



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 (2014-15)

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.
including tax deducted at source under section 192.
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 2015

PARTICULARS	Schedule	2014-15	2013-14
		(Amount in Rs.)	(Amount in Rs.)
I - LIABILITIES			
RESERVE & SURPLUS			
Municipal (General) Fund	1	405,360,238	1,314,415,769
Earmarked Funds	2	309,580,779	338,651,043
Reserve & Surplus	3	1,835,614,721	1,393,699,236
Total Reserve & Surplus (A)		2,550,555,738	3,046,766,048
GRANT/ CONTRIBUTION FOR SPECIFIC PURPOSE (B)	4	33,472,622	73,522,987
LOANS			
Secured Loans	5	878,887,161	609,952,514
Total Loans (C)		878,887,161	609,952,514
CURRENT LIABILITIES & PROVISIONS			
Sundry Deposits	6	328,624,588	323,986,539
Sundry Creditors	7	522,347,111	328,576,776
Statutory Liabilities	8	26,473,588	37,945,189
Other Liabilities	9	497,423,736	529,132,735
Total Current Liabilities and Provisions (D)		1,374,869,023	1,219,641,239
TOTAL LIABILITIES (A+B+C+D)		4,837,784,544	4,949,882,788
II - ASSETS			
FIXED ASSETS			
Gross Block	10	5,632,632,167	5,193,229,231
Depreciation Fund	11	1,410,753,951	1,081,602,446
Net Block		4,221,878,216	4,111,626,785
Total Fixed Assets (A)		4,221,878,216	4,111,626,785
INVESTMENTS			
General Fund Investments	12	100,052,267	201,557,999
Specific Fund Investments	13	309,580,779	338,651,043
Total Investments (B)		409,633,046	540,209,042
CURRENT ASSETS, LOAN & ADVANCES			
Inventories	14	1,469,625	1,774,011
Cash & Bank Balances	15	122,553,329	217,698,844
Loans, Advances & Deposits	16	82,250,328	78,574,107
Total Current Assets, Loans & Advances (C)		206,273,282	298,046,962
TOTAL ASSETS(A+B+C)		4,837,784,544	4,949,882,788

Notes to Accounts and Accounting Policies

For KK Chanani & Associates

Chartered Accountants

Mem Regn. No. - 5222715

Krishna Kumar Chanani
(Partner)

Membership No. - 086045

Date: - 31.03.2017

Place: - Kolkata



For and Behalf on Nagar Nigam

तेज सिंह
सहायक लेखाधिकारी
नगर निगम, जोधपुर

वित्तीय सलाहकार
नगर निगम, जोधपुर

नगर निगम जोधपुर
Executive Officer

**Income and Expenditure Account of Municipal Corporation of Jodhpur
For the Year Ending 31 March 2015**

PARTICULARS	Schedule	2014-15	2013-14
		(Amount in Rs.)	(Amount in Rs.)
INCOME			
Income From Taxes	17	126,689,162	100,639,876
Assigned Compensations	18	666,527,759	605,607,999
Rental Income from Municipal Properties	19	22,623,071	23,077,537
Fees and User Charges	20	187,532,886	180,203,392
Revenue Grants, Contributions and Subsidies	21	5,010,000	50,324,000
Income from Corporation Assets and Investment	22	73,743,605	265,139,936
Miscellaneous Income	23	47,703,660	197,945,290
Total Income - I		1,129,830,143	1,422,938,030
EXPENDITURE			
Establishment Expenses	24	905,065,499	715,968,492
General Administrative Expenses	25	451,336,158	850,573,455
Decrease in Stores / (Increase in Stock)	26	304,387	1,687,595
Public Works	27	200,070,212	217,388,644
Interest & Financial Exp.	28	37,747,141	37,393,112
Miscellaneous Expenses	29	47,333,855	56,079,366
Depreciation During the Year		329,151,505	318,609,859
Total Expenditure - II		1,971,008,757	2,197,700,524
Surplus/ (Deficit) before adjustment of prior period items and Depreciation		-841,178,614	-774,762,494
NET SURPLUS/ DEFICIT		-841,178,614	-774,762,494

Notes to Accounts and Accounting Policies

For KK Chanani & Associates

Chartered Accountants

Firm Regn. No. - AC 29871

Krishna Kumar Chanani

(Partner)

