

# **SOURABH JAIN & CO**

## **Chartered accountants**

OFF.:-198/3,BESIDE SUBHASH TRANSPORT,  
UKHRI ROAD,BALDEOBAG, JABALPUR (M.P.)  
No: 94251-88083

email -sourabhjain2608@gmail.com



### **AUDITORS REPORT**

To,  
**The Commissioner**  
**Jabalpur Municipal Corporation**  
**Jabalpur (M.P.)**

We have audited the Books of accounts and accompanying financial statements of **Nagar Nigam, Jabalpur, For the FY 2019-20**, as per the scope of work provided by Directorate, Urban Administration & Development Department M.P Sha-4/2020/7266 Dt 26/05/2020. The Financial Statement has been prepared by Management & Handholding consultant (Chartered Accountants Firm) appointed by Nagar Nigam Jabalpur.

#### **Management's Responsibility for the maintenance of records**

The Management of Municipal corporation is responsible to maintained records as per the MP Municipal act 1956, and also required to maintained their accounting policies, procedure and books of accounts & records as per Madhya Pradesh Municipal accounting manual, This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the corporation and for preventing and detecting frauds and other irregularities .

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on scope of work annexed herewith based on our audit. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures. An audit also includes assessing the accounting principles used and significant estimates made by management; we have conducted our audit in accordance with the Auditing standards generally accepted in India. Those Standards and the Guidance Note

05 APR 2021

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require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls was established and maintained.

## **Inherent Limitations of Internal Financial Controls**

Because of the inherent limitations of internal financial controls, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Further, on the basis of the accounts and records maintained and produced before us and information & explanations given, we are enclosing herewith our Report on observation/ comments/ discrepancies/ inconsistencies in the prescribed formats and notes thereon.

## **Opinion**

In our opinion to the best of information and according to the explanation given to us, the financial statements, subject to Notes to accounts and Schedule forming part of the report as per UADD guidelines, are in conformity with the accounting principles as per MPMAM :-

- a) In the case of balance sheet, of the state of affairs of the Nagar Nigam at 31<sup>st</sup> March, 2020
- b) In the case of Statements of Income and Expenditure of the surplus for the year ended on the date.

