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Certified Firm

*K. K. Chanani & Associates*

**Chartered Accountants**

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## **INDEPENDENT AUDITOR'S REPORT**

To,  
**The Commissioner,  
Municipal Corporation Jodhpur,  
Rajasthan**

### **Report to Financial Statement**

We have audited the accompanying financial statements of **Municipal Corporation, Jodhpur, Rajasthan** which comprise the Balance Sheet as at March 31, 2017, the Income and Expenditure Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the ULB in accordance with the Rajasthan Municipal Accounts Manual. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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

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

### **Opinion**

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

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





- d) Bank Reconciliation, in respect of several bank accounts, have not been provided since long. Hence, treatment of differences arising out of reconciliation remains unaccounted for. Besides, bank charges as also interest income on deposit in saving account remains unaccounted for. The amount has not been determined by the management. To this extent accounts does not reflect true and fair view.*
- e) The amount receivable on account of Urban Development Tax has not been determined and not considered as income of the year. As such, Income and Assets are understated to this extent.*
- f) All expenses except salary, contribution towards new pension scheme, accounting charges and audit fee are accounted for on cash basis. Similarly, all incomes are accounted for on cash basis. Receipts in PD Accounts (treasury) by deposit of amount directly by the tax payers are taken into account on verification with treasury irrespective of the year of receipt.*

in our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the Rajasthan Municipal Accounts Manual:

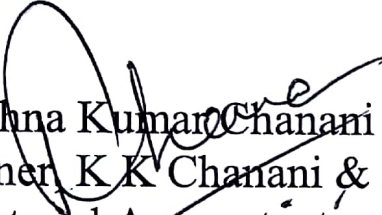
- a) in the case of the Balance Sheet, of the state of affairs of the ULB as at March 31, 2017; and
- b) in the case of the Income and Expenditure Statement, of the surplus for the year ended on that date.

We further report that:

- a) we have obtained all the available information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the ULB so far as appears from our examination of those books



- c) the Balance Sheet and Income & Expenditure Account dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet and Income & Expenditure Account comply with the Rajasthan Municipal Accounts Manual.

  
Krishna Kumar Chanani  
Partner, K K Chanani & Associates  
Chartered Accountants  
FRN NO. 322232E  
Membership No .056045



Kolkata, the 26 July. 2018



**K. K. Chanani & Associates**

**Chartered Accountants**

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**Annexure A to Auditor's Report (2016-17)**

**Additional Matters to be reported by the financial statement auditor**

1. In our opinion and according to records examined by us and to the best of our knowledge and belief all sums due to and received by the Municipality have been brought to account on Cash Basis except for certain expenditure which are brought to accounts on accrual basis and have been *generally* appropriately classified;
2. In our opinion and according to the information and explanations given to us all grants sanctioned or received by the Municipality during the year, have been accounted properly on cash basis, and where any deduction is made out of such grants towards any dues of the Municipality, *in some cases such deductions have not been properly accounted. As such income and expenditure are understated to that extent.*
3. Earmarked Funds have been created by the Municipality for Gratuity and Provident Fund, According to the information and explanations given to us Earmarked Funds have been utilized for the purposes for which they were created. *However, contribution to these funds in respect of previous year is yet to be made and for which amount has not been ascertained.*





4. As explained to us the Municipality is maintaining records showing full particulars, including quantitative details. However, *situation* of fixed assets has not been specified in the records so maintained. Management of ULB has not carried out *physical verification of fixed assets*. As such we are unable to comment on material discrepancies, if any, on physical verification and its treatment in books of accounts.
5. The Municipality *is not maintaining proper records showing full particulars of leasehold property*. Lease Rentals are therefore not verified.
6. As explained to us, physical verification has been conducted by the Municipality at reasonable intervals in respect of stores. In our opinion and according to the information and explanations given to us, the procedures of physical verification of stores followed by the Municipality are reasonable. In our opinion and according to the information and explanations given to us, no material discrepancies have been noticed on physical verification of stores as compared to stores records. *However, neither the stores has been verified at the year-end nor has same been recognized in the accounts prepared for the year under report.*
7. As explained to us, there are no parties other than the employees to whom loans or advances have been given by the Municipality.
8. The Municipality has granted loans to the employees against PF. Deduction from salary are made towards the loans and interest.
9. In our opinion and according to the information and explanations given to us, there exists an adequate internal control procedure for the purchase of stores, fixed assets and services.




