



An ISO 9001:2008
Certified Firm

K. K. Chanani & Associates

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the member of **Municipal Board, Begun (Chittorgarh, Raj.)**

We have audited the accompanying financial statements of **Municipal Board, Begun (Chittorgarh, Raj.)**, which comprise the Balance Sheet as at **March 31, 2014** and the Income and Expenditure Account 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, financial performance and cash flows of the **Municipal Board** 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 **Municipal Board'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 **Municipal Board'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:

- in the case of the Balance Sheet, of the state of affairs of the **Municipal Board** as at **March 31, 2014** and
- in the case of the Income and Expenditure Account, of the surplus/ deficit 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 **Municipal Board** so far as appears from our examination of those books;
 - c) the Balance Sheet and Income and Expenditure Account, dealt 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 "A"**.

Place : New Delhi
Date : 14th Sept, 2016

For KK Chanani & Associates
Chartered Accountants

प्रमाणित

अध्यापक अधिकारी
नगर परिषद धरम
कांड़ नं. 101372

Krishna Kumar Chanani
(Partner)
M No. 056045
FRN No. 322232E



Annexure "A" - Additional matters to be reported by the financial statements auditor

1. Whether all sums due to and received by the Municipality have been brought to account and have been appropriately classified;	Accounting is as per cash book maintained by ULB
2. Whether 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;	Accounting is as per cash book maintained by ULB
3. Whether any Earmarked Funds have been created as per the provision of any statute and, if so, whether such Earmarked Funds have been utilized for the purposes for which they were created;	Yes
4. Whether the Municipality is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;	No
5. Whether in case of leasehold property given by the Municipality, whether lease rentals are collected regularly by the Municipality and that the lease agreements are renewed after their expiry;	Yes
6. Whether physical verification has been conducted by the Municipality at reasonable intervals in respect of stores; Whether the procedures of physical verification of stores followed by the Municipality are reasonable and adequate if not, state the inadequacies in such procedures; Whether any material discrepancies have been noticed on physical verification of stores as compared to stores records, and if so, whether the same have been properly dealt with in the books of account;	No - There is no procedure for physical verification
7. Whether the parties to whom loans or advances have been given by the Municipality are repaying the principal amounts as stipulated and are also regular in payment of the interest and if not, whether reasonable steps have been taken by the Municipality for recovery of the principal and interest;	No
8. Whether advances given to municipal employees and interest thereon are being regularly recovered;	Yes
9. Whether there exists an adequate internal control procedure for the purchase of stores, fixed assets and services	No
10. Whether there exists an adequate internal control procedure for the contracting of works and projects, periodic inspections and measurements, quality checks and payments there for	No
11. Whether the Municipality is regular in depositing statutory dues including tax deducted at source, works contract tax, cess payable to the Government, ESI, PF etc., and if not, the nature and cause of such delay and the amount not deposited;	No
12. Whether any personal expenses have been charged to the Municipality's accounts; if so, the details thereof;	No
13. Whether the books and registers specified under the Rajasthan Municipal Accounts Manual and other applicable acts and rules have been properly maintained; whether Bank Reconciliation statements have been properly prepared for all the bank accounts of the Municipality;	No
14. Whether the year-end and reconciliation procedures have been carried out;	



**MUNICIPAL BOARD
BEGUN, DISTT. CHITTORGARH (RAJ.)**

BALANCE SHEET AS ON DATE 31ST MARCH, 2014

(Figures In Rupees)

PARTICULARS	SCH EDULE	31st March 2014	31st March 2013
LIABILITIES			
RESERVE & SURPLUS			
Municipal (General) Fund	1	7404439.00	0.00
Earmarked Funds			
Reserve & Surplus	2	12920576.00	0.00
Total Reserve & Surplus (A)		<u>20325015.00</u>	<u>0.00</u>
GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE (B)	3	19016272.00	0.00
LOAN LIABILITY			
Secured Loans		0.00	0.00
Unsecured Loans		0.00	0.00
Total Loans (C)		<u>0.00</u>	<u>0.00</u>
CURRENT LIABILITIES & PROVISION			
Sundry Deposits	4	2875125.00	0.00
Sundry Creditors	5	0.00	0.00
Statutory Liabilities	6	270976.00	0.00
Other Liabilities	7	7132207.00	0.00
Provision		0.00	0.00
Total Current Liabilities and Provisions (D)		<u>10278308.00</u>	<u>0.00</u>
TOTAL LIABILITIES (A+B+C+D)		<u>49619595.00</u>	<u>0.00</u>
ASSETS			
FIXED ASSETS			
Gross Block	8	15626279.00	0.00
Depreciation Fund	9	(1181870.00)	0.00
Net Block		<u>14444409.00</u>	<u>0.00</u>
Capital Work In Progress		0.00	0.00
Total Fixed Assets (A)		<u>14444409.00</u>	<u>0.00</u>
INVESTMENTS			
General Fund Investments	10	22338394.00	0.00
Specific Fund Investments		0.00	0.00
Total Investments (B)		<u>22338394.00</u>	<u>0.00</u>
CURRENT ASSETS, LOANS & ADVANCES			
Inventories		0.00	0.00
Sundry Debtors/Receivables	11	0.00	0.00
Cash & Bank Balances	12	12297513.00	0.00
Loans, Advances & Deposits	13	539279.00	0.00
Total Current Assets, Loans & Advances (C)		<u>12836792.00</u>	<u>0.00</u>
TOTAL ASSETS (A+B+C)		<u>49619595.00</u>	<u>0.00</u>

