

# MUNICIPAL COMMITTEE, CHEEKA

DISTRICT: KAITHAL

## INDEPENDENT AUDIT REPORT

FINANCIAL YEAR 2021-2022



CONDUCTED BY:

**M/s ANSK & CO.**

CHARTERED ACCOUNTANTS

PATIALA (P)-CHANDRAPUR (MH)-CHHINDWARA (MP)- MUZZAFARNAGAR (UP)

Mob no. 94645-33334; 94636-78921

**M/s Municipal Committee, Cheeka**

**Balance Sheet as on 31.03.2022**

**(Amount in Rs.)**

Sr No.	Particulars	Note no.	Figures As at the end of current reporting period 31.03.2022
I	<b><u>EQUITY AND LIABILITIES</u></b>		
1	<b><u>Capital Fund</u></b>	A	
	(a) Muncipal Fund		120022721.84
	(b) Reserve and Surplus		2959860.67
	(c) Grants		67014443.73
2	<b><u>Non-Current Liabilities</u></b>	B	
	(a) Secured Loans		0.00
	(b) Unsecured Loan		0.00
3	<b><u>Current Liabilities &amp; Provisions</u></b>	C	
	(a) Short Term Provisions		656645.00
	(b) Other Current Liabilities		71440008.22
	<b>Total</b>		<b>262093679.46</b>
	(The Notes A to L and Significant Accounting Policies form an integral part of the Financial Statements.)		
II	<b><u>ASSETS</u></b>		
1	<b><u>Non- Current Assets</u></b>	D	
	(a) Tangible Assets		107432513.00
	(b) Intangible Assets		0.00
	(b) Other Non Current Assets		0.00
2	<b><u>Current Assets</u></b>	E	
	(a) Cash & Cash equivalents		152796270.21
	(b) Other Current Assets		1864896.25
	<b>Total</b>		<b>262093679.46</b>
	(The Notes A to L and Significant Accounting Policies form an integral part of the Financial Statements.)		

For and on Behalf of Committee

  
Secretary  
Municipal Committee  
CHEEKA (Kaicheh)

  
(Accountant)  
Accountant  
Municipal Committee  
Cheeka (Kaicheh)

As per Our Separate Report  
of even date attached  
For A N S K & Co.  
Chartered Accountants

  
CA Amal Kansal (Partner)  
M.No. 538867  
FRN: 016031C


Place: Patiala  
Date: 20.10.2023

**M/s Municipal Committee, Cheeka**  
**Income and Expenditure Account as on 31.03.2022** (Amount in Rs.)

Sr No.	Particulars	Note no.	Figures As at the end of current reporting period 31.03.2022
I	Tax Revenues	F	11502685.87
II	Non Tax Revenues	G	56590254.80
III	Grants Receipts	H	163019690.00
IV	Total Income ( I+II)		231112630.67
V	Expenses:		
	Committed Exp.	I	214178141.00
	Non Committed Exp.	J	2158593.00
	Contingent Exp.	K	4719322.00
	Depreciation & Other amortization Exps	L	7096714.00
	Total Exps		228152770.00
VI	Income Over Expenses (iv-v)		2959860.67
VII	Adjustment for Prior Period Items(if any)		0.00
VIII	Income Over Expenses for the Period (VII-VI)		2959860.67
(The Notes A to L and Significant Accounting Policies form an integral part of the Financial Statements.)			

For and on Behalf of Committee

  
Secretary  
Municipal Committee  
CHEEKA (Kaichal)

  
(Accountant)  
Municipal Committee  
Cheeka (Kaichal)

Place: Patiala  
Date: 20.10.2023

As per Our Separate Report  
of even date attached  
For A N S K & Co.  
Chartered Accountants