For Sourabh Jain & Co.  
Chartered Accountants

CA. Sourabh Jain (Partner)  
M.No :-410577  
FRN:- 015644C



Date: 04/02/2021

Place :- Jabalpur

UDIN:-21410577AAAAAW7237

JABALPUR MUNICIPAL CORPORATION  
BALANCE SHEET  
AS AT 31 MARCH 2020

	Particulars	Sch. No.	Amount	Amount As at March 2020	31	Amount As at March 2019	31
<b>A</b>	<b>SOURCES OF FUNDS</b>						
<b>A1</b>	<b>Reserves and Surplus</b>						
	Municipal (General) Fund	B-1	9,186,392,586			8,964,966,353.28	
	Earmarked Funds	B-2	95,924,280			88,279,521.25	
	Reserves	B-3	9,180,039,249			8,376,127,435.03	
	<b>Total Reserves and Surplus</b>			<b>18,462,356,115</b>		<b>17,429,373,309.56</b>	
<b>A2</b>	<b>Grants, Contributions for Specific Purpose</b>	B-4	1,063,111,139	<b>1,063,111,139</b>		743,156,688.71	
<b>A3</b>	<b>Loans</b>						
	Secured Loan	B-5	-				
	Unsecured Loans	B-6	780,084,635			912,731,117.00	
	<b>Total Loans</b>			<b>780,084,635</b>		<b>912,731,117</b>	
	<b>TOTAL OF SOURCES OF FUNDS [A1-A3]</b>			<b>20,305,551,888</b>		<b>19,085,261,115</b>	
<b>B</b>	<b>APPLICATION OF FUNDS</b>						
<b>B1</b>	<b>Fixed Assets</b>						
	Gross Block	B-11	18,919,678,077			17,658,915,998.01	
	Less: Accumulated Depreciation		7,009,436,881			6,005,433,025.04	
	Net Block				11,910,241,196	11,653,482,973	
	Capital Work-in-Progress		5,436,594,437		5,436,594,437	4,183,201,006.52	
	<b>Total Fixed Assets</b>			<b>17,346,835,633</b>		<b>15,836,683,979</b>	
<b>B2</b>	<b>Investments</b>						
	<b>Investment - General Fund</b>	B-12					
	Face value		184,561,840			199,001,023.00	
	Add :-Accrued Interest		18,336,022		202,897,862	738,595,850.00	
						272,860,608	
	<b>Investment - Other Fund</b>	B-13					
	Face value		1,010,678,162			1,008,492,000	
	Add :-Accrued Interest		-		1,010,678,162	-	
						1,008,492,000	
	<b>Total Investments</b>			<b>1,213,576,024</b>		<b>1,281,352,608</b>	
<b>B3</b>	<b>Current Assets, Loans &amp; Advances :</b>						
	Stock in Hand (Inventories)	B-14	16,360,479	16,360,479		758,006	
	Sundry Debtors (Receivables) :	B-15					
	Gross Amount Outstanding		3,475,887,429			3,098,019,496.83	
	Less: Accumulated Provision against bad and doubtful receivables		(1,578,785,456)	1,897,101,973		(1,555,718,384.00)	
	Prepaid Expenses	B-16	2,798,408	2,798,408		2,155,998.00	
	Cash and Bank Balances		1,591,408,628	1,591,408,628		1,917,686,833.45	
	Loans, Advances and Deposits	B-18	232,491,444	232,491,444		136,685,512.1	
	<b>Total Current Assets</b>			<b>3,740,160,932</b>		<b>3,599,587,462</b>	
<b>B4</b>	<b>Current Liabilities and Provisions</b>						
	Deposits Received	B-7	570,180,623			460,344,355.00	
	Deposit Works	B-8	-			0	
	Other Liabilities (Sundry Creditors)	B-9	550,321,533			538,646,124.64	
	Provisions	B-10	874,518,545			633,372,455.00	
					1,995,020,701	1,632,362,935	
<b>B5</b>	<b>Total Current Liabilities</b>			<b>1,745,140,231</b>		<b>1,967,224,528</b>	
	<b>Net Current Assets (B3-B4)</b>						
<b>C</b>	<b>Other Assets</b>	B-19	-	-			
<b>D</b>	<b>Miscellaneous Expenditure (to the extent not written off)</b>	B-20	-	-			
	<b>TOTAL OF APPLICATION OF FUNDS [B1+B2+B5+C+D]</b>			<b>20,305,551,888</b>		<b>19,085,261,115</b>	

Notes to the Balance Sheet and Significant Accounting Policies

B-21

Note: The Schedules referred to above are an integral part of the Balance Sheet.

For SOURABH JAIN & CO.  
Chartered Accountants

CA Sourabh Jain (Partner)

M.No.-410577, FRN-015644C



MS 4/2/21  
नगर विकास विभाग (वि.वि.)  
नगर विकास विभाग

**JABALPUR MUNICIPAL CORPORATION**

**SCHEDULE FORMING PART OF BALANCE SHEET**

**SCHEDULE - B 1 - MUNICIPAL FUND (310)**

Account Code	Particulars	Water Supply , Sewerage and Drainage	Road Development & Maintenance	Bustee Services	Commercial Projects	General Fund 2019-20	General Fund 2018-19
31010	Balance as per last account	0.00	0.00	0.00	0.00	8964966353.28	8326712617.79
	Additions During the year						
	Equity Shares-Jabalpur Smart City Ltd	0.00	0.00	0.00	0.00	1250000.00	0.00
	Surplus for the year	0.00	0.00	0.00	0.00	220176232.38	638253735.49
	Transfers	0.00	0.00	0.00	0.00	0.00	0.00
	<b>TOTAL (a)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9186392585.66</b>	<b>8964966353.28</b>
	Deduction during the year	0.00	0.00	0.00	0.00	0.00	0.00
	Deficit for the year	0.00	0.00	0.00	0.00	0.00	0.00
	Transfers	0.00	0.00	0.00	0.00	0.00	0.00
	<b>TOTAL ( b)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>Balance at the end of the current year ( A-B)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9186392585.66</b>	<b>8964966353.28</b>