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

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

11. ***The Municipality is not regular in depositing undisputed statutory dues including tax deducted at source, works contract tax, cess and royalties payable to the Government, ESI, PF etc.***



12. To the best of our knowledge and according to information and explanation given to us, no personal expenses have been charged to the Municipality's accounts.
13. To the best of our knowledge and according to information and explanation given to us, the books and registers specified under the Rajasthan Municipal Accounts Manual and other applicable acts and rules have been properly maintained. *However, Bank Reconciliation statements have not been prepared for the bank accounts of the Municipality. Accounting effect of bank charges debited by Bank, Non- collection of cheques, Interest credited by Bank, Cancellation of stale cheques not Presented has not been determined and considered in accounts.*
14. To the best of our knowledge and according to information and explanation given to us, year-end procedures have been carried out *but reconciliation procedures at year end have not been carried out.*

  
Krishna Kumar Chanani  
Partner, K K Chanani & Associates  
Chartered Accountants  
FRN No. 322232E  
Membership No .056045



Kolkata, the 26 July. 2018



# Balance Sheet of Municipal Corporation of Jodhpur

## As on 31 March 2017

PARTICULARS	Schedule	2016-17	2015-16
		(Amount in Rs.)	(Amount in Rs.)
<b>I - LIABILITIES</b>			
<b>RESERVE &amp; SURPLUS</b>			
Municipal (General) Fund	1	108,479,568	528,294,329
Earmarked Funds	2	338,472,483	322,602,522
Reserve & Surplus	3	2,329,170,605	2,035,462,109
<b>Total Reserve &amp; Surplus (A)</b>		<b>2,776,122,656</b>	<b>2,886,358,960</b>
<b>GRANT/ CONTRIBUTION FOR SPECIFIC PURPOSE (B)</b>	4	<b>481,329,519</b>	<b>42,119,233</b>
<b>LOANS</b>			
Secured Loans	5	765,672,177	828,613,307
<b>Total Loans (C)</b>		<b>765,672,177</b>	<b>828,613,307</b>
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>			
Sundry Deposits	6	705,471,533	318,141,252
Sundry Creditors	7	98,607,541	72,904,973
Statutory Liabilities	8	1,362,321	-1,967,673
Other Liabilities	9	510,775,861	612,515,169
Total Current Liabilities and Provisions (D)		<b>1,316,217,256</b>	<b>1,001,593,721</b>
<b>TOTAL LIABILITIES (A+B+C+D)</b>		<b>5,339,341,608</b>	<b>4,758,685,221</b>
<b>II - ASSETS</b>			
<b>FIXED ASSETS</b>			
Gross Block	10	6,126,111,317	5,832,402,821
Depreciation Fund	11	2,034,120,014	1,726,026,587
Net Block		<b>4,091,991,303</b>	<b>4,106,376,234</b>
<b>Total Fixed Assets (A)</b>		<b>4,091,991,303</b>	<b>4,106,376,234</b>
<b>INVESTMENTS</b>			
General Fund Investments	12	352,589,595	37,726,595
Specific Fund Investments	13	338,472,483	322,602,522
<b>Total Investments (B)</b>		<b>691,062,078</b>	<b>360,329,117</b>
<b>CURRENT ASSETS, LOAN &amp; ADVANCES</b>			
Inventories	14	1,495,324	3,704,238
Cash & Bank Balances	15	526,323,256	192,275,012
Loans, Advances & Deposits	16	28,469,648	96,000,621
<b>Total Current Assets, Loans &amp;Advances( C )</b>		<b>556,288,227</b>	<b>291,979,870</b>
<b>TOTAL ASSETS(A+B+C)</b>		<b>5,339,341,608</b>	<b>4,758,685,221</b>