For **KK Chanani & Associates**
Chartered Accountants
Firm Regn. No. 322232E

Krishna Kumar Chanani
(Partner)
Membership No. 056045



For and Behalf on Municipal Board

अधिसायी अधिकारी
(Executive Officer)
कां.पं. 101372

Date: 14 Sept 2016

**MUNICIPAL BOARD
BEGUN, DISTT. CHITTORGARH (RAJ.)**

INCOME & EXPENDITURE STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Figures in Rupees)

PARTICULARS	SCH EDULE	31st March 2014		31st March 2013	
INCOME					
Income From Taxes	14		0.00		0.00
Assigned Compensation	15		7766153.00		0.00
Rental Income From Municipal Properties	16		1086556.00		0.00
Fees And User Charges	17		12068004.00		0.00
Sale & Transportation Charge	18		159970.00		0.00
Revenue Grants, Contributions and Subsidies	19		4484562.00		0.00
Income from Corporation Assets and Investments	20		245025.00		0.00
Miscellaneous Income	21		375956.00		0.00
Total Income			<u>26186226.00</u>		<u>0.00</u>
EXPENDITURE					
Establishment Expenses	22		11360896.00		0.00
General Administrative Expenses	23		1357585.00		0.00
Miscellaneous Expenses	24		166863.00		0.00
Operational & Maintenance exp.	25		7405188.00		0.00
Interest & Financial Exp.	26		4175.00		0.00
Festival Expenses	27		817205.00		0.00
Depreciation During The Year	28		1181870.00		0.00
Total Expenditure			<u>22293782.00</u>		<u>0.00</u>
Surplus / Deficit before Adjustment of prior period items and depreciations			3892444.00		0.00
Less:- Prior Period Items			0.00		0.00
Less:- Prior Period Adjustments of Depreciation			0.00		0.00
NET SURPLUS/ (DEFICIT)			<u>3892444.00</u>		<u>0.00</u>

For and Behalf on Municipal Board

For KK Chanani & Associates
Chartered Accountants
Firm Regn. No. 322232E

K. Chanani
Krishna Kumar Chanani
(Partner)
Membership No. 056045



Date: 14 Sept 2016
Place: New Delhi

अभिषेक
अभिषेक अधिकारी
(Executive Officer)
कां.पं. 101372

Schedule Forming Part of Balance Sheet of Municipal Board as on Dated 31st March 2014