JABALPUR MUNICIPAL CORPORATION  
SCHEDULE FORMING PART OF BALANCE SHEET

SCHEDULE B-2 (UNMARKED FUNDS: Special funds/Sinking Fund/Trust or Agency fund) [111]

Account Code	Particulars	Earth Quake Relief Fund	Swarn Jayanti Swarojgar Yojna	Old Age Pension Fund	National Security Pension	Social Security Pension	Antodya Mela Yojna	Jan Shree Bima Yojna	Mukya Mantri Kanya Dan Yojna	Anganwadi Bhawan	Samuhik Kanya-daan Yozna	NULM	Mansik Viklang	Sambal Yojana	Total
31110	(A) Opening Balance	196935.00	1175214.00	6146276.00	13129643.50	1023874.00	-284364.00	1903423.00	41077.00	734221.00	1256340.00	23565043.75	1364119.00	49404719.00	89279651.25
	(b) Additions to the Special fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1256340.00	0.00	0.00	40699269.00	469991.00	85245000.00	127247900.00
	Transfer from Municipal fund		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Interest/Dividend earned on special fund investments	0.00	0.00	232558.00	0.00	0.00	2964.00	69757.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Profit on Disposal of Special Fund Investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Appreciation in value of special fund investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Fund Received	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total (a+b)	196935.00	1175214.00	6778834.00	13326435.00	1023874.00	-281400.00	1973220.00	1297417.00	734221.00	1256340.00	64284312.75	1411110.00	134649719.00	215832440.25
	(1) Payments out of funds	0.00	0.00	6834880.00	1133771.00	0.00	0.00	0.00	5035184.00	0.00	1256340.00	30616925.00	1399645.00	73630000.00	119906685.00
	(1.1) Capital expenditure on Fixed Asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(2) Revenue Expenditure on Salary, wages and allowances, etc.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Rent other administrative Charges	0.00	0.00	826.00	645.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(3) Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Loss on disposal of special Fund Investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Diminution in value of special fund investments Transferred to municipal fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total (C)	0.00	0.00	6835706.00	1134360.50	0.00	0.00	0.00	5035184.00	0.00	1256340.00	30616925.00	1399645.00	73630000.00	119908160.50
	Net Balance of Special fund (a+b)-(c)	196935.00	1175214.00	-56872.00	198283.00	1023874.00	-281400.00	1973220.00	-3737767.00	734221.00	0.00	33667387.75	11465.00	61019719.00	95924279.75



JABALPUR MUNICIPAL CORPORATION

SCHEDULE FORMING PART OF BALANCE SHEET

Schedule - B - 3 - List of Assets Created from the Grant Fund

FOR THE FINANCIAL YEAR - 2019-20

S.No.	Particulars	Opening Balance (RS.)	Additions during the year (RS.)	Total (RS.)	Deductions during the year (RS.)	Balance at the
						end of Current Year 2019-20 (RS.)
2	3	4	5(3+4)	6	7(5-6)	
312	Capital Reserve - Grant against Fixed Assets During The Year					
1	3121120 Building	660303514.70	197956647.00	858260161.70	25170805.75	833089355.95
2	3121130 Roads	306740071.05	30166000.00	336906071.05	85116171.72	251789899.33
3	3121131 Drain	2359093850.46	0.00	2359093850.46	136431773.29	2222662077.17
4	3121132 Water Ways	657665418.95	0.00	657665418.95	18507215.98	639158202.97
5	3121133 Public Lighting	6580524.10	0.00	6580524.10	822565.00	5757959.10
6	3121140 Plant & Machinery	97840798.00	15292000.00	113132798.00	28941396.00	84191402.00
7	3121150 Vehicle	49735689.00	0.00	49735689.00	14941543.00	34794146.00
8	3121160 Office & Other Equipment	252222.20	0.00	25222.20	75638.00	176584.20
9	3121170 Furniture	368682.40	0.00	368682.40	368681.00	1.40
10	31280 Other	397918294.97	0.00	397918294.97	95938476.19	301979818.78
11	3121190 - Capital Work in Progress	3839628369.20	1160868080.00	5000496449.20	194056647.00	4806439802.20
	<b>Total Reserve fund</b>	<b>8376127435.03</b>	<b>1404282727.00</b>	<b>9780410162.03</b>	<b>600370912.93</b>	<b>9180039249.10</b>



