

Municipal Board

SOJAT CITY

Financial Statements and Independent Auditors reports

FY 2018-19

Prepared By: P P Kapoor & Co.

Audited By: N R V & COMPANY



NRV & Company

Chartered Accountants

Phone: 0141-2377440

: 0141-4036502

Email: canrv.company@gmail.com

To,
Executive Officer,
Municipal Board,
SOJAT CITY

We have audited the accompanying financial statements of MUNICIPAL BOARD, SOJAT CITY, which comprise the Balance Sheet as at March 31, 2019, the Income and Expenditure Account and 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, financial performance and cash flows 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 is free from material misstatement, whether due to fraud or error.

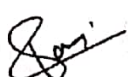
Auditor's Responsibility

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 statement 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

T-14, JeevanVihar, New Colony, Paanch Batti, M.I. Road, Jaipur-302001


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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.

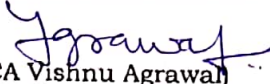
In our opinion and to the best of our information and according to the explanations given to us, the financial statements present true and fair view, in all material respects in Conformity with the Rajasthan Municipal Accounts Manual But Subject to the Matters specified from S.No -1 to S.No.14 attached herewith:-

- a) in the case of the Balance Sheet, of the state of affairs of the ULB as at March 31, 2019
- b) in the case of the Income and Expenditure Account, of the surplus/ deficit for the year end on that date.

We further report that:

- a) we have obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion proper books of 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 and Expenditure Account dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, Income and Expenditure Account, and Cash Flow Statement complies with the Rajasthan Municipal Accounts Manual;

For **N R V & COMPANY**
Chartered Accountants


(CA Vishnu Agrawal)
(Partner)

M.NO. 415909


UDIN:- 20415909AAAAAK9961

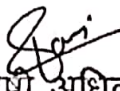


Place: JAIPUR

Date- 04/06/2020


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ADDITIONAL MATTERS TO BE REPORTED BY THE FINANCIAL STATEMENTS AUDITOR

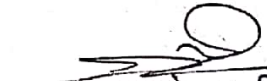
S.No.	Additional Matters	Audit Observation
1	Whether all sums due to and received by the Municipality have been brought to account and have been appropriately classified; and Major issue identified in the accounting system and Any discrepancies identified.	Yes All the amount due or received by the Municipality during the year has been brought into accounts. No major Discrepancy found.
2	Whether all grants sanctioned or received by the Municipality during the year, have been accounted properly, and where any deduction is made out of such grants towards any dues of the Municipality whether such deductions have been properly accounted;	All grants sanctioned and received during the year have been accounted properly. However we are not able to verify all the UC.
3	Whether any Earmarked Funds have been created as per the provision of any statute and, if so, whether such Earmarked Funds have been utilized for the purposes for which they were created;	Yes all the earmarked funds have been created as per the rules. Earmarked funds have been utilized for the purpose for which they were created.
4	Whether the Municipality is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; whether these fixed assets have been physically verified at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same has been properly dealt with in the books of account;	Fixed asset register is not properly maintained. Physical verification of assets not carried out at the reasonable intervals.
5	Whether in case of leasehold property given by the municipality, whether lease rentals are collected regularly by the Municipality and that the lease agreements are renewed after their expiry;	Lease Rentals are not collected regularly.
6	Whether physical verification has been conducted by the Municipality at reasonable intervals in respect of stores; Whether the procedures of physical verification of stores followed by the Municipality are reasonable and adequate if not, state the inadequacies in such procedures; Whether any material discrepancies have been noticed on physical verification of stores as compared to stores records, and if so, whether the same have been properly dealt with in the books of account;	No such record is available which shows that Municipality physically verifies at reasonable intervals in respect of stores.

