



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, 2015** 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, 2015** and
- in the case of the Income and Expenditure Account, of the surplus/ deficit for the year then 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

शुभम
अधिसायी अधिकारी
नगर पालिका वेगु
कांठ 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, 2015**

(Figures In Rupees)

PARTICULARS	SCH EDULE	31st March 2015	31st March 2014
LIABILITIES			
RESERVE & SURPLUS			
Municipal (General) Fund	1	5947503.00	7404439.00
Earmarked Funds	2	25408127.00	12920576.00
Reserve & Surplus		<u>31355630.00</u>	<u>20325015.00</u>
Total Reserve & Surplus (A)			19016272.00
GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE (B)	3	28605338.00	
		0.00	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	3165870.00	2875125.00
Sundry Creditors	5	400.00	0.00
Statutory Liabilities	6	91996.00	270976.00
Other Liabilities	7	8486717.00	7132207.00
Provision		0.00	0.00
Total Current Liabilities and Provisions (D)		<u>11744983.00</u>	<u>10278308.00</u>
TOTAL LIABILITIES (A+B+C+D)		<u>71705951.00</u>	<u>49619595.00</u>
ASSETS			
FIXED ASSETS			
Gross Block	8	30485377.00	15626279.00
Depreciation Fund	9	(3748758.00)	1181870.00
Net Block		26736619.00	14444409.00
Capital Work In Progress		0.00	0.00
Total Fixed Assets (A)		<u>26736619.00</u>	<u>14444409.00</u>
INVESTMENTS			
General Fund Investments	10	32845825.00	22338394.00
Specific Fund Investments		0.00	0.00
Total Investments (B)		<u>32845825.00</u>	<u>22338394.00</u>
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	11	0.00	0.00
Sundry Debtors/Receivables	12	11560983.00	12297513.00
Cash & Bank Balances	13	562524.00	539279.00
Loans, Advances & Deposits		<u>12123507.00</u>	<u>12836792.00</u>
Total Current Assets, Loans & Advances (C)		<u>71705951.00</u>	<u>49619595.00</u>
TOTAL ASSETS (A+B+C)			

For and Behalf on Municipal Board

For KK Chanani & Associates
Chartered Accountants
Firm Regn. No. 322332E

Krishna Kumar Chanani
(Partner)
Membership No. 056045



अधिकाारी
नगर पालिका बेगु
(Executive Officer)
काइ नं. 101372

Date: 14 Sept 2016

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

INCOME & EXPENDITURE STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(Figures in Rupees)

PARTICULARS	SCH EDULE	31st March 2015	31st March 2014
INCOME			
Income From Taxes	14	39833.00	0.00
Assigned Compensation	15	8540847.00	7766153.00
Rental Income From Municipal Properties	16	1818731.00	1086556.00
Fees And User Charges	17	9043787.00	12068004.00
Sale & Transportation Charge	18	256553.00	159970.00
Revenue Grants, Contributions and Subsidies	19	66594.00	4484562.00
Income from Corporation Assets and Investments	20	112807.00	245025.00
Miscellaneous Income	21	470386.00	375956.00
Total Income		20349538.00	26186226.00
EXPENDITURE			
Establishment Expenses	22	14372564.00	11360896.00
General Administrative Expenses	23	2224282.00	1357585.00
Miscellaneous Expenses	24	296629.00	166863.00
Operational & Maintenance exp.	25	2186399.00	7405188.00
Interest & Financial Exp.	26	1178.00	4175.00
Festival Expenses	27	158534.00	817205.00
Depreciation During The Year	28	2566888.00	1181870.00
Total Expenditure		21806474.00	22293782.00
Surplus / Deficit before Adjustment of prior period items and depreciations		(1456936.00)	3892444.00
Less:- Prior Period Items		0.00	0.00
Less:- Prior Period Adjustments of Depreciation		0.00	0.00
NET SURPLUS/ (DEFICIT)		(1456936.00)	3892444.00

For KK Chanani & Associates

Chartered Accountants

Firm Regn. No. 3222376

Krishna Kumar Chanani
(Partner)

Membership No. 056045



For and Behalf on Municipal Board

अविशयी अधिकारी
(Executive Officer)
काङ्.चं. 101372

Date: 14 Sept 2016

Place: New Delhi

Schedule Forming Part of Balance Sheet of Municipal Board as on Dated 31st March 2015