Membership No. - 0266045

Date: - 31.03.2017

Place: - Kolkata



For and Behalf on Nagar Nigam

तेज सिंह
सहायक लेखाधिकारी
नगर निगम, जोधपुर

वित्तीय सलाहकार
नगर निगम, जोधपुर

आयुक्त
नगर निगम, जोधपुर
Executive Officer

**Schedule forming part of Balance Sheet of Municipal Corporation of Jodhpur
As on 31 March 2015**

PARTICULARS	2014-15	2013-14
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 1		
MUNICIPAL (GENERAL) FUND		
Opening balance	1,246,538,852	2,089,178,263
Add : - Addition during the year	-	-
Less:- Deduction during the year	-	-
Add: Excess of Income over Expenditure	-841,178,614	-774,762,494
Total	405,360,238	1,314,415,769
Schedule - 2		
EARMARKED FUND		
Gratuity Fund	1,847,970	60,159
General Provident Fund	307,732,809	338,590,884
Total	309,580,779	338,651,043
Schedule - 3		
RESERVE & SURPLUS		
Capital Reserve	4,664,556	4,664,556
Special Funds (Utilised)	1,830,950,165	1,389,034,680
Total	1,835,614,721	1,393,699,236
Schedule - 4		
GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE		
Special Grant for 13/14th Financial Commission	3,354,586	57,913,670
Special Grant for Road and Gutters	-	-
Special Grant for Swarna Jayanti Sahari Roj gar Sch.	8,082,499	5,806,822
Special Grant from S.F.C.	-	-
Grant for Carcus Plant	1,395,880	1,395,880
Grant for IHSDP	6,476,309	4,970,496
Grant for Maintenance of Electricity Lines	-	-
Grant from MP/MLA Fund	-	-
Grant for NULM	14,034,000	-
Grant for Rajasthan Housing Board	-	-
Grant for Swachh Bharat Mission	-	-
Grant for UIDSSMT	129,348	3,436,120
Other Grants	-	-
Total	33,472,622	73,522,987



**Schedule forming part of Balance Sheet of Municipal Corporation of Jodhpur
As on 31 March 2015**

PARTICULARS	2014-15	2013-14
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 5		
SECURED LOANS		
Loan from RUIDFCO	617,799,743	609,952,337
Loans from banks & other financial institutions	261,087,418	177
Total	878,887,161	609,952,514
Schedule - 6		
SUNDRY DEPOSITS		
Security & Amanat Payable	328,624,588	323,986,539
Total	328,624,588	323,986,539
Schedule - 7		
SUNDRY CREDITORS		
Creditors For supplies	-	-
Other Creditors	522,347,111	328,576,776
Total	522,347,111	328,576,776
Schedule - 8		
STATUTORY LIABILITIES		
Income Tax (TDS) Payable	13,085,579	16,465,130
Commercial Tax Payable	22,784,494	25,246,001
Salary Payable	-	-
Labour Cess Deduction	6,945,226	7,446,485
Service Tax	-16,341,711	-11,212,427
Total	26,473,588	37,945,189
Schedule - 9		
OTHER LIABILITIES		
Royalty Payable	3,022,368	5,837,958
Employee Liabilities	485,598,892	516,391,856
Recoveries Payable	8,802,476	6,902,921
Total	497,423,736	529,132,735



**Schedule forming part of Balance Sheet of Municipal Corporation of Jodhpur
As on 31 March 2015**

PARTICULARS	2014-15	2013-14
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 10		
GROSS BLOCK		
Immovable Assets		
Land	1,275,561,473	1,265,763,257
Buildings	2,318,530,289	2,318,530,289
Infrastructure Assets		
Roads & Bridge	833,848,870	625,225,963
Sewerage & Drainage	327,887,197	240,938,633
Water ways	-	-
Public Lighting	46,359,694	39,557,529
Others Infrastructure Assets	737,020,564	610,016,624
Moveable Assets		
Plant & Machinery	28,475,379	28,475,379
Vehicles	55,140,086	54,912,942
Furniture & Fixture	6,119,639	6,119,639
Office Equipment	879,602	879,602
Computers	2,809,374	2,809,374
Total	5,632,632,167	5,193,229,231
Schedule - 11		
DEPRECIATION FUND		
Opening Balance	1,081,602,446	762,992,587
Add:- Depreciation provided during the year	329,151,505	318,609,859
Less:- Depreciation for the previous year	-	-
Total	1,410,753,951	1,081,602,446
Schedule - 12		
GENERAL FUND INVESTMENT		
P.D Account with Interest	-	-
Non-Interest Bearing PD A/c	100,052,267	201,557,999
Total	100,052,267	201,557,999
Schedule - 13		
SPECIFIC FUND INVESTMENT		
Employee's GPF Accounts	299,261,063	330,119,138
Gratuity P.D A/c	10,319,716	8,531,905
Total	309,580,779	338,651,043