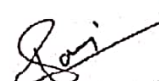

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7	Whether the parties to whom loans or advances have been given by the Municipality are repaying the principal amounts as stipulated and are also regular in payment of the interest if not, whether reasonable steps have been taken by the Municipality for recovery of the principal and interest;	Municipality has not given any loan to any party during the year under consideration.
8	Whether advances given to municipal employees and interest thereon are being regularly recovered;	Yes advances given to municipal employees are recovered regularly along with the interest thereon.
9	Whether there exists an adequate internal control procedure for the purchase of stores, fixed assets and services;	Yes adequate internal control procedures are followed for the purchase related to store, fixed assets and services.
10	Whether there exists an adequate internal control procedure for the contracting of works and projects, periodic inspections and measurements, quality checks and payments there for	Yes adequate internal control procedures are followed for the contracting of works and projects, periodic inspections and measurements, quality Checks and payments thereof.
11	Whether the Municipality is regular in depositing statutory dues including tax deducted at source, works contract tax, cess payable to the Government, ESI, PF etc., and if not, the nature and cause of such delay and the amount not deposited;	No, Municipality is not regular in depositing statutory dues payable to Government.
12	Whether any personal expenses have been charged to the Municipality's accounts; if so, the details thereof;	No any personal expenses have been charged to the Municipality's accounts.
13	Whether the books and registers specified under the Rajasthan Municipal Accounts Manual and other applicable acts and rules have been properly maintained; whether Bank Reconciliation statements have been properly prepared for all the bank accounts of the Municipality;	Yes most of the books and registers specified under the Rajasthan Municipal Accounts Manual and other applicable acts and rules are maintained. Bank Reconciliation statements have been properly prepared for all the bank accounts of the Municipality.
14	Whether the year-end and reconciliation procedures have been carried out;	Yes all the year-end and reconciliation procedures have been carried out.

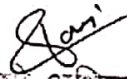

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Balance Sheet of Office of Municipal Board, Sojat City			
As on 31.03.2019			
In Lacs			
PARTICULARS	Schedule	Current Year	Previous Year
LIABILITIES			
RESERVE & SURPLUS			
Municipal (General) Fund	1	2079.67	2389.14
Earmarked Funds	2	0.00	92.52
Total Reserve & Surplus (A)		2079.67	2481.66
GRANT/ CONTRIBUTION FOR SPECIFIC PURPOSE (B)	3	357.36	699.33
CURRENT LIABILITIES & PROVISIONS			
Sundry Deposits	4	112.61	72.97
Sundry Creditors	5	2.10	3.09
Statutory Liabilities	6	17.10	14.79
Total Current Liabilities and Provisions (D)		131.81	90.85
TOTAL LIABILITIES (A+B+C+D)		2568.84	3271.84
ASSETS			
FIXED ASSETS			
Gross Block	7	1901.85	1974.05
Depreciation Fund		567.53	567.53
Net Block		1334.32	1406.52
Total Fixed Assets (A)		1334.32	1406.52
INVESTMENTS			
General Fund Investments	8	0.00	186.45
Specific Fund Investments	9	698.11	1353.71
Total Investments (B)		698.11	1540.16
CURRENT ASSETS, LOAN & ADVANCES			
Sundry Debtors/ Receivables	10	0.00	0.00
Cash & Bank Balances	11	536.41	325.16
Total Current Assets, Loans & Advances (C)		536.41	325.16
TOTAL ASSETS (A+B+C)		2568.84	3271.84


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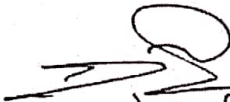
Profit and Loss Account

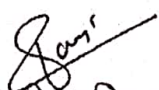
Office of Municipal Board, Sojat City

For the Year Ending 31.03.2019

In Lacs

PARTICULARS	Schedule	Current Year	Previous Year
INCOME			
Income From Taxes	12	11.16	20.09
Assigned Compensations	13	497.57	452.32
Rental Income from Municipal Properties	14	3.01	4.15
Fees and User Charges	15	83.73	219.16
Revenue Grants, Contributions and Subsidies		0.00	0.00
Income from Corporation Assets and Investment	16	89.38	42.36
Miscellaneous Income	17	94.31	52.47
Total Income		779.16	790.55
EXPENDITURE			
Establishment Expenses	18	615.16	434.58
General Administrative Expenses	19	67.93	119.33
Public Works	20	322.38	159.28
Miscellaneous Expenses	21	10.95	13.18
Depreciation During the Year		72.20	80.89
Total Expenditure		1088.62	807.26
Surplus\ Deficit before adjustment of prior period items and Depreciation		-309.46	-16.71
Less; Prior Period Items		0.00	0.00
Less: Prior Period adjustment of Depreciation		0.00	486.64
NET SURPLUS\ DEFICIT		-309.46	-503.35