PARTICULARS	March 31, 2015	March 31, 2014
Schedule-1		
MUNICIPAL (GENERAL) FUND		
Opening balance	7404439.00	3511995.00
Add:- Addition during the Year	0.00	0.00
Less:- Deduction during the Year	0.00	0.00
Add:- Excess of Income Over Expenditure	(1456936.00)	3892444.00
Total (Rs)	5947503.00	7404439.00
Schedule-2		
RESERVE & SURPLUS		
Opening balance	12920576.00	0.00
Add:- Addition During The Year	12487551.00	12920576.00
Less:- Withdrawal during The Year	0.00	0.00
Total (Rs)	25408127.00	12920576.00
Schedule-3		
GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE		
Grant From MLA/MP Fund	(40542.00)	495115.00
Special Grant for 12/13th Financial Commission	7643565.00	6426589.00
Special Grant For Road & Gutters	478124.00	2099194.00
Special Grant For Swarn Jayanti Sahari Rojgar Sch.	417675.00	418843.00
Special Grant From S.F.C	17852310.00	6762128.00
BPL Saree Kambal Scheme	458155.00	462000.00
Grant Under Kuchi Basti Vikas Programe	63354.00	60843.00
Grant Under BRGF	1532345.00	2058208.00
Other Grants	200352.00	233352.00
Total (Rs)	28605338.00	19016272.00
Schedule-4		
SUNDRY DEPOSITS		
Earnest Money Deposit	1051890.00	1048025.00
Securities Deposit	2102980.00	1827100.00
Other Deposit	11000.00	0.00
Total (Rs)	3165870.00	2875125.00
Schedule-5		
SUNDRY CREDITORS		
Contractor Control Account	0.00	0.00
Creditor for Expenses	400.00	0.00
Total (Rs)	400.00	0.00
Schedule-6		
STATUTORY LIABILITIES		
Income Tax (TDS) Payable	6540.00	12370.00
Commercial Tax Payable	31823.00	157598.00
Labour Cess Deduction	53633.00	101008.00
Total (Rs)	91996.00	270976.00
Schedule-7		
OTHER LIABILITIES		
Salary Payable	3387.00	0.00
Pension Fund Payable	2755364.00	1489488.00
Employee CPF Payable	1101243.00	703364.00
Deduction for Gratuity	597277.00	345344.00
Deduction for PF Loan	679901.00	337161.00
Deduction for Other Society	49457.00	32635.00
Royalty payable	76314.00	101439.00
Liabilities to Employee	3223774.00	3994676.00
Parshad Allowance	0.00	128100.00
Total (Rs)	8486717.00	128100.00



Schedule-8

GROSS BLOCK

Immovable Assets		
Land	244386.00	225908.00
Office Building	1512974.00	721189.00
	1757360.00	947097.00
Infrastructure Assets		
Roads & Bridge	23973775.00	13037658.00
Sewerage & Drainage	988927.00	198700.00
Public Lightings & Equipments	1389467.00	1307422.00
	26352169.00	14543780.00
Moveable Assets		
Furniture & Fixtures	396208.00	20800.00
Other Fixed Assets	1979640.00	114602.00
	2375848.00	135402.00
Total (Rs)	30485377.00	15626279.00

Schedule-9

DEPRICIATION FUND

Opening Balance	1181870.00	0.00
Add:- Dep. Provided During the Year	2566888.00	1181870.00
Less:- Depreciation For The Previous Year	0.00	0.00
Total (Rs)	3748758.00	1181870.00

Schedule-10

GENERAL FUND INVESTMENT

P.D Account With Statement	2664250.00	3458397.00
Non-Interest Bearing PD A/c	30181575.00	18879997.00
Total (Rs)	32845825.00	22338394.00

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	114636.00	71326.00
Balances In Saving & Current A/Cs		
Balance with Nationalized Banks	1014813.00	522191.00
Balance with Schedule Bank	751798.00	2748451.00
Balance with Co-Operative Bank	399796.00	368062.00
Balance with Nationalized Banks (Specific Fund)	9279940.00	8587483.00
Total (Rs)	11560983.00	12297513.00

Schedule-13

LOANS, ADVANCES & DEPOSITS

Loans to Staff (PF Loan)	559524.00	536279.00
Advance to Staff	0.00	0.00
Others advances	3000.00	3000.00
Total (Rs)	562524.00	539279.00



Schedule Forming Part Of Income & Expenditure of Municipal Board as on Dated 31st March, 2015

March 31, 2015

March 31, 2014

Schedule-14

INCOME FROM TAXES

House Tax

Urban Development Tax

Total (Rs)