JABALPUR MUNICIPAL CORPORATION

SCHEDULE FORMING PART OF BALANCE SHEET

SCHEDULE - B - 4 GRANT & CONTRIBUTION FOR SPECIFIC PURPOSE ( 320 )

Account Code	Particulars	Grant from Central Gov .	Grant From State Gov.	Grant From Other Gov. Agency	Other Grant	Total For 2018-19
32020	(a) Opening Balance ( SUB - SCHEDULE B - 4 - A )	95382500.00	647774188.71	0.00	0.00	743156688.71
	(b) Addition to the Grant *	0.00	0.00	0.00	0.00	0.00
	Grant received during the year	2631812000.00	134877778.00	0.00	0.00	2766689778.00
	Interest/Dividend earned on Grant Investments Profit on disposal of Grant Investments	0.00	0.00	0.00	0.00	0.00
	Profit On Disposal of grant Investment	0.00	0.00	0.00	0.00	0.00
	Appreciation in value of Grant Investments	0.00	0.00	0.00	0.00	0.00
	Other addition (Specify nature)	0.00	0.00	0.00	0.00	0.00
	<b>Total(b)</b>	<b>2631812000.00</b>	<b>134877778.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2766689778.00</b>
	<b>TOTAL(a+b)</b>	<b>2727194500.00</b>	<b>782651966.71</b>	<b>0.00</b>	<b>0.00</b>	<b>3509846466.71</b>
	( C ) Payments out of funds					
	Capital Expenditure on fixed assets	1426110000.00	92866080.00	0.00	0.00	1518976080
	Capital expenditure on other	0.00	0.00	0.00	0.00	0.00
	Salary, Wages,allowances,etc.	0.00	0.00	0.00	0.00	0.00
	Rent	0.00	0.00	0.00	0.00	0.00
	Loss on disposal of General Investment	0.00	0.00	0.00	0.00	0.00
	Dimunation Value of Grant Investment	0.00	0.00	0.00	0.00	0.00
	Grant Refunded	0.00	0.00	0.00	0.00	0.00
	Transfer to General Fund	0.00	0.00	0.00	0.00	0.00
	Revenue Portion of Grant	882612000.00	45147248.00			927759248.00
	<b>Total</b>	<b>2308722000.00</b>	<b>138013328.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2446735328.00</b>
	<b>Net Balance at the year End (a+b)-(c)</b>	<b>418472500.00</b>	<b>644638638.71</b>	<b>0.00</b>	<b>0.00</b>	<b>1063111138.71</b>



JABALPUR MUNICIPAL CORPORATION

SCHEDULE FORMING PART OF BALANCE SHEET

SCHEDULE - B - 5 SECURED LOANS (330)

Account Code	Particulars	Amount As on 31 March 2020 (Rs.)	Amount As on 31 March 2019 (Rs.)
33010	Loans from Central government	0.00	0.00
33020	Loans from State Government	0.00	0.00
33030	Loan from Govt. Institutions	0.00	0.00
33050	Loan from Financial Institutions	0.00	0.00
33080	Other Loans	0.00	0.00
	Total Secured Loans	0.00	0.00