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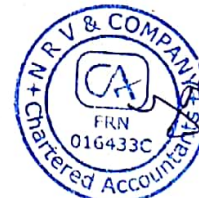


**Schedules forming part of Balance Sheet of
Office of Municipal Board, Sojat City
As on 31.03.2019**

Schedules	Current Year	Previous Year
	In Lacs	In Lacs
Schedule-1		
MUNICIPAL (GENERAL) FUND		
Opening balance	2389.14	2892.49
Add :- Addition during the year	-309.46	-503.35
Less:- Deduction during the year/ transferred to Fund	0.00	0.00
Total	2079.68	2389.14
Schedule-2		
EARMARKED FUND		
Gratuity Fund	0.00	41.44
General Provident Fund	0.00	51.08
Total	0.00	92.52
Schedule-3		
GRANT/CONTRIBUTION FOR SPECIFIC PURPOSE		
Special Grant for City Development (MPLAD)	-0.36	9.12
Special Grant for Jan Pension Yojana	6.72	19.36
Special Grant for N U L M	12.60	13.70
S B M	141.16	187.82
Special Grant from S.F.C.	29.27	469.31
TFC 14	89.87	0.02
R U I R P	78.10	0.00
Total	357.36	699.33
Schedule-4		
SUNDRY DEPOSITS		
Security & Amanat Payable	112.61	72.97
Total	112.61	72.97
Schedule-5		
SUNDRY CREDITORS		
Other Creditors	2.10	3.09
Total	2.10	3.09
Schedule-6		
STATUTORY LIABILITIES		
GST	3.61	1.69
Commercial Tax Payable	0.00	0.00
Royalty and Welfare Tax	0.00	0.00
New Pension Account	13.10	13.10
Labour Cess Deduction	0.39	0.00
Total	17.10	14.79

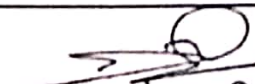

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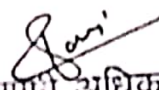

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**Schedule forming part of Balance Sheet of
Office of Municipal Board, Sojat City
As on 31.03.2019**

Schedules	Current Year	Previous Year
	' In Lacs	' In Lacs
Schedule-7		
GROSS BLOCK		
Immovable Assets		
Land	725.07	725.07
Office and Other Building	412.83	436.00
Residential Building/ Garden	8.52	9.00
Infrastructure Assets		
Roads & Bridge	577.64	610.00
Sewerage & Drainage	56.81	60.00
Others	69.83	76.36
Moveable Assets		
Plant & Machinery	9.90	10.92
Vehicles	36.85	41.71
Furniture & Fixture	1.51	1.64
Office Equipment	1.91	2.18
Computers	0.98	1.11
Total	1901.85	1973.99
Schedule-8		
GENERAL FUND INVESTMENT		
IDSMT	0.00	93.55
IHSDP	0.00	92.90
Total	0.00	186.45
Schedule-9		
SPECIFIC FUND INVESTMENT		
Employee's GPF Accounts	113.44	130.59
Gratuity P.D A/c	160.10	123.38
PD A/c Agriculture	86.83	86.38
PD A/c General Non Interest	337.74	1013.36
Total	698.11	1353.71
Schedule-10		
SUNDRY DEBTORS / RECEIVABLES		
Others	0.00	0.10
Total	0.00	0.10
Schedule-11		
CASH & BANK BALANCES		
Cash in Hand	5.43	0.00
Balances in Nationalized Banks	530.98	325.16
Total	536.41	325.16



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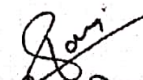

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**Schedule forming part of Profit and Loss Account of
Office of Municipal Board, Sojat City
For the year ending on 31.03.2019**