PARTICULARS	March 31, 2014	March 31, 2013
Schedule-1		
MUNICIPAL (GENERAL) FUND	3511995.00	0.00
Opening balance	0.00	0.00
Add:- Addition during the Year	0.00	0.00
Less:- Deduction during the Year	3892444.00	0.00
Add:- Excess of Income Over Expenditure	<u>7404439.00</u>	<u>0.00</u>
Total (Rs)		
Schedule-2		
RESERVE & SURPLUS	0.00	0.00
Opening balance	12920576.00	0.00
Add:- Addition During The Year	0.00	0.00
Less:- Withdrawal during The Year	<u>12920576.00</u>	<u>0.00</u>
Total (Rs)		
Schedule-3		
GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE	495115.00	0.00
Grant From MLA/MP Fund	6426589.00	0.00
Special Grant for 12/13th Financial Commission	2099194.00	0.00
Special Grant For Road & Gutters	418843.00	0.00
Special Grant For Swarn Jayanti Sahari Rojgar Sch.	6762128.00	0.00
Special Grant From S.F.C	462000.00	0.00
BPL Saree Kambal Scheme	60843.00	0.00
Grant Under Kachi Basti Vikas Programme	2058208.00	
Grant Under BRGF	233352.00	
Other Grants	<u>19016272.00</u>	<u>0.00</u>
Total (Rs)		
Schedule-4		
SUNDRY DEPOSITS	1048025.00	0.00
Earnest Money Deposit	1827100.00	0.00
Securities Deposit	<u>2875125.00</u>	<u>0.00</u>
Total (Rs)		
Schedule-5		
SUNDRY CREDITORS		0.00
Contractor Control Account		0.00
Creditor for Expenses	<u>0.00</u>	<u>0.00</u>
Total (Rs)		
Schedule-6		
STATUTORY LIABILITIES	12370.00	0.00
Income Tax (TDS) Payable	157598.00	0.00
Commercial Tax Payable	101008.00	0.00
Labour Cess Deduction	<u>270976.00</u>	<u>0.00</u>
Total (Rs)		
Schedule-7		
OTHER LIABILITIES		0.00
Payable To Other Departments agency Recoveries	1489488.00	0.00
Pension Fund Payable	703364.00	0.00
Employee CPF Payable	345344.00	0.00
Deduction for Gratuity	337161.00	0.00
Deduction for PF Loan	32635.00	0.00
Deduction for Other Society	101439.00	0.00
Royalty payable	3994676.00	0.00
Liabilities to Employee	128100.00	
Parshad Allowance	<u>7132207.00</u>	<u>0.00</u>
Total (Rs)		



Schedule-8**GROSS BLOCK**

Immovable Assets		
Land	225908.00	0.00
Office Building	721189.00	0.00
	947097.00	0.00
Infrastructure Assets		
Roads & Bridge	13037658.00	0.00
Sewerage & Drainage	198700.00	0.00
Public Lightings & Equipments	1307422.00	
	14543780.00	0.00
Moveable Assets		
Furniture & Fixtures	20800.00	0.00
Office Equipment	114602.00	0.00
	135402.00	0.00
Total (Rs)	15626279.00	0.00

Schedule-9**DEPRICIATION FUND**

Opening Balance	0.00	0.00
Add:- Dep. Provided During the Year	1181870.00	0.00
Less:- Depreciation For The Previous Year		0.00
Total (Rs)	1181870.00	0.00

Schedule-10**GENERAL FUND INVESTMENT**

P.D Account With Statement	3458397.00	0.00
Non-Interest Bearing PD A/c	18879997.00	0.00
Total (Rs)	22338394.00	0.00

Schedule-11**SUNDRY DEBTORS/RECEIVABLES**

House Tax	0.00	0.00
Shop Rent Receivables	0.00	0.00
Total (Rs)	0.00	0.00

Schedule-12**CASH & BANK BALANCES**

Cash In Hand	71326.00	0.00
<i>Balances In Saving & Current A/Cs</i>		
Balance with Nationalized Banks	522191.00	0.00
Balance with Schedule Bank	2748451.00	0.00
Balance with Co-Operative Bank	368062.00	0.00
Balance with Nationalized Banks (Specific Fund)	8587483.00	0.00
Total (Rs)	12297513.00	0.00

Schedule-13**LOANS, ADVANCES & DEPOSITS**

Loans to Staff (PF Loan)	536279.00	0.00
Advance to Staff	0.00	0.00
Others advances	3000.00	0.00
Total (Rs)	539279.00	0.00



Schedule Forming Part Of Income & Expenditure of Municipal Board as on Dated 31st March, 2014

	March 31, 2014	March 31, 2013
Schedule-14		
INCOME FROM TAXES		
House Tax	0.00	
Urban Development Tax	0.00	
Total (Rs)	0.00	0.00
Schedule-15		
ASSIGNED COMPENSATION		
Octroi Compensation	7766153.00	
Total (Rs)	7766153.00	0.00
Schedule-16		
RENTAL INCOME FROM MUNICIPAL PROPERTIES		
Rent From Nagrik Suvidha	639287.00	
Rent From Lense Land	447269.00	
Total (Rs)	1086556.00	0.00
Schedule-17		
FEES AND USER CHARGES		
Suchikaran & Registration Charge	4050.00	
Permission Fees	336712.00	
Certificate & Duplicate Fees	90392.00	
Vikas Charges	835846.00	
Regulation Fees	10444994.00	
Misc Fees	24162.00	
Entry Fees	143320.00	
Seva/Administration Fees	188528.00	
Total (Rs)	12068004.00	0.00
Schedule-18		
SALE & TRANSPORTATION CHARGE		
Sale of Products	68800.00	
Sale of Forms & Formates	91170.00	
Total (Rs)	159970.00	0.00
Schedule-19		
REVENUE GRANT, CONTRIBUTION, SUBSIDIES		
Amount Transfer from Grants	4484562.00	
Total (Rs)	4484562.00	0.00
Schedule-20		
INCOME FROM CORP. ASSET/INVESTMENT		
Interest on Investment	0.00	0.00
Interest on SB a/c	245025.00	0.00
Total (Rs)	245025.00	0.00
Schedule-21		
MISCELLANEOUS INCOME		
Audit Recovery	3180.00	
Other	372776.00	
Total (Rs)	375956.00	