**Schedule forming part of Balance Sheet of Municipal Corporation of Jodhpur
As on 31 March 2015**

PARTICULARS	2014-15	2013-14
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 14		
INVENTORIES		
Stock in Hand (Total)	1,469,625	1,774,011
Total	1,469,625	1,774,011
Schedule - 15		
CASH & BANK BALANCES		
Cash in Hand	23,005	574,762
Balances in FDR a/cs	-	20,726,117
Balances in Saving & Current a/cs	122,530,324	196,397,965
Total	122,553,329	217,698,844
Schedule - 16		
LOANS,ADVANCES & DEPOSITS		
Advance to Staff	-2,908,210	-2,895,962
Advance to Contractors and Suppliers	84,944,733	81,256,264
Deposits with RSEB	213,805	213,805
Total	82,250,328	78,574,107



**Schedule forming part of Income and Expenditure Account of Municipal Corporation of Jodhpur
For the Year Ending 31 March 2015**

PARTICULARS	2014-15	2013-14
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 17		
INCOME FROM TAXES		
House Tax	2,143,187	745,705
Urban Development Tax	94,818,975	21,917,171
Sewerage Tax	29,727,000	77,977,000
Total	126,689,162	100,639,876
Schedule - 18		
ASSIGNED COMPENSATION		
Octroi Compensations	666,527,759	605,607,999
Total	666,527,759	605,607,999
Schedule - 19		
RENTAL INCOME FROM MUNICIPALE PROPERTIES		
Income from Rent and Teh Bazari	6,814,594	4,712,020
Rent from lease of lands	15,808,477	18,365,517
Total	22,623,071	23,077,537
Schedule - 20		
FEES AND USER CHARGES		
Cattle House	2,899,888	1,610,489
Copy Fees	1,366,012	1,309,274
License Fees Construction and Development Work	110,164,923	41,627,529
Fees for Grant of Permit	37,555,917	17,358,376
Regularisation Fees	11,191,522	64,966,650
Penalties and Fines	24,354,624	28,331,074
User Charges	-	25,000,000
Total	187,532,886	180,203,392
Schedule - 21		
REVENUE GRANT,CONTRIBUTION,SUBSIDIES		
Revenue Grant	5,010,000	50,324,000
Total	5,010,000	50,324,000
Schedule - 22		
INCOME FROM CORP.ASSET/INVESTMENT		
Interest from Bank Accounts	7,082,452	8,714,593
Receipt from Sale of Land	66,661,153	256,425,343
Total	73,743,605	265,139,936



**Schedule forming part of Income and Expenditure Account of Municipal Corporation of Jodhpur
For the Year Ending 31 March 2015**

PARTICULARS	2014-15	2013-14
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 23		
MISCELLANEOUS INCOME		
Income from Maintenance of Sewer	-	-
Penalties under Different Act & Rules	425,090	-
Sale of Forms & Publications	38,740	78,500
Hire Charges for Vehicles	3,000	-
Recovery from Employees and Others	1,732,376	7,573,980
Income from Parking fees	-	-
Income from Advertisement	19,649,254	16,752,113
Others	25,855,200	173,540,697
Total	47,703,660	197,945,290
Schedule - 24		
ESTABLISHMENT EXP.		
Corporator (Parishad) Allowance	988,145	2,883,900
Medical Reimbursement	1,972,452	536,351
Salary and Other Payment	870,797,770	686,016,383
Other Terminal & Retirement Benefits	31,307,132	26,531,858
Total	905,065,499	715,968,492
Schedule - 25		
GENERAL ADMINISTRATION EXP.		
Advertisement Expenses	9,665,959	16,418,970
Audit fees	-420,277	-
Books and Newspaper	16,504	-
Contingencies Expenses	33,949,329	39,106,116
Contract Vehicle Expenses	93,587,833	75,464,489
Court Expenses	1,760,806	3,488,893
Dress	3,794,448	399,031
Rent, Rates and Taxes	18,300,548	298,221,247
Communication Expenses	1,102,659	536,744
Printing and Stationery	533,847	1,600,952
Travelling & Conveyance	129,992	93,230
Membership & subscriptions	10,000	-
Power & Fuel	12,640,593	11,174,127
Bulk Purchases	740,677	1,473,785
Repairs & maintenance -Infrastructure Assets	264,711,454	396,629,597
E-Governance Expenses	10,519,271	5,966,274
Medicine & Finayal Expenses	292,515	-
Total	451,336,158	850,573,455