Schedules	Current Year	Previous Year
	In Lacs	In Lacs
Schedule-12		
INCOME FROM TAXES	11.16	20.09
Swachhata Tax	0.00	2.12
Urban Development Tax	8.18	7.76
Sanatory Tax	2.98	10.21
Swa Nirdharan Kar	0.00	0.00
Schedule-13		
ASSIGNED COMPENSATION	497.57	452.32
Octroi Compensations	497.57	452.32
Entertainment tax compensation	0.00	0.00
Schedule-14		
RENTAL INCOME FROM MUNICIPLE PROPERTIES	3.01	4.15
Income from Rent and Teh Bazari, Marriage Hall Rent	3.01	4.15
Schedule-15		
FEES AND USER CHARGES	83.73	219.16
Copy Fees, Building Construction, Marriage Registration, Bho Usuage Charges, Ration Card and Nomination	24.44	15.66
License Fees Construction, Dead Animal Contract, Destroyed Water Contract and Development Work	0.00	69.54
Advertisement Income and Sign Board Income	4.28	7.48
Agriculture Income, Kachi Basti Niyaman, Khacha Land	13.07	47.15
Application Income, Birth and Death Certificate, Road Cutting	4.64	13.69
Audit Fee Income	10.01	0.15
Lease (Lumpsum and Installment)	24.28	53.68
Other Fee	2.37	8.74
Tender Fee	0.64	3.07
Schedule-16		
INCOME FROM CORP.ASSET/INVESTMENT	89.38	42.36
Receipt from Sale of Land	45.22	4.24
Interest on Corporation Investment, Bank and PD A/c Interest	44.16	38.12
Schedule-17		
MISCELLANEOUS INCOME	94.31	52.47
Amanat Deposit	89.98	35.98
Chief Minister Awaas Fee	0.00	13.39
Processing Fee	0.55	0.00
Sevar Secton Machine Income (Gutter)	1.01	0.00
TEMP.ADVANCE EXP.	1.95	0.00
Tower Fees, Mobile Toilet Fees	0.58	0.00
Penalties	0.00	0.42
Patraklayan Kosh	0.11	0.00
Other Income	0.13	2.68


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**Schedule forming part of Profit and Loss Account of
Office of Municipal Board, Sojat City
For the year ending on 31.03.2019**

Schedules	Current Year	Previous Year
	In Lacs	In Lacs
Schedule-18		
ESTABLISHMENT EXP.	615.16	434.58
Salary and Other Payment	614.83	433.99
Travelling Reimbursement	0.33	0.59
Schedule-19		
GENERAL ADMINISTRATION EXP.	67.93	119.33
Advertisement Expenses	12.70	18.74
Audit fees	0.04	0.23
Books and Newspaper	0.00	0.05
Agriculture Expenses	10.06	18.86
Cleaning & Garbage Transportation on Contract	0.00	0.00
Contingencies Expenses, Election Expenses	0.00	0.00
Contract Vehicle Expenses	6.82	5.83
Conveyance Expenses, Diesel and Petrol	23.57	23.25
Court Expenses	1.73	2.19
Double Accounting System	1.12	1.43
Electric Expenses	1.48	37.45
Election Expenses	1.45	0.00
Insurance Expenses	2.51	4.32
Postage	0.15	0.15
Software	0.00	0.22
Telephone Expenses	0.53	1.05
Stationery and Printing	5.77	5.56
Schedule-20		
PUBLIC WORKS	322.38	159.28
IHSDP Kacchi Basti	93.03	0.00
Development and Maintenance	110.28	29.72
Maintenance of garden	10.58	21.77
Swachh Bharat Mission	0.00	14.81
Finale and Medicine	2.08	7.72
Garden Development	0.00	0.00
Expenses against MP, MLA Fund	0.00	0.00
Light Contract, Public Light	58.27	0.00
Fire Management Expenses	0.00	19.80
Water Contract	7.66	13.78
Ration Card	0.00	0.52
Amanat	13.70	24.22
Festival Organisation	26.78	26.94
Schedule-21		
MISCELLANEOUS EXPENSES	10.95	13.18
Bank Charges	0.00	0.02
Penalty	0.03	0.00
Senatry Contact	0.73	0.00
TEMP. ADVANCE INCOME	1.95	0.00
Contingencies and Other Expenses	5.39	12.97
Purchase of Furniture	2.85	0.19

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Office of Municipal Board, Sojat City

