



An ISO 9001:2008
Certified Firm

K. K. Chanani & Associates

Chartered Accountants

Head Office: 5/1 Clive Row, 3rd Floor, Room No.78, Kolkata-700001

Branches: Bhubaneswar, Bangalore, Chandigarh, Guwahati, Jaipur,
Jamshedpur, Mumbai, Muzaffarpur, New Delhi and Raipur

Contact: Dial: +91 9830044507, +9133 - 22302096/ 22309315

Fax: +9133 - 22624786

Email: kkcandassociates@gmail.com, kkc@cal2.vsnl.net.in

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, 2013, 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) Deductions made from salary including for provident fund up to 31.03.2012 is not determinable. Accordingly, Liability for such amount has not been recognized. To this extent, Municipal Fund is overstated and Liabilities are understated.*



- d) *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.*
- e) *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.*
- f) *Opening Liabilities on account of security deposits deducted and earnest money collected from contractors/ suppliers/ others has not been determined and considered. As such Municipal Fund is overstated and Liabilities are understated to that extent.*
- g) *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.*
- h) *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, 2013; 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 31 March. 2017



K. K. Chanani & Associates

Chartered Accountants

Head Office: 5/1 Clive Row, 3rd Floor, Room No.78, Kolkata-700001
Branches: Bhubaneswar, Bangalore, Chandigarh, Guwahati, Jaipur,
Jamshedpur, Mumbai, Muzaffarpur, New Delhi and Raipur
Contact: Dial: +91 9830044507, +9133 - 22302096/ 22309315
Fax: +9133 - 22624786
Email: kkcandassociates@gmail.com, kkc@cal2.vsnl.net.in

Annexure A to Auditor's Report (2012-13)

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.*



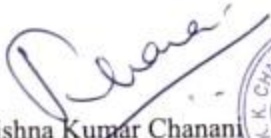
4. As explained to us the Municipality is maintaining records showing full particulars, including quantitative details. However, *situation* of fixed assets has not been specified in the records so maintained. Management of ULB has not carried out *physical verification of fixed assets*. As such we are 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 royalty 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 31 March. 2017

Balance Sheet of Municipal Corporation of Jodhpur As on 31 March 2013

PARTICULARS	Schedule	2012-13	2011-12
		(Amount in Rs.)	(Amount in Rs.)
I - LIABILITIES			
RESERVE & SURPLUS			
Municipal (General) Fund	1	2,322,132,636	-
Earmarked Funds	2	318,072,085	-
Reserve & Surplus	3	468,440,943	-
Total Reserve & Surplus (A)		3,108,645,665	-
GRANT/ CONTRIBUTION FOR SPECIFIC PURPOSE (B)	4	167,279,416	-
LOANS			
Secured Loans	5	498,614,959	-
Total Loans (C)		498,614,959	-
CURRENT LIABILITIES & PROVISIONS			
Sundry Deposits	6	191,044,213	-
Sundry Creditors	7	34,759,454	-
Statutory Liabilities	8	-348,376	-
Other Liabilities	9	457,886,192	-
Total Current Liabilities and Provisions (D)		683,341,483	-
TOTAL LIABILITIES (A+B+C+D)		4,457,881,523	-
II - ASSETS			
FIXED ASSETS			
Gross Block	10	4,267,970,938	-
Depreciation Fund	11	762,992,587	-
Net Block		3,504,978,351	-
Total Fixed Assets (A)		3,504,978,351	-
INVESTMENTS			
General Fund Investments	12	327,989,513	-
Specific Fund Investments	13	318,072,085	-
Total Investments (B)		646,061,598	-
CURRENT ASSETS, LOAN & ADVANCES			
Inventories	14	3,461,607	-
Cash & Bank Balances	15	258,896,713	-
Loans, Advances & Deposits	16	44,483,254	-
Total Current Assets, Loans & Advances (C)		306,841,573	-
TOTAL ASSETS(A+B+C)		4,457,881,523	-

Notes to Accounts and Accounting Policies

For KK Chanani & Associates

Chartered Accountants

Firm Regn. No. - 32272E

Krishna Kumar Chanani

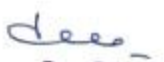
(Partner)


