

REPORT ON FINANCIAL STATEMENTS

1. This Report is issued in accordance with the terms of our engagement letter.
2. The accompanying Financial Statements for financial year ended 31/03/2023 is prepared on the basis of trail balance, information & documents produced before us for the respective year which is prepared from unaudited books of account.

MANAGEMENT'S RESPONSIBILITY:

3. The preparation of the Statement is the responsibility of the Management of the **Municipal Committee-Farrukhnagar** including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

OUR RESPONSIBILITY:

4. Our responsibility is to provide a reasonable assurance whether:
The Profit and Loss Account and Balance Sheet are prepared as per the closing balances appearing in the trial balance produced before us for the respective financial years.

OPINION:

5. Based on our examination, as above, we are of the opinion that:
 - Profit and Loss Account and Balance Sheet are prepared as per the closing balances appearing in the trial balance produced before us for the respective financial year.

RESTRICTION ON USE:

6. The certificate is addressed to and provided to **The Secretary of Municipal Committee-Farrukhnagar** solely for the purpose of reconciliation of financials statements with accounting books and related documents and vouchers/receipts and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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Gupta H K & Associates

— CHARTERED ACCOUNTANTS —

Attached:

Profit and Loss Account and Balance Sheet for financial year ended 31/03/2023.

For & on Behalf of
Gupta H K & Associates
Chartered Accountants
Firm Registration No.: 003944N


Hemant Kumar
Proprietor
Membership NO. 563203

Place: Pataudi

Dated:

4th Floor, Chauhan Complex, Nohta Chowk, Pataudi, Gurugram, Haryana-122503
+91-8607116328, Guptahkassociates@gmail.com



1. Significant accounting policies

a. Basis of preparation of financial statements

The Financial statements of the municipal committee have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). These have been prepared to comply in all material respects with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 ("Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention, on cash basis. The accounting policies have been prepared under the historical cost convention, on cash basis. The accounting policies have been consistently applied by the Committee and are consistent with those used in the previous year.

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Tangible fixed assets

Tangible fixed assets are stated at cost of acquisition or construction; or at estimated revalued amounts, net of impairment loss if any, less accumulated depreciation/amortisation. The Committee capitalizes all costs including costs of borrowed funds and duties & taxes attributable to acquisition or construction of fixed assets, upto the date the assets are put to use. Assessment of indication of impairment of an asset is made at the year end and impairment loss, if any, recognized.

d. Intangible fixed assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses if any.

e. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.



f. Depreciation

Depreciation is provided at written down value (WDV) basis on the block of tangible fixed assets. Depreciation on assets is provided based on the block of the assets as prescribed in Income Tax Act, 1961.

Intangible fixed assets are amortized on straight line basis over their estimated useful economic life of the assets.

g. Revenue recognition

Revenue is recognized on cash basis as and when it is received in the bank accounts or in cash. Specifically,

(a) Service income is recognized on cash basis as and when services are provided, and receipts issued during the year. Service income excludes any kind of indirect & direct tax.

(b) Revenue from grants is recognized when the grants are received in the bank accounts of the committee. The grants related to income has been categorized as a separate line item in financial statements.

h. Income and deferred taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income- tax Act, 1961 and tax laws prevailing in the respective tax jurisdictions where the Committee operates.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax asset on unabsorbed depreciation and carry forward losses is recognized only to the extent that there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date, the Committee reassesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

i. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and cash/cheques in hand and short-term deposits with Banks with an original maturity of three months or less reduced by short term advances from Banks.



Municipal Committee-Farrukhnagar
Notes to financial statements for the year ended 31st March 2023

j. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Committee or a present obligation that is not recognized because it is probable that an outflow of resources will be required to settle the obligations. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Committee does recognize a contingent liability and discloses its existence in the financial statements.

k. Retirement benefits

Contributions to defined contribution schemes such as Pension, Superannuation and Employees State Insurance etc. are not applicable to the Committee.



Municipal Committee-Farrukhnagar
Provisional Balance Sheet as at 31st March, 2023

	Note	March 31, 2023
Equity and Liabilities		
Corpus Fund		188,586,260,679
Municipal Funds excluding Grants	1	<u>188,586,260,679</u>
Non Current Liabilities	2	<u>102,424,446</u>
		<u>102,424,446</u>
		<u>188,688,685,125</u>
Total		<u><u>188,688,685,125</u></u>
Assets		
Non-current assets		
Property Plant & Equipments		187,849,149,130
-Tangible assets	3	<u>424,744,234</u>
Other Non-Current Assets	4	<u>188,273,893,364</u>
Current assets		
Cash and cash equivalents	5	<u>321,975,482</u>
Other current assets	6	<u>92,816,279</u>
		<u>414,791,761</u>
		<u>188,688,685,125</u>
Total		<u><u>188,688,685,125</u></u>

For & on Behalf of
Gupta H K & Associates
Chartered Accountants
Firm Registration No.: 003944N

Hemant Kumar
Proprietor
Membership NO. 563203

Place: Pataudi
Dated:

G K & A.s.