Notes to Accounts and Accounting Policies

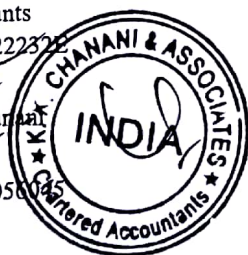
For KK Chanani & Associates

Chartered Accountants

Firm Regn. No. - 3222322

Krishna Kumar Chanani  
(Partner)

Membership No. - 056045



Date: - 26.07.2018

Place: - Jodhpur

For and Behalf on Nagar Nigam

(Commissioner)

## Income and Expenditure Account of Municipal Corporation of Jodhpur For the Year Ending 31 March 2017

PARTICULARS	Schedule	2016-17	2015-16
		(Amount in Rs.)	(Amount in Rs.)
<b>INCOME</b>			
Income From Taxes	17	253,042,794	181,155,741
Assigned Compensations	18	806,064,000	730,364,871
Rental Income from Municipal Properties	19	32,928,281	52,596,500
Fees and User Charges	20	162,128,071	285,843,603
Revenue Grants, Contributions and Subsidies	21	577,256,822	5,000,000
Income from Corporation Assets and Investment	22	55,877,164	273,856,959
Miscellaneous Income	23	153,288,665	139,185,978
<b>Total Income - I</b>		<b>2,040,585,797</b>	<b>1,668,003,652</b>
<b>EXPENDITURE</b>			
Establishment Expenses	24	965,063,554	978,575,006
General Administrative Expenses	25	396,469,569	329,251,502
Decrease in Stores / (Increase in Stock)	26	2,208,914	-2,234,613
Public Works	27	128,646,860	184,360,438
Interest & Financial Exp.	28	31,445,870	34,888,951
Miscellaneous Expenses	29	155,432,232	100,639,974
Depreciation During the Year		308,093,427	315,272,636
<b>Total Expenditure - II</b>		<b>1,987,360,425</b>	<b>1,940,753,894</b>
Surplus\ (Deficit) before adjustment of prior period items and Depreciation		53,225,371	-272,750,242
<b>NET SURPLUS\ DEFICIT</b>		<b>53,225,371</b>	<b>-272,750,242</b>

Notes to Accounts and Accounting Policies

For KK Chanani & Associates

Chartered Accountants

Firm Regn. No. - 322232E

Krishna Kumar Chanani

(Partner)

Membership No. - 056045



Date: - 26.07.2018

Place: - Jodhpur

For and Behalf on Nagar Nigam

( Commissioner)



