,47,372
TOTAL ASSETS(A+B+C)		1,49,32,26,773	1,59,59,40,285

Notes to Accounts and Accounting Policies

For Agrawal & Dhandhania

Chartered Accountants
Firm Regd. No. 125756W

Alok Dhandhania
(Partner)
Membership No. - 111062

Date: - 27.8.2021
Place: - Surat



For and Behalf on Nagar Palika

Subhash Chandra
अध्यक्ष
कार्यालय, निम्बाहेडा
अधिशासी अधिकारी
(Executive Officer)
कार्यालय, निम्बाहेडा
हमन्त माहेश्वरी
कार्यालय, निम्बाहेडा

Schedule forming part of Balance Sheet of Municipal Board of Nimbahera
As on 31 March 2020

PARTICULARS	2019-2020	2018-2019
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 1		
MUNICIPAL (GENERAL) FUND		
Opening balance		
Add : - Addition during the year	31,64,32,496	26,08,52,815
Less:- Deduction during the year	-	-
Add: Excess of Income over Expenditure	(90216034)	5,55,79,681
Total	22,62,16,462	31,64,32,496
Schedule - 2		
EARMARKED FUND		
Gratuity Fund		
General Provident Fund		
	57,98,766	35,32,471
	3,81,36,456	3,51,83,036
Total	4,39,35,222	3,87,15,507
Schedule - 3		
RESERVE & SURPLUS		
Capital Contribution		
	85,20,56,637	59,95,37,442
Total	85,20,56,637	59,95,37,442
Schedule - 4		
GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE		
Special Grant for 13/14th Financial Commission	3,93,71,429	(31782557)
Special Grant for Swarna Jayanti Sahari Rojgar Sch.	-	(517599)
Special Grant from S.F.C.	2,76,01,163	13,26,42,122
Grant from Sewerage Grants	5,49,27,528	8,11,08,911
Grant from BRGF	(1620592)	1,13,04,007
Grant from Rajiv Awas Grants	2,12,58,052	2,23,70,000
Grant from M. J. S .A Grants	60,01,029	62,69,458
Grant from NULM	23,99,697	2,18,358
Grant from Shahrijan Shahbhagita	84,35,699	1,04,32,546
Grant from MP & MLA Fund	8,30,317	29,29,644
Grant under IHSDP	5,60,520	78,160
Grant under EESL	-	58,89,000
Fire Station Grant	2,29,667	24,30,000
RUDICO	53,59,595	15,51,08,122
Grant under Swatch Bharat Mission	38,38,020	78,53,709
Grant under Clamaity Mangement	19,481	1,97,18,000
Grant Under Nirbhandh Yojana	31,12,998	32,63,000
Grant for CM Awasiya Yojana	3,17,98,012	62,40,733
Grant under Jan Ganna	3,17,350	3,17,350
Grant for Atal Nagar Awasiya Yojana	1,58,54,581	1,58,54,581
General Grant	7,40,000	7,40,000
BPL Residential Yojana	2,38,82,339	2,27,49,293
Other Grant	36,68,497	4,47,27,886
Grant under BPL Sarree Yojana	23,74,500	23,74,500
Total	25,09,59,882	52,23,19,224



Schedule forming part of Balance Sheet of Municipal Board of Nimbahera
As on 31 March 2020

PARTICULARS	2019-2020	2018-2019
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 5 SECURED LOANS Secured Loan from RUIDP	29,75,000	29,75,000
Total	29,75,000	29,75,000
Schedule - 6 SUNDRY DEPOSITS Security & Amanat Payable	9,78,46,955	8,10,63,986
Total	9,78,46,955	8,10,63,986
Schedule - 7 SUNDRY CREDITORS Creditors For supplies	37,87,124	1,21,19,150
Total	37,87,124	1,21,19,150
Schedule - 8 STATUTORY LIABILITIES Income Tax (TDS) Payable Commercial Tax Payable Salary Payable Service Tax Deduction Labour Cess Deduction PATRAKAR KALYAN KOSH	14,89,418 27,96,948 34,355 1,41,811 75,41,136 974	35,37,073 60,75,430 (1461513) 1,40,806 1,00,52,967 -
Total	1,20,04,642	1,83,44,763