Membership No. - 056045

Date: - 31.03.2017

Place: - Kolkata

For and Behalf on Nagar Nigam


तेज सिंह
 सहायक लेखाधिकारी
 नगर निगम, जोधपुर


अनिल कुमार
 वित्तीय सलाहकार
 नगर निगम, जोधपुर


आयुक्त
 नगर निगम, जोधपुर

**Income and Expenditure Account of Municipal Corporation of Jodhpur
For the Year Ending 31 March 2013**

PARTICULARS	Schedule	2012-13	2011-12
		(Amount in Rs.)	(Amount in Rs.)
INCOME			
Income From Taxes	17	50,663,908	-
Assigned Compensations	18	550,552,000	-
Rental Income from Municipal Properties	19	28,345,606	-
Fees and User Charges	20	230,529,676	-
Revenue Grants, Contributions and Subsidies	21	6,900,000	-
Income from Corporation Assets and Investment	22	285,547,093	-
Miscellaneous Income	23	413,209,381	-
Total Income - I		1,565,747,664	-
EXPENDITURE			
Establishment Expenses	24	731,086,225	-
General Administrative Expenses	25	261,858,608	-
Decrease in Stores / (Increase in Stock)	26	-692,575	-
Public Works	27	99,411,344	-
Interest & Financial Exp.	28	45,206,647	-
Miscellaneous Expenses	29	35,302,402	-
Depreciation During the Year		254,467,644	-
Total Expenditure - II		1,426,640,295	-
Surplus (Deficit) before adjustment of prior period items and Depreciation		139,107,369	-
NET SURPLUS/ DEFICIT		139,107,369	-

Notes to Accounts and Accounting Policies

For KK Chanani & Associates

Chartered Accountants
Firm Regn. No. - 17232E


Krishna Kumar Chanani
(Partner)
Membership No. - 056045

Date: - 31.03.2017
Place: - Kolkata



For and Behalf on Nagar Nigam


तेज सिंह
सहायक लेखाधिकारी
नगर निगम, जोधपुर


बिन्तीय सहायकार
नगर निगम, जोधपुर


आयुक्त
नगर निगम, जोधपुर

**Schedule forming part of Balance Sheet of Municipal Corporation of Jodhpur
As on 31 March 2013**

PARTICULARS	2012-13	2011-12
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 1		
MUNICIPAL (GENERAL) FUND		
Opening balance	2,183,025,267	
Add : - Addition during the year	-	
Less:- Deduction during the year	-	
Add: Excess of Income over Expenditure	139,107,369	-
Total	2,322,132,636	-
Schedule - 2		
EARMARKED FUND		
Gratuity Fund	4,310,626	
General Provident Fund	313,761,459	
Total	318,072,085	-
Schedule - 3		
RESERVE & SURPLUS		
Capital Reserve	4,664,556	
Special Funds (Utilised)	463,776,387	
Total	468,440,943	-
Schedule - 4		
GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE		
Special Grant for 13/14th Financial Commission	88,736,767	
Special Grant for Road and Gutters	-	
Special Grant for Swarna Jayanti Sahari Roj gar Sch.	9,411,444	
Special Grant from S.F.C.	-	
Grant for Carcus Plant	1,395,880	
Grant for IHSDP	41,693,156	
Grant for Maintenance of Electricity Lines	-	
Grant from MP/MLA Fund	-	
Grant for NULM	-	
Grant for Rajasthan Housing Board	-	
Grant for Swach Bharat Mission	-	
Grant for UIDSSMT	26,042,169	
Other Grants	-	
Total	167,279,416	-



**Schedule forming part of Balance Sheet of Municipal Corporation of Jodhpur
As on 31 March 2013**

PARTICULARS	2012-13	2011-12
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 5		
SECURED LOANS		
Loan from RUIDFCO	494,164,812	
Loans from banks & other financial institutions	4,450,147	
Total	498,614,959	-
Schedule - 6		
SUNDRY DEPOSITS		
Security & Amanat Payable	191,044,213	
Total	191,044,213	-
Schedule - 7		
SUNDARY CREDITORS		
Creditors For supplies	-	
Other Creditors	34,759,454	
Total	34,759,454	-
Schedule - 8		
STATUTORY LIABILITIES		
Income Tax (TDS) Payable	-2,939,192	
Commercial Tax Payable	2,214,972	
Salary Payable	-	
Labour Cess Deduction	502,896	
Service Tax	-127,052	
Total	-348,376	-
Schedule - 9		
OTHER LIABILITIES		
Royalty Payable	315,424	
Employee Liabilities	452,830,331	
Recoveries Payable	4,740,437	
Total	457,886,192	-