**Schedule forming part of Balance Sheet of Municipal Corporation of Jodhpur  
As on 31 March 2017**

PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	(Amount in Rs.)
<b>Schedule - 1</b>		
<b>MUNICIPAL (GENERAL) FUND</b>		
Opening balance	528,294,329	801,044,571
Add : - Addition during the year	358,271,722	-
Less:- Deduction during the year	-831,311,854	-
Add: Excess of Income over Expenditure	53,225,371	-272,750,242
<b>Total</b>	<b>108,479,568</b>	<b>528,294,329</b>
<b>Schedule - 2</b>		
<b>EARMARKED FUND</b>		
Gratuity Fund	2,538,680	2,062,730
General Provident Fund	335,933,803	320,539,792
<b>Total</b>	<b>338,472,483</b>	<b>322,602,522</b>
<b>Schedule - 3</b>		
<b>RESERVE &amp; SURPLUS</b>		
Capital Reserve	4,664,556	4,664,556
Special Funds (Utilised)	2,324,506,049	2,030,797,553
<b>Total</b>	<b>2,329,170,605</b>	<b>2,035,462,109</b>
<b>Schedule - 4</b>		
<b>GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE</b>		
Special Grant for 14th Financial Commission	5,833,360	4,352,542
Special Grant for Carcus Plant	1,395,880	1,395,880
Special Grant for BRTS Bus Operation	153	-
Special Grant for IHSDP	317,477	339,580
Special Grant for Amrit Yojana	177,890,162	-
Special Grant for NULM	6,784,742	23,196,949
Special Grant for Salawas Treatement Plant	49,999,000	-
Special Grant for SJSRY	9,100,000	7,605,987
Special Grant for Swacch Bharat Mission	214,622,612	5,091,472
Special Grant for UIDSMT	136,823	136,823
Special Grant for MP/MLA Fund	-	-
Special Grant for CM Jal Swawlamban Yojana	6,727,000	-
Grant From Rajeev Aawas Yojna	8,522,310	-
<b>Total</b>	<b>481,329,519</b>	<b>48,119,233</b>



**Schedule forming part of Balance Sheet of Municipal Corporation of Jodhpur  
As on 31 March 2017**

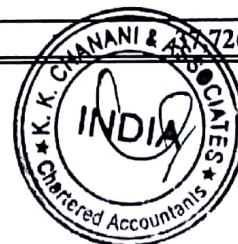
PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	(Amount in Rs.)
<b>Schedule - 5</b>		
<b>SECURED LOANS</b>		
Loan from RUIDFCO	598,591,892	575,233,022
Loans from banks & other financial institutions	167,080,285	253,380,285
<b>Total</b>	<b>765,672,177</b>	<b>828,613,307</b>
<b>Schedule - 6</b>		
<b>SUNDRY DEPOSITS</b>		
Security & Amanat Payable	705,471,533	318,141,252
<b>Total</b>	<b>705,471,533</b>	<b>318,141,252</b>
<b>Schedule - 7</b>		
<b>SUNDARY CREDITORS</b>		
Creditors For supplies	-	-
Other Creditors	98,607,541	72,904,973
<b>Total</b>	<b>98,607,541</b>	<b>72,904,973</b>
<b>Schedule - 8</b>		
<b>STATUTORY LIABILITIES</b>		
Income Tax (TDS) Payable	556,576	-888,111
Commercial Tax Payable	6,007	13,079,300
Salary Payable	-	-
Labour Cess Deduction	6,716	1,065,947
Service Tax Payable	793,022	-15,224,809
<b>Total</b>	<b>1,362,321</b>	<b>-1,967,673</b>
<b>Schedule - 9</b>		
<b>OTHER LIABILITIES</b>		
Royalty Payable	-	1,490,013
Employee Liabilities	497,155,504	600,595,496
Recoveries Payable	13,620,357	10,429,660
<b>Total</b>	<b>510,775,861</b>	<b>612,515,169</b>





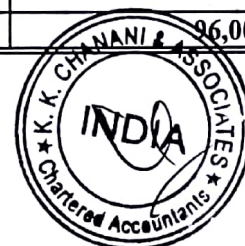
**Schedule forming part of Balance Sheet of Municipal Corporation of Jodhpur  
As on 31 March 2017**

PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	(Amount in Rs.)
<b>Schedule - 10</b>		
<b>GROSS BLOCK</b>		
<b>Immovable Assets</b>		
Land	1,288,124,554	1,286,049,399
Office Building	145,505,841	121,772,868
Shops	411,000,084	411,000,084
Social Assets	401,224,643	401,224,643
Stadium/Maidan	1,390,700,000	1,390,700,000
<b>Infrastructure Assets</b>		
Roads & Bridge	1,032,020,605	920,707,200
Sewerage & Drainage	435,422,382	369,345,466
Water ways	-	-
Public Lighting	60,558,185	55,824,938
Others	851,312,290	773,158,989
<b>Moveable Assets</b>		
Plant & Machinery	38,467,024	34,888,163
Vehicles	57,660,086	57,660,086
Furniture & Fixture	6,669,214	6,382,009
Office Equipment	879,602	879,602
Computers	6,566,807	2,809,374
<b>Total</b>	<b>6,126,111,317</b>	<b>5,832,402,821</b>
<b>Schedule - 11</b>		
<b>DEPRECIATION FUND</b>		
Opening Balance	1,726,026,587	1,410,753,951
Add:- Depreciation provided during the year	308,093,427	315,272,636
Less:- Depreciation for the previous year	-	-
<b>Total</b>	<b>2,034,120,014</b>	<b>1,726,026,587</b>
<b>Schedule - 12</b>		
<b>GENERAL FUND INVESTMENT</b>		
P.D Account with Interest	-	-
Non-Interest Bearing PD A/c	352,589,595	37,726,595
<b>Total</b>	<b>352,589,595</b>	<b>37,726,595</b>



**Schedule forming part of Balance Sheet of Municipal Corporation of Jodhpur  
As on 31 March 2017**

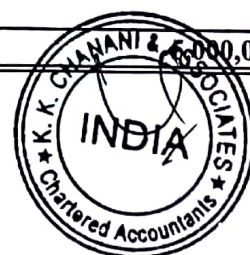
PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	(Amount in Rs.)
<b>Schedule - 13</b>		
<b>SPECIFIC FUND INVESTMENT</b>		
Employee's GPF Accounts	327,462,057	312,068,046
Gratuity P.D A/c	11,010,426	10,534,476
<b>Total</b>	<b>338,472,483</b>	<b>322,602,522</b>
<b>Schedule - 14</b>		
<b>INVENTORIES</b>		
Stock in Hand (Total)	1,495,324	3,704,238
<b>Total</b>	<b>1,495,324</b>	<b>3,704,238</b>
<b>Schedule - 15</b>		
<b>CASH &amp; BANK BALANCES</b>		
Cash in Hand	21,980	21,980
Balances in Saving & Current a/cs	526,301,276	192,253,032
<b>Total</b>	<b>526,323,256</b>	<b>192,275,012</b>
<b>Schedule - 16</b>		
<b>LOANS,ADVANCES &amp; DEPOSITS</b>		
Advance to Staff	4,292,738	-1,987,263
Advance to Contractors and Suppliers	14,189,895	97,774,079
Deposits with RSEB/JDVVNL	1,000,000	213,805
Advance to Other Deptt.	8,987,015	-
<b>Total</b>	<b>28,469,648</b>	<b>96,000,621</b>





**Schedule forming part of Income and Expenditure Account of Municipal Corporation of Jodhpur  
For the Year Ending 31 March 2017**

PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	(Amount in Rs.)
<b>Schedule - 17</b>		
<b>INCOME FROM TAXES</b>		
House Tax	2,129,609	6,361,196
Urban Development Tax	214,311,185	164,731,545
Sewerage Tax	36,602,000	10,063,000
<b>Total</b>	<b>253,042,794</b>	<b>181,155,741</b>
<b>Schedule - 18</b>		
<b>ASSIGNED COMPENSATION</b>		
Octroi Compensations	806,064,000	730,364,871
<b>Total</b>	<b>806,064,000</b>	<b>730,364,871</b>
<b>Schedule - 19</b>		
<b>RENTAL INCOME FROM MUNICIPALE PROPERTIES</b>		
Income from Rent and Teh Bazari	16,497,304	11,438,414
Rent from lease of lands	16,430,977	41,158,086
<b>Total</b>	<b>32,928,281</b>	<b>52,596,500</b>
<b>Schedule - 20</b>		
<b>FEES AND USER CHARGES</b>		
Cattle House	6,861,639	3,520,481
Copy Fees	1,523,238	1,576,097
License Fees Construction and Development Work	27,736,404	104,824,272
Empanelment & Registration Charges	6,419,372	-
Fees for Certificate or Extract	2,519	-
Fees for Grant of Permit	32,623,312	25,981,013
Regularisation Fees	86,961,587	149,941,740
<b>Total</b>	<b>162,128,071</b>	<b>285,843,603</b>
<b>Schedule - 21</b>		
<b>REVENUE GRANT, CONTRIBUTION, SUBSIDIES</b>		
Revenue Grant	577,256,822	5,000,000
<b>Total</b>	<b>577,256,822</b>	<b>5,000,000</b>