  
CA Aman Kansal (Partner)  
M.No. 538867  
FRN: 016031C

**M/s Municipal Committee, Cheeka**  
**CASH FLOW STATEMENT AS ON 31 MARCH 2022**

Particulars	Amount (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	
Excess of Income over Expenses after depreciation	2,959,860.67
Adjustments for:	
Depreciation/ Amortisation	7096714.00
Interest & Finance Charges	-
(Profit)/loss on sale of Assets	-
<b>Operating Profit before Working Capital Changes</b>	<b>10,056,574.67</b>
Adjustments for:	
Decrease/(Increase) in Inventories	-
Decrease/(Increase) in Trade Receivables	-
Decrease/(Increase) in Other Current & Non Current Assets	(1,864,896.25)
Increase/(Decrease) Trade in Payables	-
(Decrease)/Increase in Other Current & Non Current Liabilities	64,001,845.22
(Decrease)/Increase in Provisions	-
<b>Cash generated from operations</b>	<b>72,193,523.64</b>
Taxes paid	-
<b>Net Cash flow before Extraordinary Items</b>	<b>72,193,523.64</b>
Proceeds from Extraordinary Items	-
Payments for Extraordinary Items	-
<b>Net Cash flow from Operating activities</b>	<b>72,193,523.64</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	
Sale / (Purchase) of Fixed Assets	(47,502,561.00)
Sale / Purchase of Investments	-
Sale of Investments	-
Purchase of intangible Assets	-
<b>Net Cash used in Investing activities</b>	<b>(47,502,561.00)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	
Proceeds from Long term Borrowings (Net)	-
Repayment of Borrowings	-
Grant Receipts (Net)	(64,243,677.00)
Interest paid	-
<b>Net Cash used in financing activities</b>	<b>(64,243,677.00)</b>
<b>Net increase in cash &amp; Cash Equivalents</b>	<b>(39552714.36)</b>
Cash and Cash equivalents as on beginning	192348984.57
Cash and Cash equivalents as on end	152796270.21

For and on Behalf of Committee

As per Our Separate Report  
of even date attached  
For A N S K & Co.  
Chartered Accountants

  
Secretary  
Municipal Committee  
CHEEKA (Kaithal)

  
(Accountant)  
Accountant  
Municipal Committee  
Cheeka (Kaithal)

  
CA Aman Kansal (Partner)  
M.No. 538867  
FRN: 016031C

Place: Patiala  
Date: 20.10.2023

**M/s Municipal Committee, Cheeka**

<b>Note A Of Capital Fund As On 31.03.2022</b>		<b>(Amount in Rs.)</b>
Particulars		Figures As at the end of current reporting period 31.03.2022
<b>(a) <u>Municipal Fund</u></b>		
Opening Balance		99899899.84
Add: Capital Contribution		20122822.00
Total (a)		<u>120022721.84</u>
<b>(b) <u>Reserve &amp; Surplus</u></b>		
Opening Reserve & Surplus		0.00
Amount Trfd. From Income and Expenditure A/c		2959860.67
Total (b)		<u>2959860.67</u>
<b>(c) <u>Grants</u></b>		
CFC FUND GRANT		8890135.00
PMAY GRANT		52350.00
SBM Grant		2455575.00
SC Basti Grant		300434.00
SFC FUND GRANT		26239680.00
SFC SC-SP FUND GRANT		28849719.00
VAT GENERAL GRANT		150151.24
VAT SC-SP GRANT		76399.49
Total (c)		<u>67014443.73</u>
Total (a+b)		<u>189997026.24</u>
<b>Note B Of Non Current Liabilities As On 31.03.2022</b>		<b>(Amount in Rs.)</b>
Particulars		Figures as at the end of current reporting period 31.03.2022
<b>(a) <u>Secured Loans</u></b>		
		0.00
<b>(b) <u>Unsecured Loans</u></b>		
		0.00
		<u>0.00</u>
Total (a+b)		<u>0.00</u>



<b>Note C Of Current Liabilities &amp; Provisions As On 31.03.2022</b>		<b>(Amount in Rs.)</b>
Particulars		Figures as at the end of current reporting period 31.03.2022
<b>(a) Short-term Provisions</b>		
General TDS Payable		6600.00
GST Payable On Rent		462382.00
SFC GST Payable		36142.00
SFC Income Tax Payable		36376.00
VAT General GST Payable		57158.00
VAT General Income Tax Payable		57987.00
	<b>Total</b>	<b>656645.00</b>
<b>(b) Other Current Liabilities</b>		
Advance And Deposit		761706.00
Amount Excessd Dposited/Less Paid		213714.22
Amount Received In Bank But Not Recorded I		2057111.00
Cheque Issued But Encashed		569866.00
Securities House/Residence		1742792.00
Security MC Office Building		5172612.00
SFC Gen Cheque Issued But Not Encashed		104936.00
VAT Receipt In Bank But Not In Cashbook		60817271.00
	<b>Total</b>	<b>71440008.22</b>