Municipal Committee-Farrukhnagar
Provisional Income & Expenditure Statement for the year ended 31st March, 2022

	Note	March 31, 2023
I Income		3,727,198
Fees from Activities	7	43,767,541
Income from Tax & Duties	8	68,612,000
Income from Grants	9	273,960
Income from Rentals	10	13,342,572
Other Income	11	<u>129,723,271</u>
Total Revenue		
II Expenses		18,010,718
Employee benefits expense	12	9,281,554
Expenses from Grants	13	23,690,925
Other expenses	14	<u>50,983,197</u>
Total Expenses		78,740,074
III Surplus before depreciation & amortization		3,841,587
Depreciation & amortization expense	3	<u>74,898,487</u>
IV Surplus/(deficit) before tax		
V Tax Expense		
-Income tax		<u>74,898,487</u>
VI Surplus/(Deficit) for the year		

For & on Behalf of
Gupta H K & Associates
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Municipal Committee-Farrukhnagar
 FY 2022-23
 Provisional Depreciation Schedule

Note 3

S.No	Description of Asset Block of Assets	Rate of Dep.	Written Down Value as on 01.04.2022	Additions		Sales / Deletion	Total Assets	Depreciation Allowable	Written Down Value as on 31.03.2023
				Used for 180 days or more	Used for less than 180 days				
	Freehold Land	0%	187,792,000,000	-	-	-	187,792,000,000	-	187,792,000,000
	Buildings	5%	31,430,121	22,734,218	-	5,381,008	48,783,331	2,439,167	46,344,165
	Office Equipment	15%	1,012,616	-	-	-	1,012,616	151,892	860,724
	Vehicles	15%	766,645	-	-	-	766,645	114,997	651,648
	Street Lights	15%	6,141,250	-	-	-	6,141,250	921,188	5,220,063
	Public Toilets	5%	4,286,875	-	-	-	4,286,875	214,344	4,072,531
	TOTAL		187,835,637,507	22,734,218	-	5,381,008	187,852,990,717	3,841,587	187,849,149,130



Municipal Committee-Farrukhnagar
Provisional Notes to the Financial Statements for the year ended 31st March, 2023

	March 31, 2023
1 Corpus Funds	
Opening Balance of Corpus Funds	188,613,786,638
Amount attributable to Grants	(102,424,446)
Surplus for the Year	74,898,487
Balance at the end of the year	<u><u>188,586,260,679</u></u>
2 Non Current Liability	March 31, 2023
Grant Balances (as per Grant Book)	
	2,087,000
Covid-19	10,513,000
CFC	1,002,000
DDU	88,822,446
SFC	
	<u><u>102,424,446</u></u>
5 Cash and cash equivalents	March 31, 2023
Cash in hand	13,293
Balances with banks	
The Gurgaon Central Co-op Bank 63002000001(491)	5,145,037
State Bank Of India 39079628606	3,316,947
State Bank Of India 40035946562	14,457,595
Indusind Bank 151225060071	24,372,199
Indusind Bank 100177981406	104,078,274
HDFC Bank 50100037359022	6,012,320
Yes Bank 38294600000561	67,333,975
HDFC Bank 50100212563371	377,975
Canara Bank 110090678859	31,319,000
Axis Bank 921010045140616	11,991,106
State Bank Of India 65098524904	51,845,499
HDFC Bank 501001702558782	1,464,848
HDFC Bank 50100486528221	188,513
HDFC Bank 50100044777670	58,901
	<u><u>321,975,482</u></u>
4 Other non-current assets	March 31, 2023
Suspense Assets	424,744,234
	<u><u>424,744,234</u></u>



Municipal Committee-Farrukhnagar

Provisional Notes to the Financial Statements for the year ended 31st March, 2023

6	Other current assets	March 31, 2023
	Fixed Deposits	
		74,514,000
	Yes Bank	18,302,279
	State Banks of India	
		<u>92,816,279</u>
7	Fees from Activities	March 31, 2023
	Development Fee	2,231,376
	Composition Fee	40,100
	Copying Fee	18,130
	Solid Waste Management	1,033,790
	Scrutiny Fees	3,536
	Labour Cess	48,097
	Fees for Mobile Towers	60,000
	Miscellaneous Fee	292,169
		<u>3,727,198</u>
8	Income from Tax & Duties	March 31, 2023
	Property Tax	3,331,887
	Stamp Duty	38,838,488
	Advance & Deposit	1,597,166
		<u>43,767,541</u>
9	Income from Grants	March 31, 2023
	SFC Grant	53,138,000
	DDU Grant (Prior Period Ommission)	1,002,000
	CFC Grant	14,472,000
		<u>68,612,000</u>
10	Income from Rentals	March 31, 2023
	Rentals from Shops	273,960
		<u>273,960</u>
11	Other Income	March 31, 2023
	Suspense Income	13,342,572
	Interest Income	
		<u>13,342,572</u>



Municipal Committee-Farrukhnagar

Provisional Notes to the Financial Statements for the year ended 31st March, 2023

12 Staff Payments & Benefits

March 31, 2023

Salary, wages & bonus

	5,387,135
Regular Staff	3,820,504
Outsourced Staff	7,843,282
Cleaning Staff, Firemen, Sewermen	98,284
Leave travel concession	784,800
Honorarium	

Allowances

Medical Allowances for Retired Employee

40,713

Employee Welfare

National Pension Scheme

36,000

18,010,718

13 Expenses from Grants

March 31, 2023

SFC Grant

1,979,554

CFC Grant

5,773,000

VAT Grant

1,529,000

9,281,554

14 Other expenses

March 31, 2023

Audit Fees

915,434

Advertisement Expenses

152,423

Beautification Expenses

926,690

Communication Expenses

23,329

Consumables Supplies

33,500

Demolition Expenses

187,150

Power & Electricity

19,800

Fuel Expenses

1,808,454

Legal & Professional Fees

73,105

Repair & Maintenance Expenses

1,946,519

Job Work/Contract Expenses for Road & Bridges

5,213,902

Printing & Stationery

64,480

Festival Celebration & Entertainment Expenses

330,327

Gaushala Management Expenses

16,704

Sanitation & Security Expenses

2,185,705

Waste Management Expenses

8,760,508

Miscellaneous Expenses

1,032,895

23,690,925