**JABALPUR MUNICIPAL CORPORATION**

**SCHEDULE FORMING PART OF BALANCE SHEET**

**SCHEDULE - B -6 - UN SECURED LOAN ( 331)**

Account Code	Particulars	Amount As on 31 March 2020 (Rs.)	Amount As on 31 March 2019 (Rs.)
33110	Loans from Central government		
33120	Loans from State Government		
33130	Loans from Government bodies /Associations /Institution	107,432,220	156212220
33140	Loans from International agencies	672,652,415	756518897
33150	Loans from bank & other financial institutions		
33160	Other Term Loans		
33170	Bonds & debentures		
33180	Other Loans		
	<b>Total Un- Secured Loans</b>	<b>780,084,635</b>	<b>912,731,117</b>



JABALPUR MUNICIPAL CORPORATION

SCHEDULE FORMING PART OF BALANCE SHEET

SCHEDULE - B - 7 DEPOSIT RECEIVED ( 340)

Account Code	Particulars	Amount As on 31 March 2020 (Rs.)	Amount As on 31 March 2019 (Rs.)
34010	<b>From Contractors</b>		
	<i>Security Deposit</i>	547,392,707	442526359
34020	<b>SECURITY DEPOSITS</b>		
	<i>Water Deposits</i>	138,418	138418
	<i>Rain Water Harvesting</i>	19,178,663	14957663
	<i>Library Deposit</i>	1,214,684	1116034
	<i>Other Consolidated Deposits</i>	2,166,191	1515921
	<i>Rent Deposits</i>	89,960	89960
	<b>Total Deposit Received</b>	<b>570,180,623</b>	<b>460,344,355</b>



**JABALPUR MUNICIPAL CORPORATION  
SCHEDULE FORMING PART OF BALANCE SHEET  
SCHEDULE - B - 8 DEPOSIT WORK**

Account Code	Particulars	Opening balance as beginning of the year (RS..)	Additions during the Current Year 2017-18 (RS.)	Utilization / expenditure (RS.)	Balance outstanding at the end of the Current Year 2017-18 (RS.)	Opening balance as beginning of the year (RS..)	Additions during the Current Year 2016-17 (RS.)	Utilization / expenditure (RS.)	Balance outstanding at the end of the Current Year 2016-17 (RS.)
34110	Civil Works	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Electrical works	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total of Deposit Works</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>



JABALPUR MUNICIPAL CORPORATION

SCHEDULE FORMING PART OF BALANCE SHEET

SCHEDULE - B - 9 OTHER LIABILITIES (SUNDRY CREDITORS)

Account Code	Particulars	Amount As on 31 March 2020 (Rs.)	Amount As on 31 March 2019 (Rs.)
	<b>(SUB - SCHEDULE - 9 - A)</b>		
<b>35010</b>	<b>Creditors</b>		
	<i>Withheld Contractors</i>	96,693,188	112,209,206
	<i>Other Payable to Contactors</i>	1,519,428	1,303,795
<b>35011</b>	<b>Employees Liabilities</b>		
	Salary, Wages and Bonus	93,729,105	82,997,046
	General Provident Fund-OLD	47,496,223	57,592,624
	Pension Payable	33,570,322	32,413,308
	GIS	4,307,764	1,782,640
	Other Terminal & Retirement Benefits Payable	33,012,189	11,635,972
	Deduction for other organisations	5,538,185	5,245,290
<b>35012</b>	<b>Interest Accrued and due</b>	<b>0</b>	<b>-</b>
<b>35020</b>	<b>Recoveries payable</b>	<b>53038325</b>	<b>59,047,456</b>
<b>35030</b>	<b>Government Liabilities</b>	<b>144495</b>	<b>219,920</b>
<b>35040</b>	<b>Refunds Payable</b>	<b>0</b>	<b>-</b>
<b>35041</b>	<b>Advance Collection of Revenue</b>		
	Property Tax	-	-
	Water Tax	-	-
<b>35080</b>	<b>Other Liabilities</b>		
	BSUP Contribution	85834595	84,963,595
	PM Avas Yojana	22236695	16,034,254
	BG Invoked	73201019.00	73,201,019
	<b>TOTAL &gt;&gt;&gt;</b>	<b>550321532.80</b>	<b>538646124.64</b>