<b>Note D Of Non- Current Assets As On 31.03.2022</b>		<b>(Amount in Rs.)</b>
Particulars		Figures as at the end of current reporting period 31.03.2022
<b>(a) Fixed Assets</b>		
<b>(i) Fixed Assets</b>		
Original Cost		69107848.00
Add: Addition during the year		47502561.00
Less: Sale / Adjustment during the year		0.00
Less: Depreciation		9177896.00
Tangible Assets	<b>Total (a)</b>	<b>107432513.00</b>

<b>(b) Intangible Assets</b>		0.00
	<b>Total (b)</b>	<b>0.00</b>
<b>(b) Other Non- Current Assets</b>		0.00
	<b>Total (c)</b>	<b>0.00</b>
	<b>Total (a+b+c)</b>	<b>107432513.00</b>



<b>Note E Of Current Assets As On 31.03.2022</b>		<b>(Amount in Rs.)</b>
Particulars		Figures as at the end of current reporting period 31.03.2022
(a) <u>Cash &amp; Cash Equivalents</u>		
Cash & Cash Equivalents		152796270.21
		<u>152796270.21</u>
(b) <u>Other Current Assets</u>		
Balancing Difference Between Cash Book & Passbook		690721.25
Cheque Received But Not Encashed		902913.00
VAT Payment From Bank But Not In Cashbook		271262.00
		<u>1864896.25</u>
		<u>154661166.46</u>
	<b>Total (a+b)</b>	



<b>Note F On Tax Revenues As On 31.03.2022</b>		<b>(Amount in Rs.)</b>
Particulars	Figures as at the end of current reporting period 31.03.2022	
Fire Tax	713093.00	
Tax on Land & Building	10789592.87	
	<u>11502685.87</u>	
<b>Note G On Non Tax Revenues As On 31.03.2022</b>		<b>(Amount in Rs.)</b>
Particulars	Figures as at the end of current reporting period 31.03.2022	
Bank Interest (MC Fund, CFC, HUDA, PMAY, SFC, SFC SC-SP, VAT Gen, VAT SC-SP A/c)	5885886.00	
Development Charges	11340941.00	
HUDA Enhancement	6293437.00	
Lease Income on Agriculture Land	11448885.00	
Stamp Duty	6401338.00	
Rent on Shops	9883788.00	
User Charges	1894815.00	
Misc. Coping Fees	31850.00	
Misc. Unclassified Charges	3409314.80	
	<u>56590254.80</u>	

<b>Note H On Grants Receipts On 31.03.2022</b>		<b>(Amount in Rs.)</b>
Particulars	Figures as at the end of current reporting period 31.03.2022	
- CFC Grant Revenue	12557149.00	
- PMAY Grant Revenue	31217693.00	
- SC Basti Grant Revenue	603156.00	
- SFC Grant Revenue	75864139.00	
- SFC SC-SP Grant Revenue	19280958.00	
- VAT General Grant Revenue	23384509.00	
- VAT SC-SP Grant Revenue	112086.00	
<b>Total</b>	<u>163019690.00</u>	