Schedule forming part of Balance Sheet of Municipal Board of Nimbahera
As on 31 March 2020

PARTICULARS	2019-2020	2018-2019
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 9		
OTHER LIABILITIES		
Payable to other Department agency Recoveries	35,00,378	35,00,378
Royalty Payable	6,37,871	45,557
Deduction for other institution bank	-	57,571
Deduction for R/D	-	100
Deduction for LIC	-	1,01,956
PF Contribution	-	30,159
HRA Rent	-	3,926
Employee Liabilities	(1315269)	-
Other Deductions Payable	-	6,93,070
Others	6,21,869	-
Total	34,44,849	44,32,717
Schedule - 10		
GROSS BLOCK		
Immovable Assets		
Land	9,56,10,669	9,41,12,720
Office Building	21,56,72,243	20,69,25,288
Infrastructure Assets		
Roads & Bridge	37,64,81,037	37,64,81,037
Sewerage & Drainage	6,53,42,903	6,36,00,733
Public Lighting	1,39,96,098	1,30,73,488
Others	33,21,72,837	31,28,03,766
Development Work	2,32,18,591	2,32,18,591
Moveable Assets		
Plant & Machinery	1,77,62,092	1,58,46,752
Vehicles	1,95,02,550	1,95,02,550
Furniture & Fixture	21,71,110	21,51,170
Office Equipment	46,89,089	42,38,954
84 Other Fixed Assets Through Grant /Ad	12,14,258	12,14,258
Total	1,16,78,33,477	1,13,31,69,307
Schedule - 11		
DEPRECIATION FUND		
Opening Balance	33,29,28,196	24,25,73,607
Add:- Depreciation provided during the year	11,93,06,323	9,03,54,589
Less:- Depreciation for the previous year	-	-
Total	45,22,34,519	33,29,28,196
Schedule - 12		
CAPITAL WORK IN PROGRESS		
Roads	43,50,36,295	43,50,36,295
Total	43,50,36,295	43,50,36,295



Schedule forming part of Balance Sheet of Municipal Board of Nimbahera
As on 31 March 2020

PARTICULARS	2019-2020	2018-2019
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 13 GENERAL FUND INVESTMENT Non-Interest Bearing PD A/c	8,33,29,799	-
Total	8,33,29,799	-
Schedule - 14 SPECIFIC FUND INVESTMENT Employee's GPF Accounts Gratuity P.D A/c	3,81,36,456 57,98,766	3,51,83,036 35,32,471
Total	4,39,35,222	3,87,15,507
Schedule - 15 INVENTORIES Stock others	64,106	64,106
Total	64,106	64,106



Schedule forming part of Balance Sheet of Municipal Board of Nimbahera
As on 31 March 2020

PARTICULARS	2019-2020	2018-2019
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 16 SUNDRY DEBTORS / RECEIVABLES		
Receivables from Other Sources	1,26,137	1,28,791
Total	1,26,137	1,28,791
Schedule - 17 CASH & BANK BALANCES		
Cash in Hand	4,04,370	3,20,659
Balances in Saving & Current a/cs	20,31,80,324	30,87,17,978
Total	20,35,84,694	30,90,38,637
Schedule - 18 LOANS,ADVANCES & DEPOSITS		
Adavane to Employees	3,14,049	12,91,651
Advance to Others	10,75,480	20,35,873
Loans to Employee(Home Loan)	14,000	14,000
PF Loan to Employee	1,01,48,033	93,74,314
Total	1,15,51,562	1,27,15,838



**Schedule forming part of Income and Expenditure Account of Municipal Board of Nimbahera
For the Year Ending 31 March 2020**