JABALPUR MUNICIPAL CORPORATION

SCHEDULE FORMING PART OF BALANCE SHEET

SCHEDULE - B - 10 PROVISION

Account Code	Particulars	Amount As on 31 March 2020 (Rs.)	Amount As on 31 March 2019 (Rs.)
36010	Provision for Expenses		
	Capital Expenses Payable	572,047,326	510,880,749
	Recurring Expenditur Payable	307,176,111	124,701,542
	Electricity Bill - Water Supply	(8,919,806)	(16,507,933)
	Electricity Bill - Building		0
	Electricity Bill - Street Light	3,677,357	14,045,526
	Telephone Expenses Payable	537,557	252,571
	<b>Total Provisions</b>	<b>874,518,545</b>	<b>633,372,455</b>



JABALPUR MUNICIPAL CORPORATION

SCHEDULE FORMING PART OF BALANCE SHEET

SCHEDULE - B - II FIXED ASSETS F. Y. 2019-20

Account Code	Particulars	Gross Block			Accumulated Depreciation				Net Block		
		Opening Balance	Additions during the period	Deductions during the period	Cost at the end of the Year	Opening Balance	Additions during the period	Deductions/Adj ustment during the period	Total at the end of the year	At the end of current year	At the end of the Previous year
1	2	3	4	5	6	7	8	9	10	11	12
410-10	410- (Fixed Assets)										
410-10	Land	27146525.7	12859605	0.00	284324862	0	0	0.00	0	284324862	271465280
410-20	Building	1894604688	134880829	0.00	2029485517	251755876	62832579	0.00	314588455	1714897062	1643924813
410-30	Road & Bridges	4189410377	463821919	0.00	4653232296	2809439877	400470697	0.00	3209910574	1443321722	1397935380
410-31	Drainage	5883861202	254662363	0.00	6138523565	831071492	289433190	0.00	1120504682	5018018883	5058253230
410-32	Water Ways	2666816572	168844125	0.00	2835670697	517924673	48347102	0.00	566271775	2269398921	2149580707
410-33	Street Light	479438195	30032128	0.00	509470323	227922034	41234527	0.00	269156561	240313762	254176413
410-40	Plant & Machinery	1323748857	76263372	0.00	1400012329	838854146	28726306	0.00	867580452	532431877	484894811
410-50	Vehicles	496873267	24962401	0.00	521835668	263049071	47812291	0.00	310861362	210974306	233824196
410-60	Office Equipments	91620827	20633472	0.00	112254299	51455898	10472778	0.00	61928676	50325623	4171300
410-70	Furniture & Fixtures	49594160	6952143	0.00	56546303	21288741	4587144	0.00	25875885	30670418	28229331
410-80	Other Asset	311472496	66849722	0.00	378322218	192671217	70087241	0.00	262758458	115563760	89281511
	<b>TOTAL</b>	<b>17658915998</b>	<b>1760762079</b>	<b>0.00</b>	<b>18919678077</b>	<b>6005433025</b>	<b>1004003856</b>	<b>0.00</b>	<b>7009436881</b>	<b>11910241196</b>	<b>11653482973</b>



JABALPUR MUNICIPAL CORPORATION

SCHEDULE FORMING PART OF BALANCE SHEET

SCHEDULE - B - 12 INVESTMENT GENERAL FUND

Account Code	Particulars	With Whom Invested	Face value (RS.) 19-20	Current year Carrying Cost (RS.)	Face value (RS.) 18-19	Previous year Carrying Cost (RS.)
42180	Investments					
4218001	FDR with Nationalize Banks		184561840	184561840	199001023	199001023
4218009	Interest Accrued on FDR	-	18336022	18336022	73859585	73859585
	Total of Investments General fund		202897862.00	202897862.00	272860608.00	272860608.00