Note I on Committed Expenses As On 31.03.2022	(Amount in Rs.)
Particulars	Figures as at the end of current reporting period 31.03.2022
Salaries	
- General Department	2024530.00
- Fire Department	1050815.00
- Garden Park Department	426982.00
- Municipal Work Department	656225.00
- Sanitation Department	9515134.00
- Tax Department	121424.00
Audit Fees	562989.00
Bank Charges	708.00
Development Work	28027907.00
CFC Grant Development Work	1931685.00
HUDA Development Work	4091640.00
SFC Grant Development Work	3124436.00
SFC SC-SP Grant Development Work	883791.00
Vat General Grant Development Work	1165635.00
CFC Maintenance & Construction of Parks, Toilets, Gates etc.	1450818.00
SFC Maintenance & Construction of Parks, Building, Road/Street etc.	39284641.00
SFC SC-SP Maintenance & Construction of Building, Steet, Pipeline	12009115.00
Vat General Grant Maintenance & Construction of Building, Street	21175843.00
HUDA Maintenance of Parks etc.	1976332.00
SC Basti Grant Maintenance & Construction Street	494953.00
General Fund Construction & Maintenance of Parks	633007.00
CFC Garbage Processing Work Exp.	5635972.00
SFC SC-SP Garbage Processing Work Exp.	2139005.00
HUDA Garbage Collection Work Exp.	4534961.00
Garbage Collection Exp. General Fund	5114368.00
CFC Public Utilty Exps.	413413.00
SFC Public Utilty Exps.	2397251.00
SFC SC-SP Public Utilty Exps.	1766188.00
SFC Labour & Wages Paid	20144364.00
SFC SC-SP Labour & Wages Paid	1826588.00
CFC Repair of Drains	179969.00
SFC Repair of Drains	761232.00
HUDA Repair of Drains	901809.00
HUDA Sewerage & Water Line Repair	56927.00
SFC GPF, EPF, NPS	2277277.00
SFC Electricity Bill	1796144.00
SFC Honorarium	70468.00
SFC Power Block	822016.00
SFC Renovation of Fire Bridge	488829.00
Election Expenses	18760.00
Law Charges	569200.00
LTC/HTC	84864.00
PMAY Payments	5176281.00
PMAY PFMS Payments	26230000.00
PMAY Tagging Scheme Payments	18520.00
Education Allowance	145125.00
<b>Total</b>	<b>214178141.00</b>



<b>Note J on Non Committed Expenses As On 31.03.2022</b>		<b>(Amount in Rs.)</b>
Particulars		Figures as at the end of current reporting period 31.03.2022
P.O.L.		1231608.00
TA		95754.00
Unforeseen Charges		831231.00
Total		<u>2158593.00</u>
<b>Note K on Contingent Expenses As On 31.03.2022</b>		<b>(Amount in Rs.)</b>
Particulars		Figures as at the end of current reporting period 31.03.2022
General Department Contingencies		1174006.00
Fire Department Contingencies		94341.00
Garden/Park Department Contingencies		234598.00
HUDA Contingencies		24142.00
Lighting Department Contingencies		549957.00
Municipal Works Department Contingencies		526427.00
Sanitation Department Contingencies		1999549.00
Tax Department Contingencies		86302.00
SFC Covid 19 Death Case Payment		30000.00
Total		<u>4719322.00</u>
<b>Note L on Depreciation and Other Amortisation Exp. As On 31.03.2022</b>		<b>(Amount in Rs.)</b>
Particulars		Figures as at the end of current reporting period 31.03.2022
Depreciation		7096714.00
Amortisation / written off		0.00
Total		<u>7096714.00</u>