PARTICULARS	2019-2020	2018-2019
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 19 INCOME FROM TAXES Urban Development Tax Nagriya Vikas Tax	27,14,495 - 27,14,495	3,60,578 13,69,201 17,29,779
Total		
Schedule - 20 ASSIGNED COMPENSATION Octroi Compensations	12,05,79,000	10,96,18,000
Total	12,05,79,000	10,96,18,000
Schedule - 21 RENTAL INCOME FROM MUNICIPLE PROPERTIES Rent from Civic Amenities Rent from lease of lands	15,25,741 56,63,216 71,88,957	11,000 28,83,142 28,94,142
Total		
Schedule - 22 FEES AND USER CHARGES Copy Fees Fair Fees Empanelment & Registration Charges Application Fees Fees for Certificate or Extract Fees for Grant of Permit Development Charges Regularisation Fees Penalties and Fines Road Damage & Recovery Permission Fees Service / Administrative Charges Administration Fees Property Transfer Charges Other Fees ADVERTISEMENT FEES BSUP FEES R.T.I. FEES	19,193 66,08,500 1,04,866 - 1,79,871 6,72,339 39,02,106 48,66,600 31,789 - 19,78,004 19,24,781 - - 20,43,822 19,725 2,30,80,696	- 49,16,530 83,086 1,44,765 1,360 - 2,43,13,983 2,31,85,371 1,77,498 49,283 16,49,871 14,72,683 49,160 13,38,630 1,90,984 - 5,85,84,246
Total		



**Schedule forming part of Income and Expenditure Account of Municipal Board of Nimbahera
For the Year Ending 31 March 2020**

PARTICULARS	2019-2020	2018-2019
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 23 REVENUE GRANT, CONTRIBUTION, SUBSIDIES Cm Jan Awas Yojna	21,85,279	-
Total	21,85,279	-
Schedule - 24 INCOME FROM CORP. ASSET/INVESTMENT Interest on Corporation Investment Interest from Bank Accounts Other Interest	5,57,303 70,34,344 23,865	- 1,20,48,898 -
Total	76,15,512	1,20,48,898
Schedule - 25 MISCELLANEOUS INCOME Cleaning of Gutters Sale of Products Sale of Forms & Publications Recovery from Employees Others WATER CONNECTION CHARGES ADMINISTRATIVE FEES	7,28,000 24,63,842 7,02,155 23,88,031 3,17,975 84,167 32,12,007	- 14,86,13,656 6,37,910 - 4,92,118 - - -
Total	98,96,177	14,97,43,684
Schedule - 26 ESTABLISHMENT EXP. Corporator (Parshad) Allowance Leave Pension contribution Medical Reimbursement Salary and Other Payment Other Allowance & perquisites Uniform Allowance Other Terminal & Retirement Benefits	8,67,322 13,63,026 15,663 10,27,33,958 - - - 10,49,79,969	- - - 10,60,44,693 50,28,278 3,16,800 20,00,000 11,33,89,771
Total		



**Schedule forming part of Income and Expenditure Account of Municipal Board of Nimbahera
For the Year Ending 31 March 2020**

PARTICULARS	2019-2020	2018-2019
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 27		
GENERAL ADMINISTRATION EXP.		
Advertisement Expenses	16,08,470	52,01,988
Audit fees	1,92,000	1,72,380
Books and Newspaper	59,526	-
Contingencies Expenses	51,26,191	-
Court Expenses	76,898	26,800
Communication Expenses	59,964	4,85,188
Printing and Stationery	4,18,445	7,61,364
Travelling & Conveyance	4,00,002	5,97,020
Lease Money Exp	-	5,79,902
Bank Charge	-	15,769
Power & Fuel	34,06,804	-
Bulk Purchases	9,79,806	-
Repairs & maintenance -Infrastructure Assets	90,800	-
Repairs & maintenance - Vehicles	9,48,695	-
Repairs & maintenance - Others	4,73,490	-
Electricity Expense	73,74,449	1,46,13,986
Water Expense	1,80,054	16,48,532
Total	2,13,95,594	2,41,02,929
Schedule - 28		
DECREASE IN STORES/(INCREASE IN STORES)		
Opening stock	-	64,106
Less:-Closing stock	-	64,106
Total	-	-
Schedule - 29		
PUBLIC WORKS		
Maintenance of Road and Gutter	13,000	-
Other Construction Work	45,800	-
Garbage Clearance	-	1,46,52,898
Petrol & Fuel Exp	-	32,24,567
Electricity goods purchase	-	86,427
PSP material purchase	-	7,62,935
Repair & Maintenance (Infra Assets)	-	69,62,720
Repair & Maintenance (Public Amenities)	-	18,39,183
Repair & Maintenance (Vehicle)	-	2,84,977
Repair & Maintenance (Other)	-	9,66,923
Rehabilitation of Kachhi Basti	-	-
Total	58,800	2,87,80,630
Schedule - 30		
INTEREST AND FINANCE CHARGES		
Bank Charges	13,591	-
Total	13,591	-
Schedule - 31		
MISCELLANEOUS EXPENSES		
Chara Dana Expenses	53,56,914	-
Election Expenses	3,46,126	-
Own Programmes	1,04,96,638	2,00,52,672
Social Work	-	16,71,521
Other Miscellaneous Expenses	15,22,195	6,86,956
Total	1,77,21,873	2,24,11,149