**Schedule forming part of Income and Expenditure Account of Municipal Corporation of Jodhpur  
For the Year Ending 31 March 2017**

PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	(Amount in Rs.)
<b>Schedule - 22</b>		
<b>INCOME FROM CORP.ASSET/INVESTMENT</b>		
Interest from Bank Accounts	8,817,384	4,647,463
Receipt from Sale of Land	47,059,780	269,209,496
<b>Total</b>	<b>55,877,164</b>	<b>273,856,959</b>
<b>Schedule - 23</b>		
<b>MISCELLANEOUS INCOME</b>		
Income from Maintenance of Sewer	2,300,000	1,451,000
Penalties under Different Act & Rules	30,885,157	25,860,080
Sale of Forms & Publications	31,400	71,100
Hire Charges for Vehicles	147,796	1,500
Recovery from Employees	2,752,839	3,406,202
Income from Parking Fee	20,626,340	5,482,520
Advertisement Income	55,358,656	33,197,742
Others	41,186,477	69,715,834
<b>Total</b>	<b>153,288,665</b>	<b>139,185,978</b>
<b>Schedule - 24</b>		
<b>ESTABLISHMENT EXP.</b>		
Corporator (Parishad) Allowance	1,793,138	1,045,443
Medical Reimbursement	1,735,842	3,144,870
Salary and Other Payment	934,783,368	955,836,404
Travelling Reimbursement	200,449	137,103
Other Terminal & Retirement Benefits	26,550,757	18,411,186
<b>Total</b>	<b>965,063,554</b>	<b>978,575,006</b>



**Schedule forming part of Income and Expenditure Account of Municipal Corporation of Jodhpur  
For the Year Ending 31 March 2017**

PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	(Amount in Rs.)
<b>Schedule - 25</b>		
<b>GENERAL ADMINISTRATION EXP.</b>		
Advertisement Expenses	8,344,926	12,209,402
Audit fees	690,000	102,000
Contingencies Expenses	46,280,450	42,521,778
Contract Vehicle Expenses	125,348,240	114,835,041
Court Expenses	2,432,434	3,617,520
Dress	3,571,200	111,900
Rent, Rates and Taxes	14,508,398	18,730,255
Communication Expenses	1,668,508	831,526
Printing and Stationery	690,592	1,414,186
Professional and other Fees	262,360	-
Membership & subscriptions	-	20,000
Power & Fuel	7,399,873	9,011,807
Bulk Purchases	311,450	110,463
Repairs & maintenance –Infrastructure Assets	176,171,283	111,422,141
E-Governance Expenses	8,789,855	14,313,483
<b>Total</b>	<b>396,469,569</b>	<b>329,251,502</b>
<b>Schedule - 26</b>		
<b>DECREASE IN STORES/(INCREASE IN STORES)</b>		
Opening stock	3,704,238	1,469,625
Less:-Closing stock	1,495,324	3,704,238
<b>Total</b>	<b>2,208,914</b>	<b>-2,234,613</b>
<b>Schedule - 27</b>		
<b>PUBLIC WORKS</b>		
Other Construction Work	3,626,550	5,083,097
Rehabilitation of Kachhi Basti	-	3,141,821
Expenses against Other Grants		260,000
Garbage Clearance Expenses	125,020,310	175,875,520
<b>Total</b>	<b>128,646,860</b>	<b>184,360,438</b>