**M/s Municipal Committee, Cheeka**  
**Annexure to Note L - Details of Depreciation as on 31.03.2022**

Particulars	Original cost as on 01.04.2021	Addition during the Year	Sale/ t/f to R & S	Total Cost As On 31.03.2022	Residual Value	Depreciable Value	Rate of Dep. Dep. 31.03.2021	Dep. Upto 31.03.2021	Dep. During the Year	Total Dep. Upto 31.03.2022	Cl.Bal As On 31.03.2022
AC AND INVERTER	0.00	49000.00	0.00	49000.00	2450.00	46550.00	19%	0.00	8845.00	8845.00	40155.00
ALMIRAH	0.00	64900.00	0.00	64900.00	3245.00	61655.00	9.50%	0.00	5857.00	5857.00	59043.00
BATTERY	0.00	21160.00	0.00	21160.00	1058.00	20102.00	19%	0.00	3819.00	3819.00	17341.00
BIO-REMEDIATION AND BIO-MINING	0.00	4039325.00	0.00	4039325.00	201966.25	3837358.75	6.33%	0.00	242905.00	242905.00	3796420.00
CONST OF UNDERGROUND PIPELINE	0.00	5841707.00	0.00	5841707.00	292085.35	5549621.65	6.33%	0.00	351291.00	351291.00	5490416.00
CONSTRUCTION OF HALL	0.00	3286946.00	0.00	3286946.00	164347.30	3122598.70	3.17%	0.00	98986.00	98986.00	3187960.00
CONSTRUCTION OF STREET	0.00	13231211.00	0.00	13231211.00	661560.55	12569650.45	19%	0.00	2388234.00	2388234.00	10842977.00
ROAD SWEEPING MACHINE	0.00	5118300.00	0.00	5118300.00	255915.00	4862385.00	19%	0.00	923853.00	923853.00	4194447.00
CHAIRS	0.00	100004.00	0.00	100004.00	5000.20	95003.80	9.50%	0.00	9025.00	9025.00	90979.00
COMPUTERS	0.00	94200.00	0.00	94200.00	4710.00	89490.00	31.66%	0.00	28333.00	28333.00	65867.00
CONSTRUCTION OF SHOPS/OFFICE	0.00	4158447.00	0.00	4158447.00	207922.35	3950524.65	3.17%	0.00	125232.00	125232.00	4033215.00
FOGGING MACHINE	0.00	64900.00	0.00	64900.00	3245.00	61655.00	19%	0.00	11714.00	11714.00	53186.00
GRASS CUTTING MACHINE	0.00	16800.00	0.00	16800.00	840.00	15960.00	6.33%	0.00	1010.00	1010.00	15790.00
House/Residence	17427972.00	0.00	0.00	17427972.00	871398.60	16556573.40	3.17%	524843.00	524843.00	1049686.00	16378286.00
Community Centre	0.00	3839193.00	0.00	3839193.00	191959.65	3647233.35	3.17%	0.00	115617.00	115617.00	3723576.00
Garbage Collection Vehicle TATA 407	0.00	1433921.00	0.00	1433921.00	71696.05	1362224.95	9.50%	0.00	129411.00	129411.00	1304510.00
Gym Equipment	0.00	1031717.00	0.00	1031717.00	51585.85	980131.15	19.00%	0.00	186225.00	186225.00	845492.00
Shed Construction In Fire Brigade Ofc	0.00	419282.00	0.00	419282.00	20964.10	398317.90	6.33%	0.00	25214.00	25214.00	394068.00
Water Supply Bore Installation	0.00	1465185.00	0.00	1465185.00	73259.25	1391925.75	6.33%	0.00	88109.00	88109.00	1377076.00
LAPTOP AND PRINTER	0.00	98700.00	0.00	98700.00	4935.00	93765.00	31.66%	0.00	29686.00	29686.00	69014.00
PARK	0.00	1360420.00	0.00	1360420.00	68021.00	1292399.00	6.33%	0.00	81809.00	81809.00	1278611.00
MC Office Building	51679876.00	0.00	0.00	51679876.00	2583993.80	49095882.20	3.17%	1556339.00	1556339.00	3112678.00	48567198.00
NEW MOTOR	0.00	33830.00	0.00	33830.00	1691.50	32138.50	6.33%	0.00	2034.00	2034.00	31796.00
SUBMERSIBLE MOTOR	0.00	68320.00	0.00	68320.00	3416.00	64904.00	6.33%	0.00	4108.00	4108.00	64212.00
TABLE GLASS	0.00	43566.00	0.00	43566.00	2178.30	41387.70	9.50%	0.00	3932.00	3932.00	39634.00
TRACTOR SONALIKA	0.00	536814.00	0.00	536814.00	26840.70	509973.30	9.50%	0.00	48447.00	48447.00	488367.00
TRAFIC SYSTEM SIGNALS	0.00	1041053.00	0.00	1041053.00	52052.65	989000.35	9.50%	0.00	93955.00	93955.00	947098.00
WOODEN COUNTER	0.00	8260.00	0.00	8260.00	413.00	7847.00	19%	0.00	1491.00	1491.00	6769.00
WOODEN TABLE	0.00	35400.00	0.00	35400.00	1770.00	33630.00	19%	0.00	6390.00	6390.00	29010.00

<b>Total</b>	69107848.00	47502561.00	0.00	116610409.00	5830520.45	110779888.55		2081182.00	7096714.00	9177896.00	107432513.00
<b>P.Y.</b>	0.00	69107848.00	0.00	69107848.00	3455392.40	65652455.60		0.00	2081182.00	2081182.00	67026666.00





To,  
The Secretary  
Municipal Committee,  
Cheeka.

#### **Report on the Financial Statement**

We have audited the accompanying financial statements of **Municipal Committee** ('the Local Body') which comprise the Balance Sheet as at **31<sup>st</sup> March 2022** 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 and financial performance of the corporation in accordance with the applicable FRF (Financial Reporting Framework), Manuals, Budgets etc. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and 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 have 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 misstatements.