**Schedule forming part of Balance Sheet of Municipal Corporation of Jodhpur
As on 31 March 2013**

PARTICULARS	2012-13	2011-12
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 10 GROSS BLOCK		
Immovable Assets		
Land	1,247,411,554	
Buildings	2,316,742,232	
Infrastructure Assets		
Roads & Bridge	160,923,091	
Sewerage & Drainage	107,788,959	
Water ways	-	
Public Lighting	22,490,267	
Others Infrastructure Assets	319,417,899	
Moveable Assets		
Plant & Machinery	28,475,379	
Vehicles	54,912,942	
Furniture & Fixture	6,119,639	
Office Equipment	879,602	
Computers	2,809,374	
Total	4,267,970,938	-
Schedule - 11 DEPRECIATION FUND		
Opening Balance	508,524,943	
Add:- Depreciation provided during the year	254,467,644	
Less:- Depreciation for the previous year	-	
Total	762,992,587	-
Schedule - 12 GENERAL FUND INVESTMENT		
P.D Account with Interest	-	
Non-Interest Bearing PD A/c	327,989,513	
Total	327,989,513	-
Schedule - 13 SPECIFIC FUND INVESTMENT		
Employee's GPF Accounts	305,289,713	
Gratuity P.D A/c	12,782,372	
Total	318,072,085	-



**Schedule forming part of Balance Sheet of Municipal Corporation of Jodhpur
As on 31 March 2013**

PARTICULARS	2012-13	2011-12
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 14		
INVENTORIES		
Stock in Hand (Total)	3,461,607	
Total	3,461,607	-
Schedule - 15		
CASH & BANK BALANCES		
Cash in Hand	433,471	
Balances in FDR a/cs	20,726,117	
Balances in Saving & Current a/cs	237,737,125	
Total	258,896,713	-
Schedule - 16		
LOANS, ADVANCES & DEPOSITS		
Advance to Staff	-2,481,278	
Advance to Contractors and Suppliers	46,750,727	
Deposits with RSEB	213,805	
Total	44,483,254	-



**Schedule forming part of Income and Expenditure Account of Municipal Corporation of Jodhpur
For the Year Ending 31 March 2013**

PARTICULARS	2012-13	2011-12
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 17		
INCOME FROM TAXES		
House Tax		
Urban Development Tax	1,466,173	
Sewerage Tax	31,952,735	
	17,245,000	
Total	50,663,908	-
Schedule - 18		
ASSIGNED COMPENSATION		
Octroi Compensations	550,552,000	
Total	550,552,000	-
Schedule - 19		
RENTAL INCOME FROM MUNICIPALE PROPERTIES		
Income from Rent and Teh Bazari	2,896,313	
Rent from lease of lands	25,449,293	
Total	28,345,606	-
Schedule - 20		
FEES AND USER CHARGES		
Cattle House	988,561	
Copy Fees	1,944,886	
License Fees Construction and Development Work	45,082,562	
Fees for Grant of Permit	572,615	
Regularisation Fees	137,486,226	
Penalties and Fines	44,454,826	
User Charges	-	
Total	230,529,676	-
Schedule - 21		
REVENUE GRANT, CONTRIBUTION, SUBSIDIES		
Revenue Grant	6,900,000	
Total	6,900,000	-
Schedule - 22		
INCOME FROM CORP.ASSET/INVESTMENT		
Interest from Bank Accounts	6,743,946	
Receipt from Sale of Land	278,803,147	
Total	285,547,093	-



**Schedule forming part of Income and Expenditure Account of Municipal Corporation of Jodhpur
For the Year Ending 31 March 2013**

PARTICULARS	2012-13	2011-12
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 23		
MISCELLANEOUS INCOME		
Income from Maintenance of Sewer	240,000,000	
Penalties under Different Act & Rules	-	
Sale of Forms & Publications	248,687	
Hire Charges for Vehicles	-	
Recovery from Employees and Others	2,109,090	
Income from Parking fees	-	
Income from Advertisement	32,042,053	
Others	138,809,551	
Total	413,209,381	-
Schedule - 24		
ESTABLISHMENT EXP.		
Corporator (Parishad) Allowance	677,300	
Medical Reimbursement	743,234	
Salary and Other Payment	683,915,627	
Other Terminal & Retirement Benefits	45,750,064	
Total	731,086,225	-
Schedule - 25		
GENERAL ADMINISTRATION EXP.		
Advertisement Expenses	7,656,268	
Audit fees	753,000	
Books and Newspaper	17,096	
Contingencies Expenses	31,938,255	
Contract Vehicle Expenses	81,829,633	
Court Expenses	2,021,037	
Dress	137,106	
Rent, Rates and Taxes	8,984,400	
Communication Expenses	1,173,379	
Printing and Stationery	1,272,695	
Travelling & Conveyance	85,694	
Membership & subscriptions	1,900,000	
Power & Fuel	10,167,730	
Bulk Purchases	5,309,333	
Repairs & maintenance -Infrastructure Assets	103,901,858	
E-Governance Expenses	4,528,274	
Medicine & Finayal Expenses	182,850	
Total	261,868,608	-