39833.00

0.00

39833.00

0.00

0.00

0.00

Schedule-15

ASSIGNED COMPENSATION

Octroi Compensation

Total (Rs)

8540847.00

8540847.00

7766153.00

7766153.00

Schedule-16

RENTAL INCOME FROM MUNICIPAL PROPERTIES

Rent From Nagrik Suvidha

Rent From Lease Land

Total (Rs)

783572.00

1035159.00

1818731.00

639287.00

447269.00

1086556.00

Schedule-17

FEES AND USER CHARGES

Suchikaran & Registration Charge

Permission Fees

Certificate & Duplicate Fees

Vikas Charges

Regulation Fees

Punelty

Misc Fees

Entry Fees

Seva/Administration Fees

Total (Rs)

7750.00

285243.00

241120.00

3136114.00

4876220.00

4000.00

183880.00

147950.00

161510.00

9043787.00

4050.00

336712.00

90392.00

835846.00

10444994.00

24162.00

143320.00

188528.00

12068004.00

Schedule-18

SALE & TRANSPORTATION CHARGE

Sale of Products

Sale of Forms & Formates

Total (Rs)

2752.00

253801.00

256553.00

68800.00

91170.00

159970.00

Schedule-19

REVENUE GRANT, CONTRIBUTION, SUBSIDIES

Amount Transfer from Grants

Total (Rs)

66594.00

66594.00

4484562.00

4484562.00

Schedule-20

INCOME FROM CORP. ASSET/INVESTMENT

Interest on Investment

Interest on SB a/c

Total (Rs)

0.00

112807.00

112807.00

0.00

245025.00

245025.00

Schedule-21

MISCELLANEOUS INCOME

Audit Recovery

Other

Total (Rs)

0.00

470386.00

470386.00

3180.00

372776.00

375956.00



Schedule-22

ESTABLISHMENT EXP.

Salary, Wages & Bonus
Honorarium & Fees to Management

	14051164.00	10961496.00
	321400.00	399400.00
Total (Rs)	14372564.00	11360896.00

Schedule-23

GENERAL ADMINISTRATION EXP.

Rent, Rates & Tax
Electricity Exp
Communication Exp
Books and Newspaper
Printing & Stationery
Travelling & Conveyance
Insurance Exp.
Legal Exp.
Audit Fees
Advertisement Exp.
Membership & Contribution

	0.00	39902.00
	1012925.00	207437.00
	23194.00	25337.00
	15625.00	12460.00
	122516.00	84209.00
	193018.00	194205.00
	2900.00	3388.00
	321920.00	280650.00
	10595.00	36000.00
	520589.00	473997.00
	1000.00	
Total (Rs)	2224282.00	1357585.00

Schedule-24

MISCELLANEOUS EXPENSES

Other Misc. Exp.

	296629.00	166863.00
Total (Rs)	296629.00	166863.00

Schedule-25

OPERATIONAL & MAINTINANCE EXPENSES

Fuel & Energy
Bulk Purchase
Repair & Maintenance (Infrn. Assets)
Repair & Maintenance (Public Facilities)
Repair & Maintenance (Buildings)
Repair & Maintenance (Vehicle)
Repair & Maintenance (Other)
Other Operational Exp

	339148.00	258173.00
	69713.00	156168.00
	393715.00	522085.00
	187419.00	435756.00
	114807.00	118560.00
	106463.00	60990.00
	45560.00	200244.00
	929574.00	954443.00
Total (Rs)	2186399.00	7405188.00

Schedule-26

Interest & Financial Expenses

Other Interest
Bank Charges

	0.00	0.00
	1178.00	4175.00
Total (Rs)	1178.00	4175.00

Schedule-27

Festival Expenses

Festival Exp. Office
Festival Exp. Other

	146104.00	741549.00
	12430.00	75656.00
Total (Rs)	158534.00	817205.00

Schedule-28

DEPRICIATION

Building
Road & Bridge
Nalliya & Others
Public Lightings & Equipments
Furniture & Fixtures
Other Fixed Assets

	84580.00	44990.00
	1984139.00	860816.00
	64566.00	9935.00
	277893.00	259359.00
	20850.00	1040.00
	134860.00	5730.00
Total (Rs)	2566888.00	1489470.00



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-imbusement of specific revenue expenditure is recognised as income in the accounting period in which the corresponding revenue expenditure is charged to the Income and Expenditure Account.
- c. Grant received towards capital expenditure is treated as a liability till such time the fixed asset is constructed or acquired. On construction/acquisition of fixed asset, the grant corresponding to the value of the asset so constructed/acquired is treated as 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.

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