Audit involves performing procedures to obtain audit evident about the amounts and disclosures in the financial statements. The procedures selected depend upon the auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

In the case of the Balance Sheet, the state of affairs of the municipal committee as on **31<sup>st</sup> March 2022**.

 Business Empire, D-56, First Floor, Rose Garden  
Market, Near Bus Stand, Patiala PB 147001  
 94645-33334, 94636-78921  
 [www.anskindia.com](http://www.anskindia.com), [cakansalgoel@gmail.com](mailto:cakansalgoel@gmail.com)



>>OTHER OFFICES:

CHANDRAPUR-CHHINDWARA-MUZZAFARNAGAR





In the case of the Income and Expenditure Account, of the expenses over Income of the municipal committee for the financial period ended 31<sup>st</sup> March 2022.

In the case of the cash flow statement, of the cash flow of the municipal Committee for the financial period ended 31<sup>st</sup> March 2022.

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 accounts as required by law have been kept by the municipal committee so far as appears from our examination of such books;
- c. The Balance sheet and Income and Expenditure Account dealt with in this report are in agreement with the books of account;
- d. Opening balances are taken as certified by management
- e. With respect to the other matters to be included in the Auditor's Report, in our opinion and to the best of our information and according to the explanations given to us:
  - i. As certified by the municipal committee, there are no pending litigations which may affect its functioning and financial statement. However, the municipal committee did not create any contingent liability / asset
  - ii. The Municipal Committee maintains manual books of accounts on single-entry accounting method and follows the cash basis of accounting. Our report is limited to the manual cash book maintained by the municipal committee and some journal vouchers entries posted during the year. Also, the municipal committee has not maintained any register for related party transactions.
  - iii. As certified by the municipal committee, The municipal committee has regular deposited statutory dues during the year. However, we could not ascertain the actual amount of any pending statutory dues, due to maintenance of single-entry accounting method and follows cash basis of accounting method
  - iv. The municipal committee made some provisions at the end of the year. However, we could not ascertain the accuracy of the provisions made due to non-following the accrual basis of accounting.
  - v. As certified by the municipal committee, the nature of receipts and payments may be grouped or re-grouped, revenue or capital, is purely based upon management estimates.
  - vi. There may be mis-match between various cash books and registers of different heads.
  - vii. The municipal committee does not maintain any fixed asset register and has not physically verified the fixed assets on regular interval. Due to non-availability of actual dates of additions, municipal committee has charged depreciation for full year, thereby effecting true and fair view of financial statement.

For M/s. A N S K & Co.  
Chartered Accountants

Aman Kansal  
Partner  
M.N: 538867  
FRN: 016031C

Date: 20<sup>th</sup> October 2023  
Place: Patiala



**Municipal Committee, Cheeka**  
**Significant Accounting Policies and Notes to Financial Statements for the year ended March 31, 2022**

**1. Corporate information**

Municipal Committee, Cheeka (the local body) is a local body corporate working in Distt Kaithal, Haryana. The Municipal Committee is engaged in providing various government and government related services.

**2. Basis of preparation of Financial Statement**

The financial statement of the Municipal Committee has been prepared in accordance with Generally Accepted Accounting Principles in India (India GAAP). The Municipal Committee has prepared these financial statements to comply in all material respects with the accounting standards notified. The financial statements have been prepared on a cash basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with generally accepted accounting principles. **However, the Municipal Committee follows cash basis of accounting and maintains manual cash books and vouchers of various heads like Swachh Bharat Mission Grant, CFC Fund Grant, PMAY Grant, SC Basti Grant, SFC Fund Grant, SFC SC-SP Fund Grant, VAT General Grant, VAT SC-SP Grant and General. Bank reconciliation entries considered in the financial statement.**

**3. Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**4. Tangible fixed assets**

(1) Fixed assets shall be recorded at cost actually incurred, in order to make the asset ready to be put to use. This cost shall include ancillary charges e.g. freight, insurance, site preparation etc. which are necessary to place the asset into its intended location and condition for use.

(2) If assets are received on concessional rate, the same shall be accounted for on the basis of acquisition cost. If the assets are acquired at free of cost, the same shall be recorded at nominal value of rupee one.