**Schedule forming part of Income and Expenditure Account of Municipal Corporation of Jodhpur  
For the Year Ending 31 March 2017**

PARTICULARS	2016-17	2015-16
	(Amount in Rs.)	(Amount in Rs.)
<b>Schedule - 28</b>		
<b>INTEREST AND FINANCE CHARGES</b>		
Interest on Loans from Government Bodies & associations	31,445,870	24,391,429
Bank Charges	-	10,497,522
<b>Total</b>	<b>31,445,870</b>	<b>34,888,951</b>
<b>Schedule - 29</b>		
<b>MISCELLENOUS EXPENSES</b>		
Chara Dana Expenses	102,211,280	92,295,256
Own Programmes	5,541,129	3,334,718
Dedicated Consultant Charges	-	10,000
RUDF Contribution Expenses	5,000,000	5,000,000
Revenue Grant Expenses	42,660,280	-
Other Miscellaneous Expenses	19,543	-
<b>Total</b>	<b>155,432,232</b>	<b>100,639,974</b>



**MUNICIPAL CORPORATION**  
**JODHPUR (2016-17)**

**SCHEDULE 30**

**ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (2016-17)**

**I ACCOUNTING POLICIES**

**1. Basis of Accounting**

The financial statements are prepared on a going concern and under historical cost basis under cash basis of accounting except in case of salary payment, borrowing costs and contractual payments like accounting charges and audit fees and interest earned on bank deposits. The method of accounting is the double entry system.

**2. Recognition of Revenue**

*i. Revenue*

- a. Property and Other Taxes are recognized in the period in which they are received
- b. Revenues in respect of Profession Tax on Organization's/entities are determined in the year in which they are received
- c. Advertisement taxes are considered on receipt basis.
- d. Revenue in respect of Trade License Fees are determined in the year in which they are received
- e. Assigned revenues like Entertainment Tax, Duty / Surcharge on transfer of Immovable properties are accounted during the year only upon actual receipt.
- f. Other Incomes, which are of an uncertain nature or for which the amount is not ascertainable or where demand is not raised in regular course of operations, is recognized on actual receipt

*ii. Provision against payables*

- a. Provisions against payables are made based on type of income; age judgement and past experience of the management. Security deposits and earnest money deposit more than three years old and no longer payable due to non-claim by parties or otherwise are being written back and considered as income.



**MUNICIPAL CORPORATION**  
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**3. Recognition of Expenditure**

*i. Expenditure*

- a. Expenses on Salaries, bonus and other allowances are recognized as and when they are due for payment
- b. All revenue expenditures are treated as expenditures in the period in which they are paid.
- c. In case of works contracts, expenditures are considered in the year in which the payment has been made.
- d. Provision for expenses are made at the year-end for certain expenses of yearly contractual nature for which the amount is known beforehand like audit fees, accounting charges, computer operator salary, etc.
- e. Retirement benefit viz encashment of leave etc. are recognized on cash basis i.e. when they are due for payment.

*ii. Provision against receivables*

- a. Provisions against receivables are made based on type of income; age of receivable and judgement and past experience of the management. Incomes that have been accrued and are doubtful of recovery are provided for.

**4. Fixed Assets**

*i. Recognition*

- a. All Fixed Assets are carried at cost less accumulated depreciation. The cost of fixed assets include cost incurred/money spent in acquiring or installing or constructing the fixed asset, interest on borrowings directly attributable to acquisition or construction of qualifying fixed assets up to the date of commissioning of the assets and other incidental and indirect expenses incurred up to that date.
- b. All assets costing less than Rs.5,000/- would be expensed / charged to Income & Expenditure Account in the year of purchase.
- c. Any Fixed Asset, which has been acquired free of cost or in respect of which no payment has been made, is recorded at nominal value.





# MUNICIPAL CORPORATION

## JODHPUR (2016-17)

### ii. *Depreciation*

Depreciation is provided on Written down value method as per rates specified in Income Tax Act, 1961 as suggested in Rajasthan Municipal Accounting Manual.