Schedule-22**ESABLISHMENT EXP.**

Salary, Wages & Bonus	10961496.00	
Honorarium & Fees to Management	399400.00	
Total (Rs)	11360896.00	0.00

Schedule-23**GENERAL ADMINISTRATION EXP.**

Rent, Rates & Tax	39902.00	
Electricity Exp	207437.00	
Communication Exp	25337.00	
Books and Newspaper	12460.00	
Printing & Stationery	84209.00	
Travelling & Conveyance	194205.00	
Insurance Exp.	3388.00	
Legal Exp.	280650.00	
Audit Fees	36000.00	
Advertisement Exp.	473997.00	
Total (Rs)	1357585.00	0.00

Schedule-24**MISCELLANEOUS EXPENSES**

Other Misc. Exp.	166863.00	
Total (Rs)	166863.00	0.00

Schedule-25**OPERATIONAL & MAINTINANCE EXPENSES**

Fuel & Energy	258173.00	
Bulk Purchase	156168.00	
Repair & Maintenance (Infra. Assets)	5220854.00	
Repair & Maintenance (Public Facilities)	435756.00	
Repair & Maintenance (Buildings)	118560.00	
Repair & Maintenance (Vehicle)	60990.00	
Repair & Maintenance (Other)	200244.00	
Other Operational Exp	954443.00	
Total (Rs)	7405188.00	0.00

Schedule-26**Interest & Financial Expenses**

Other Interest	0.00	
Bank Charges	4175.00	
Total (Rs)	4175.00	0.00

Schedule-27**Festival Expenses**

Festival Exp. Office	741549.00	
Festival Exp. Other	75656.00	
Total (Rs)	817205.00	0.00

Schedule-28**DEPRICIATION**

Building	44990.00	
Road & Bridge	860816.00	
Nalliya & Others	9935.00	
Public Lightings & Equipments	259359.00	
Furniture & Fixtures	1040.00	
Other Fixed Assets	5730.00	
Total (Rs)	1181870.00	



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

a. Revenue

- i. Property and Other Taxes are recognised in the period in which they become due and demands are ascertainable
- ii. Revenues in respect of Profession Tax on Organisations /entities are accrued in the year to which it pertains and when demands are raised.
- iii. Advertisement taxes are accrued based on Demand or the contract.
- iv. Revenue in respect of Trade License Fees is accrued in the year to which it pertains and when Demands are raised.
- v. 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.
- vi. 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.

b. Provision against receivables

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

a. Recognition

- i. 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.



- ii. All assets costing less than Rs.5,000/- would be expensed / charged to Income & Expenditure Account in the year of purchase.

b. **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.

c. **Revaluation of Fixed Assets:**

- i. Revaluation of fixed assets is undertaken either at the time of issue of municipal bonds or when commercial development / lease of properties is made.
- ii. 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.
- iii. 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-imbursment of specific revenue expenditure is recognised as income in the accounting period in which the corresponding revenue expenditure is charged to the Income and Expenditure Account.
- c. Grant received towards capital expenditure is treated as a liability till such time the fixed asset is constructed or acquired. On construction/acquisition of fixed asset, the grant corresponding to the value of the asset so constructed/acquired is treated as a capital receipt and transferred to capital contribution.

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.

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 01st April, 2013

a. Municipal Fund

The opening balance of Municipal has been arrived after deducting the total assets of the Municipal Corporation from the total Liabilities

b. Earmarked Funds/Special Funds

c. The Balance of Earmarked Funds is the total assets available against such earmarked funds.

d. Deposits Received

The amount of Deposits Received has been arrived at from the Register of Deposits maintained by the Accounts Officer of the Municipal Corporation.

e. Other Liabilities/Provisions

Other liabilities/Provisions has been ascertained by performing Subsequent Event Testing i.e the liabilities paid like salary paid, etc

f. 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 adjustment "Adjustments to Opening Balance Sheet" in the Balance Sheet for the period concerned.

युजिता

अधिकाारी अधिकारी
नगर पालिका घण्टे
कोड नं. 101372