**Schedule forming part of Income and Expenditure Account of Municipal Corporation of Jodhpur
For the Year Ending 31 March 2013**

PARTICULARS	2012-13	2011-12
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 26		
DECREASE IN STORES/(INCREASE IN STORES)		
Opening stock	2,769,032	
Less-Closing stock	3,461,607	-
Total	-692,575	-
Schedule - 27		
PUBLIC WORKS		
Building Capacity Plant / Training	-	
Other Construction Work	-	
Rehabilitation of Kachhi Basti	-	
Work against Public Participation	606,185	
Rain Basera Expenses	3,621,873	
Expenses against Other Grants	1,481,159	
Cleaning Expenses	93,702,127	
Total	99,411,344	-
Schedule - 28		
INTEREST AND FINANCE CHARGES		
Interest on Loans from Central Government	44,852,311	
Bank Charges	354,336	
Total	45,206,647	-
Schedule - 29		
MISCELLENOUS EXPENSES		
Chara Dana Expenses	22,599,563	
Contingencies and Other Expenses	3,850	
Contract of Dead Animal Expenses	-	
Festival & Entertainment Expenses	7,698,989	
Dedicated Consultant Charges	-	
RUDF Contribution Expenses	5,000,000	
Other Miscellaneous Expenses	-	
Total	35,302,402	-



MUNICIPAL CORPORATION
JODHPUR (2012-13)

SCHEDULE 30

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (2012-13)

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 judgment 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
JODHPUR (2012-13)

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 judgment 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 of Re. 1/-



MUNICIPAL CORPORATION
JODHPUR (2012-13)

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-imbusement 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 (2012-13)

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.

10. Changes to Opening Balances as at 31st March 2012

There may exist possibilities that certain assets and liabilities are identified after preparation of draft Opening Balance Sheet as well as after preparation of the first Balance Sheet subsequent to Opening Balance Sheet. In such case, the value of assets or liabilities identified will be directly incorporated in the Opening Balance Sheet (where first Balance Sheet subsequent to the Opening Balance Sheet is not prepared) or through the account "Adjustments to Opening Balance Sheet" in the Balance Sheet for the period concerned.



MUNICIPAL CORPORATION

JODHPUR (2012-13)

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 Cash Books maintained by ULB and Information provided by Municipal Corporation.
6. There is opening balance provided by ULB is not appropriate.
7. "Security Deposits" are not maintained Party-wise only Control Account is maintained.
8. Opening balance are taken from Audited Balance sheet of FY 2011-12 with necessary adjustment.
9. There is adjustment entries are made through corpus fund due to opening balance from Audited Balance sheet of FY 2011-12 is not appropriate and some accounts balances are negative.
10. 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.
11. There is non-availability of information relating to general grants, General grants closing balance considered as nil.
12. 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.
13. There is non-availability of information and opening balance provided by ULB is not appropriate so some accounts balance are negative, These accounts considered negative.
14. There is loan balances considered as per registered maintained by ULB.
15. There is fixed assets opening balance considered as per last audited balance sheet together with information provided by ULB.
16. There is loans and advances balance are taken as per information provided by ULB.




MUNICIPAL CORPORATION
JODHPUR (2012-13)

17. Difference in Manual Cash book maintained by ULB is Rs. 2,21,01,430.91 Cr. which will be rectified in future years as stated in cash & bank balances.
18. 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

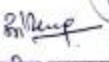
In confirmation and witness of facts


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




For Municipal Corporation: JODHPUR ,Rajasthan


आयुक्त
EO/Commissioner जोधपुर


वित्तीय सलाहकार
नगर निगम, जोधपुर
CAO/ Sr . A.O.

Kolkata, the 31st March, 2017


तेज सिंह
सहायक लेखाधिकारी
नगर निगम, जोधपुर