### iii. *Revaluation of Fixed Assets:*

- a. Revaluation of fixed assets is undertaken either at the time of issue of municipal bonds or when commercial development / lease of properties is made.
- b. 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.
- c. Revaluation reserve is amortized by proportionate amount of depreciation charged on the revalued portion of the cost of the fixed assets.

## 5. Borrowing cost

Borrowing cost is recognized 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 recognized as income on actual receipt
- b. Grants, which are re-imbursement of specific revenue expenditure is recognized as income in the accounting period in which the corresponding revenue expenditure is charged to the Income and Expenditure Account.
- c. Grant received towards capital expenditure is treated as a liability till such time the fixed asset is constructed or acquired. On construction/acquisition of fixed asset, the grant corresponding to the value of the asset so constructed/acquired is treated as a capital receipt and transferred to capital contribution.



# MUNICIPAL CORPORATION

JODHPUR (2016-17)

## **8. Employee benefits**

- a. Separate Funds are formed for meeting the provident and gratuity.
- b. Contribution towards Provident and gratuity funds are recognized as and when it is due

## **9. Investments**

- a. All investments are initially recognized at cost. The cost of investment shall include cost incurred in acquiring the investment and other incidental expenses incurred for its acquisition.
- b. Long-term investments are carried at their cost. However in the event of any permanent diminution in their value as on the date of balance sheet, these are provided for.
- c. Short-term investments are carried at their cost or market value (if quoted) whichever is lower.

## **II NOTES TO ACCOUNT**

1. Balance of the Deposits received from contractors/suppliers is on the basis of receipts issued against deposit and deduction made from payments to them and has been taken from the register maintained in computer.
2. Balance of Loan against Provident Fund given to employees are subject to their confirmation.
3. Balances of Debtors, Creditors and other parties are subject to confirmation
4. These accounts have been prepared covering receipts of various Grants/Aids/Funds from State Government for specific purpose/scheme. In view of long duration of scheme, utilization of same is subject to verification on completion of scheme
5. The Financials are prepared on the basis of Books maintained by ULB and certify by the management & are subject to confirmation.
6. "Security Deposits" are not maintained Party-wise only Control Account is maintained.
7. There is Opening balance from previous audit report is not matching with books of accounts so some adjustment entries passed during the year.
8. Grant balances considered as per information provided by ULB.





**MUNICIPAL CORPORATION**  
**JODHPUR (2016-17)**

9. The closing balance of specific grants/schemes have been taken from respective cashbook but closing balance of "Some cash book of specific grant/schemes are not maintained at ULB" is considered nil.
10. There is non-availability of information relating to general grants, General grants closing balance considered as nil.
11. There is non-availability of information relating to utilization of grants, Grants are transferred to corpus fund and Specific fund (Utilization) creation equal to fixed assets made during the year through corpus fund.
12. All funds account represents grant received and expenditure made towards such scheme whether capital or revenue expenditure as maintained and shown in cash book and information provided by ULB.
13. There is loan balances considered as per registered maintained by ULB.
14. There is loans and advances balance are taken as per information provided by ULB.
15. There is detailed listing of assets of individual head is not ascertainable.
16. Difference in Manual Cash book maintained by ULB is Rs. 9,10,26,127.51 Cr. which will be rectified in future years as stated in cash & bank balances.
17. There is "Bank contra" control account maintained for contra entries because some entries withdrawal from one bank and not deposited in another bank and vice-versa.

Signatories to Schedule 1 to 30

In confirmation and witness of facts

  
Krishna Kumar Chanani  
Partner, K K Chanani & Associates  
Chartered Accountants

For Municipal Corporation: JODHPUR, Rajasthan

FRN NO. 322232E  
Membership No .056045



EO/Commissioner

Kolkata, the 26<sup>th</sup> July, 2018

CAO/ Sr . A.O.