JABALPUR MUNICIPAL CORPORATION

SCHEDULE FORMING PART OF BALANCE SHEET

Schedule B-13: Investment - Other Fund

(Amount in Rupees)

Account Code	Particulars	Face Value (Rs.)	Accrued Interest	Carrying Cost As on 31 March 2020 (Rs.)	Carrying Cost As on 31 March 2019 (Rs.)
4211000	Central Government Securities	0.00	0.00	0.00	0.00
4212000	State Government Securities	0.00	0.00	0.00	0.00
4213000	Debentures and Bonds	0.00	0.00	0.00	0.00
4214000	Preference Shares	0.00	0.00	0.00	0.00
4215000	Equity Shares-Jabalpur Smart City Ltd	1,000,000,000.00	0.00	1,000,000,000.00	1,000,000,000.00
	Equity Shares-Jabalpur Transport City Ltd	1,250,000.00		1,250,000.00	
4216000	Units of Mutual Funds	0.00	0.00	0.00	0.00
4218000	<b>FDR with Bank (GPF)</b>	3,011,194.00	0.00	3,011,194.00	2,712,200.00
	<b>FDR with Bank (Grant)</b>	6,416,968.00	0.00	6,416,968.00	5,779,800.00
<b>4210000</b>	<b>Total Investment - Other Funds</b>	<b>1,010,678,162.00</b>	<b>0.00</b>	<b>1,010,678,162.00</b>	<b>1,008,492,000.00</b>



JABALPUR MUNICIPAL CORPORATION

SCHEDULE FORMING PART OF BALANCE SHEET

Schedule B-14: Stock in Hand (Inventories)

Account Code	Particulars	Amount As on 31 March 2020 (Rs.)	Amount As on 31 March 2019 (Rs.)
4301000	Stores Loose		
	Consumable Store	16,360,479	758,006
4302000	Loose Tools	-	-
4303000	Others	-	-
4300000	Total	16,360,479	758,006



JABALPUR MUNICIPAL CORPORATION

SCHEDULE FORMING PART OF BALANCE SHEET

Schedule B-15: Sundry Debtors (Receivables)

Account Code	Particulars	Gross Amount (Rs.)	Provision for Outstanding revenues (Rs.)	Net Amount As on 31 March 2020 (Rs.)
4311000	<b>Receivables for Property Taxes</b>	1,807,760,313.60	826,509,475.00	981,250,838.60
	<b>Sub - Total</b>	1,807,760,313.60	826,509,475.00	981,250,838.60
	Less: State Government			
	Cesses / Levies in Taxes - Control Accounts			
	<b>Net Receivables of Property Taxes</b>	1,807,760,313.60	826,509,475.00	981,250,838.60
4312000	<b>Receivables Other Taxes</b>			
	a. Colony Development Charges	187,412,742.00	178,660,567.00	8,752,175.00
	<b>Sub - Total</b>	187,412,742.00	178,660,567.00	8,752,175.00
	Less: State Government			
	Cesses / Levies in Taxes - Control Accounts			
	<b>Net Receivables of Other Taxes</b>	187,412,742.00	178,660,567.00	8,752,175.00
4313000	<b>Receivables for Fees, User Charges</b>			
	a. Water Charges	1,288,058,185.10	572,580,380.00	715,477,805.10
	<b>Sub - Total</b>	1,288,058,185.10	572,580,380.00	715,477,805.10
	b. Market Rent	0.00		0.00
	<b>Sub - Total</b>	0.00	0.00	0.00
	c. Door to Door Garbage Collection	171550057.00	0.00	171,550,057.00
	<b>Sub - Total</b>	171550057.00	0.00	171,550,057.00
	<b>Net Receivables for Fees, User Charges</b>	1,459,608,242.10	572,580,380.00	887,027,862.10
4314000	<b>Receivables from Other Sources</b>	21,106,131.55	1,035,034.00	20,071,097.55
	<b>Sub - Total</b>	21,106,131.55	1,035,034.00	20,071,097.55
4315000	<b>Receivables from Government</b>			
	Grant Sanctioned & Receivable	0.00	0.00	0.00
	Assigned Revenue Receivable	0.00	0.00	0.00
	<b>Sub - Total</b>	0.00	0.00	0.00
	<b>Net Receivables from Other Sources</b>	21,106,131.55	1,035,034.00	20,071,097.55
	<b>Total of Sundry Debtors (Receivables)</b>	3,475,887,429.25	1,578,785,456.00	1,897,101,973.25