MUNICIPALITY
NIMBAHERA(2019-20)

SCHEDULE 32

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS(2019-20)

1 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 contractual payments like accounting charges and audit fees. The method of accounting is the double entry system. However, initial opening balances has been derived based on transitional methodology devised for first time adoption of double entry accounting system which inter-alia includes certain estimates, assumptions and back calculation, instead of tracing the transactions since its inception.

2. Recognition of Revenue

i. Revenue

- a. Property Taxes , Duty / Surcharge on transfer of Immovable properties, Advertisement taxes and others are recognized in the period in which they are received
- b. 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



MUNICIPALITY
NIMBAHERA(2019-20)

3. Recognition of Expenditure

i. Expenditure

- a. Expenses on Salaries, bonus and other allowances and borrowing costs are recognized as and when they are paid.
- b. All revenue expenditures and expenditure towards works contracts are treated as expenditures in the period in which they are paid..
- c. 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 and accounting charges.
- d. Retirement benefit viz encashment of leave etc. are booked on Payment 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. 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 Written down value method as per rates specified in Income Tax Act,1961 as suggested in Rajasthan Municipal Accounting Manual.



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5. 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.

6. 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.

7. 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

8. 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.



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9. Correction to Opening Balances

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" and/or through "Municipal General Fund" in the Balance Sheet for the period concerned.

NOTES TO ACCOUNT

1. The value of fixed assets have been depreciated as per rates specified in the Income Tax Act,1961 on written down value method from 1stApril,2015. During the earlier period , no depreciation has been charged and recognized. The depreciation amount so obtained has been considered in Depreciation Fund.
2. Balances of Debtors, Creditors and other parties are subject to confirmation. The balances of the Deposits received from contractors/suppliers is on the basis of receipts issued against deposit and deduction made from payments to them.
3. 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.
4. The Financials are prepared on the basis of Cash Books maintained by ULB and Information provided by Municipal Board.
5. There is "Employee Liabilities" e.g. Gratuity payable Balance is "Negative" which shown excess payment by municipal board.
6. There is some "GRANT" Balance are Negative.
7. "Loans and Advance Balance" are taken as per information provided by ULB.
8. There is Balance mismatch account maintained for shown Difference in various Bank accounts which maintained in General Cash Book.
9. There is Cash Book Balance & Tally Accounting Bank Closing Balance Difference Reasons for Bank Reconciliations



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Signatories to Schedule 1 to 32

Allok Dhandhania
Partner, Agarwal & Dhandhania
Chartered Accountants
FRN No. 125756W
Membership No. 111062



In confirmation and witness of facts

For Municipal Board :NIMBAHERA,Rajasthan

Subhash
Ghansala
अध्यक्ष
महानगर पालिका, निम्बाहेरा

अधिकारी/Commissioner
नगरपालिका, निम्बाहेरा

Surat, the 27 August. 2021

CAO/ Sr .A.O..

हेमन्त माहेश्वरी
कानिष्ठ लेयाकार
नगरपालिका, निम्बाहेरा