MUNICIPAL CORPORATION

Schedule forming part of Income and Expenditure Account of Municipal Corporation of Jodhpur
For the Year Ending 31 March 2015

PARTICULARS	2014-15	2013-14
	(Amount in Rs.)	(Amount in Rs.)
Schedule - 26		
DECREASE IN STORES/(INCREASE IN STORES)		
Opening stock	1,774,011	3,461,607
Less:-Closing stock	1,469,625	1,774,011
Total	304,387	1,687,595
Schedule - 27		
PUBLIC WORKS		
Building Capacity Plant / Training	-	583
Other Construction Work	14,915,292	26,840,009
Rehabilitation of Kachhi Basti	1,653,384	457,088
Work against Public Participation	-	-
Rain Basera Expenses	-	1,996,138
Expenses against Other Grants	-	41,502,000
Cleaning Expenses	183,501,536	146,592,826
Total	200,070,212	217,388,644
Schedule - 28		
INTEREST AND FINANCE CHARGES		
Interest on Loans from Central Government	36,810,416	37,392,716
Bank Charges	936,725	396
Total	37,747,141	37,393,112
Schedule - 29		
MISCELLENOUS EXPENSES		
Chara Dana Expenses	39,530,146	36,991,468
Contingencies and Other Expenses	-	861,800
Contract of Dead Animal Expenses	-	84,600
Festival & Entertainment Expenses	2,793,709	6,509,498
Dedicated Consultant Charges	10,000	3,882,000
RUDF Contribution Expenses	5,000,000	7,750,000
Other Miscellaneous Expenses	-	-
Total	47,323,855	56,079,366



MUNICIPAL CORPORATION
JODHPUR (2014-15)

SCHEDULE 30

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (2014-15)

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
JODHPUR (2014-15)

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 of Re. 1/-



MUNICIPAL CORPORATION
JODHPUR (2014-15)

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-imburement 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 (2014-15)

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 Cash Books maintained by ULB and Information provided by Municipal Corporation.
6. "Security Deposits" are not maintained Party-wise only Control Account is maintained.
7. There is adjustment entries are made through corpus fund due to opening balance taken in FY 2012-13 from Audited Balance sheet of FY 2011-12 is not appropriate and some accounts balances are negative.

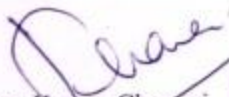


MUNICIPAL CORPORATION
JODHPUR (2014-15)

8. 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.
9. There is non-availability of information relating to general grants, General grants closing balance considered as nil.
10. 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.
11. There is non-availability of information and opening balance of FY 2012-13 provided by ULB is not appropriate so some accounts balance are negative, These accounts considered negative.
12. There is loan balances considered as per registered maintained by ULB.
13. There is fixed assets opening balance considered as per last audited balance sheet together with information provided by ULB.
14. There is loans and advances balance are taken as per information provided by ULB.
15. Difference in Manual Cash book maintained by ULB is Rs. 8,08,61,034.17 Cr. which will be rectified in future years as stated in cash & bank balances.
16. 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

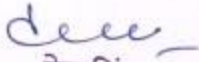

Krishna Kumar Chanani
Partner, K K Chanani & Associates
Chartered Accountants
FRN NO. 322232E
Membership No .056045

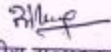


For Municipal Corporation: JODHPUR, Rajasthan


अध्यक्ष
नगर निगम, जोधपुर
EO/Commissioner

Kolkata, the 31st March, 2017


तेज सिंह
सहायक लेखाधिकारी
नगर निगम, जोधपुर


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



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, 2016, 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, 2016; 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