(3) Interest on loan availed for purchase or construction of Fixed Asset, shall be capitalised till the Fixed Asset is put to use.

#### 5. Depreciation on tangible fixed assets

(1) Depreciation shall be charged on the fixed assets as per the Straight Line Method (SLM) at the estimated life prescribed in Companies Act 2013. The Depreciation shall be applied to the group of assets in a class not to individual assets.

(2) No depreciation shall be provided on Land.

(3) All assets costing less than Rs. 5,000/- shall be depreciated at 100 per cent in the year of purchase. However, such assets shall also be recorded in the fixed assets register at appreciated value of Rs. 1 per such asset.

#### 6. Intangible 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 accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is incurred. Intangible assets are amortized on straight line basis over estimated useful economic life.

#### 7. Impairment of Assets

The carrying value of the assets/cash generating units at each balance sheet date at reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds the recoverable amount. The recoverable amount is the greater of net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discounting factor. **However, No impairment has been recognized in the financial year ended 31.03.2022.**

#### 8. Leased Assets

Lease Rentals are expressed with reference to lease terms and conditions.

#### 9. Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowing and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to 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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. **However, amount lying under unsecured loans are remained unchanged as at the end of the balance sheet date.**

#### 10. Investments

Investments are classified into Current Investments and long – term Investments. Current investments are stated at lower of cost and fair market value. Long – term investments are valued at their acquisition cost. The provision for any diminution in the value long – term

investments is made only if such a decline is other than temporary. **However, The Municipal Committee has made no investment so far**

#### **11. Inventories**

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories is not written down below cost if the finished products in which they held be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Work – in – progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct material and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty and is determined at cost or realizable value on first in first out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### **12. Revenue recognition**

Revenues/ Incomes and Cost / Expenditures are being generally accounted on cash basis

#### **13. Foreign currency transactions**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions.

Monetary items denominated in foreign currencies at the year end rested at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contacts is recognized over the life of the contract. Any profit or loss arising on cancellation or renewal of forward exchange contracts are recognized as income or as expenses for the year.

Non- Monetary items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized and is reflected in the Income & Expenditure Account. **There is no foreign exchange inflows or outflows during the year under review.**

#### **14. Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent, and disclosed by way of notes to the accounts. Contingent Assets are neither recognized nor disclosed in the financial statement. **During the year, the Municipal Committee has not created any contingent asset or liability. However, the Municipal Committee has created many provisions at the end of the year.**



## MUNICIPAL COMMITTEE, CHEEKA

JOURNAL VOUCHER		Amount in Rs.	
Date	Nature	Debit	Credit
31.03.2022	Dep. on AC AND INVERTER	8845.00	
	Dep. on ALMIRAH	5857.00	
	Dep. on BATTERY	3819.00	
	Dep. on BIO-REMEDICATION AND BIO-MINING	242905.00	
	Dep. on CONST OF UNDERGROUND PIPELINE	351291.00	
	Dep. on CONSTRUCTION OF HALL	98986.00	
	Dep. on CONSTRUCTION OF STREET	2388234.00	
	Dep. on ROAD SWEEPING MACHINE	923853.00	
	Dep. on CHAIRS	9025.00	
	Dep. on COMPUTERS	28333.00	
	Dep. on CONSTRUCTION OF SHOPS/OFFICE	125232.00	
	Dep. on FOGGING MACHINE	11714.00	
	Dep. on GRASS CUTTING MACHINE	1010.00	
	Dep. on House/Residence	524843.00	
	Dep. on Community Centre	115617.00	
	Dep. on Garbage Collection Vehicle TATA 407	129411.00	
	Dep. on Gym Equipment	186225.00	
	Dep. on Shed Construction In Fire Brigade Ofc	25214.00	
	Dep. on Water Supply Bore Installation	88109.00	
	Dep. on LAPTOP AND PRINTER	29686.00	
	Dep. on PARKS	81809.00	
	Dep. on MC Office Building	1556339.00	
	Dep. on NEW MOTOR	2034.00	
	Dep. on SUBMERSIBLE MOTOR	4108.00	
	Dep. on TABLE GLASS	3932.00	
	Dep. on TRACTOR SONALIKA	48447.00	
	Dep. on TRAFIC SYSTEM SIGNALS	93955.00	
	Dep. on WOODEN COUNTER	1491.00	
	Dep. on WOODEN TABLE	6390.00	
	AC AND INVERTER		8845.00
	ALMIRAH		5857.00
	BATTERY		3819.00
	BIO-REMEDICATION AND BIO-MINING		242905.00
	CONST OF UNDERGROUND PIPELINE		351291.00
	CONSTRUCTION OF HALL		98986.00
	CONSTRUCTION OF STREET		2388234.00
	ROAD SWEEPING MACHINE		923853.00
	CHAIRS		9025.00
	COMPUTERS		28333.00
	CONSTRUCTION OF SHOPS/OFFICE		125232.00
	FOGGING MACHINE		11714.00
	GRASS CUTTING MACHINE		1010.00
	House/Residence		524843.00
	Community Centre		115617.00
	Garbage Collection Vehicle TATA 407		129411.00
	Gym Equipment		186225.00
	Shed Construction In Fire Brigade Ofc		25214.00
	Water Supply Bore Installation		88109.00
	LAPTOP AND PRINTER		29686.00
	PARK		81809.00
	MC Office Building		1556339.00
	NEW MOTOR		2034.00