Fixed Assets

410 Fixed Assets	Rate	Opening WDV 01/04/2018	Additions upto 28 Sep 2018	Additions after 28 Sep 2018	Depreciation For the Year	Closing WDV 31.03.2019
Air Conditioner	15%	179,541.25			26,931.19	152,610.06
Car Bolero	15%	270,780.31			40,617.05	230,163.26
Computer	40%	1,532.16			612.86	919.30
Electric Goods 410-33-03	15%	2,360,529.47			354,079.42	2,006,450.05
Electric Line 410-33-03	15%	1,561,465.56			234,219.83	1,327,245.73
Furniture 410	10%	130,331.76			13,033.18	117,298.58
Generator	15%	230,865.42			34,629.81	196,235.61
Pasu Rogi Vechile	15%	217,600.00			32,640.00	184,960.00
Photo State Machine	15%	88,337.50			13,250.63	75,086.88
Pipe Line Ext. 230-50-03	10%	652,253.80			65,225.38	587,028.42
Sanatory Instrument	15%	441,168.82			66,175.32	374,993.50
Sky Left Tata 407	15%	443,659.25			66,548.89	377,110.37
Tata Vechile Tempu	15%	2,308,849.90			346,327.49	1,962,522.42
Land	0%	72,507,000.00			-	72,507,000.00
Office and Other Building	10%	23,170,827.60			2,317,082.76	20,853,744.84
Residential Building/ Garden	10%	478,296.90			47,829.69	430,467.21
Roads & Bridge	10%	32,421,089.65			3,242,108.96	29,178,980.69
Sewerage & Drainage	10%	3,188,646.00			318,864.60	2,869,781.40
Grand Total		140,652,775.35	-	-	7,220,177.06	133,432,598.29

As per our Report of even date attached

For N R V & COMPANY
Chartered Accountants
FRN : 016433C

Vishnu Agrawal
CA Vishnu Agrawal
(Partner)

M. No. 415909
UDIN :-20415909AAAAAK9961



For and on behalf of Municipal Board, Sojat City

[Signature]
अभिष्ठापी अधिकारी
(Executive Officer)
नगरपालिका, सोजत

[Signature]
सहायक लेखा अधिकारी
(Accounts Officer)
नगर पालिका, सोजत

OFFICE OF MUNICIPAL BOARD SOJAT CITY

BASIS OF ACCOUNTING AND ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements are prepared on a going concern and under historical cost basis under accrual basis of accounting. 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 become due and demands are ascertainable
- b. Advertisement taxes are accrued based on Demand or the contract.
- c. Revenue in respect of Trade License Fees is accrued in the year to which it pertains and when Demands are raised.
- d. Assigned revenues like Entertainment Tax, Duty / Surcharge on transfer of Immovable properties are accounted during the year only upon actual receipt. However, at year-end, they are accrued if sanction order (or proceedings) is passed and the amount is ascertained.
- e. 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 receivables

- a. Prudential norms are applied based on type of income and age of receivable. Based on the principle on provisioning, incomes that have been accrued and are doubtful of recovery are provided for.


3. Recognition of Expenditure


- a. Expenses on Salaries, bonus and other allowances are recognised as and when they are due for payment
- b. All revenue expenditures are treated as expenditures in the period in which they are incurred.
- c. In case of works, expenditures are accrued as soon as the work has been measured and becomes due for payment.
- d. Provisions for expenses are made at the year-end for all bills received upto a cut off date.
- e. Post-Retirement benefits are booked on Payment basis i.e when they are due for payment.

4. Fixed Assets

i. Recognition

- a. All Fixed Assets are carried at cost. 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


सहायक लेखा अधिकारी
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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/-

ii. Depreciation

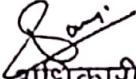
Depreciation has been provided on the basis of Written Down Value method as per rates prescribed under Income Tax Act.

During prior years depreciation was not provided for in the books of accounts. The same has been calculated during the year and recognized in books of accounts under the head Prior year Depreciation.

5. Employee benefits

- a. Separate Funds are formed for meeting the provident and other retirement benefits including Gratuity.
- b. Contribution towards Provident and other retirement benefit funds are recognised as and when it is due.

FOR OFFICE OF MUNICIPAL BOARD
SOJAT CITY


अधिष्ठापक अधिकारी
EXECUTIVE OFFICER
Date: 15.05.2024
Place :- Sojat City