SUBMERSIBLE MOTOR	4108.00
TABLE GLASS	3932.00
TRACTOR SONALIKA	48447.00
TRAFIC SYSTEM SIGNALS	93955.00
WOODEN COUNTER	1491.00
WOODEN TABLE	6390.00

NARRATION: Depreciation on Fixed Assets Provided

  
(Secretary)

  
(Accountant)

JOURNAL VOUCHER		Amount in Rs.	
Date	Nature	Debit	Credit
31.03.2022	CFC Fund Grant	16131614	
	SFC Fund Grant	2072770	
	SC Basti Grant	1453138	
	SFC SC-SP Fund Grant	465300	
	Capital Contribution		20122822


NARRATION: Portion of Grant used for Capital Expenditure transfer to Capital Contribution

  
(Secretary)

  
(Accountant)

JOURNAL VOUCHER		Amount in Rs.	
Date	Nature	Debit	Credit
31.03.2022	CFC Grant	12557149	
	PMAY Grant	31217693	
	SC Basti Grant	603156	
	SFC Grant	75864139	
	SFC SC-SP Grant	19280958	
	VAT General Grant	23384509	
	VAT SC-SP Grant	112086	
	Income & Expenditure A/c		163019690.00

NARRATION: Portion of Grant used for Revenue Expenditure transfer to Income & Expenditure A/c

  
(Secretary)  
Municipal Committee  
CHEEKA (Kaithal)

  
(Accountant)  
Accountant  
Municipal Committee  
Cheeka (Kaithal)

JOURNAL VOUCHER		Amount in Rs.	
Date	Nature	Debit	Credit
31.03.2022	Cheque Issued But Encashed		569866
	Amount Received In Bank But Not Recorded in Cashbook		2057111
	Amount Excess Dposited/Less Paid		223714.22
	Balancing Difference Between Cash Book & Pass Book	690721.25	
	Cheque Received But Not Encashed	902913.00	
	Amount Excess Dposited/Less Paid	10000.00	
	General Cash Book	1247056.97	

NARRATION: Bank Reconciliation entries in General Cash Book

(Secretary)

(Accountant)

JOURNAL VOUCHER		Amount in Rs.	
Date	Nature	Debit	Credit
31.03.2022	SFC Gen. Cash Book	104936.00	
	SFC Gen Cheque Issued But Not Encashed		104936.00

NARRATION: Bank Reconciliation entries in SFC General Cash Book

(Secretary)

(Accountant)

JOURNAL VOUCHER		Amount in Rs.	
Date	Nature	Debit	Credit
31.03.2022	VAT Receipt In Bank But Not In Cashbook		60817271
	VAT Payment From Bank But Not In Cashbook	271262	
	VAT General Cash Book	60546009	

NARRATION: Bank Reconciliation entries in VAT General Cash Book

*[Signature]*  
 (Secretary)  
 Municipal Committee  
 CHEEKA (Kaicha)

*[Signature]*  
 (Accountant)  
 Accountant  
 Municipal Committee  
 Cheeka (Kaicha)