JABALPUR MUNICIPAL CORPORATION

SCHEDULE FORMING PART OF BALANCE SHEET

Schedule B-16: Prepaid Expenses

Account Code	Particulars	Amount As on 31 March 2020 (Rs.)	Amount As on 31 March 2019 (Rs.)
4401000	Establishment		
4402000	Administrative		
4403000	Operation & Maintenance:		
	Insurance (Vehicles)	2,798,408.00	2,155,998.00
	<b>Total Prepaid Expenses</b>	<b>2,798,408.00</b>	<b>2,155,998.00</b>



JABALPUR MUNICIPAL CORPORATION

SCHEDULE FORMING PART OF BALANCE SHEET

Schedule B-18: Loans, Advances and Deposits

Account Code	Particulars	Amount As on 31 March 2020 (Rs.)	Amount As on 31 March 2019 (Rs.)
4601000	<b>Loans and Advances to Employees</b>		
	Medical/Salary Advance	38,776,559	32,212,624
	Advance for Festivals	1,714,317	1,742,787
	Advances for Food/ration	6,569,509	9,334,171
	Temporary Advance	61,702,523	24,634,939
4603000	<b>Loans to Others</b>		
4604000	Mobilization Advances to Contractors	27,927,284	42,620,850
4605000	<b>Advances to Others</b>		
	Permanent Advances	185,000	160,000
4606000	<b>Deposit with External Agencies :</b>		
	Electricity Department - Security Deposit - Building	395,210	395,210
	Electricity Department - Security Deposit - Street Light	4,220,043	4,220,043
	Electricity Department - Security Deposit - Water Supply	43,636,243	20,599,558
	Telephone Department- Security Deposit	42,530	42,530
	Other Deposit	722,800	722,800
	Income Tax Deposit	30,000,000	
	EPF Recovery	16,599,426	
	<b>Sub Total</b>	<b>232,491,444</b>	<b>136,685,512</b>
	Less: Accumulated Provisions against Loans, Advances and Deposits [Schedule B-18 (a)]		
4600000	<b>Total Loans, Advances and Deposits</b>	<b>232,491,444</b>	<b>136,685,512</b>



JABALPUR MUNICIPAL CORPORATION

SCHEDULE FORMING PART OF BALANCE SHEET

Schedule B-19: Other Assets

Account Code	Particulars	Amount As on 31 March 2020 (Rs.)	Amount As on 31 March 2019 (Rs.)
4701000	Deposit Works	0.00	0.00
		0.00	0.00
4700000	Total	0.00	0.00



JABALPUR MUNICIPAL CORPORATION

SCHEDULE FORMING PART OF BALANCE SHEET

Schedule B-20: Miscellaneous Expenditure (to the Extent not written off)

Account Code	Particulars	Amount As on 31 March 2020 (Rs.)	Amount As on 31 March 2019 (Rs.)
4801000	Loan Issue Expenses	0.00	0.00
	Deferred Discount on Issue of Loans	0.00	0.00
	Deferred Revenue Expenses	0.00	0.00
	Others	0.00	0.00
4800000	Total Miscellaneous Expenditure	0.00	0.00



JABALPUR MUNICIPAL CORPORATION

INCOME AND EXPENDITURE STATEMENT

FOR THE PERIOD FROM 01st April 2019 to 31st March 2020

	Item / Head of Account	Schedule No	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
<b>A</b>	<b>INCOME</b>			
	Tax Revenue	IE-1	1,127,971,456.00	1,098,860,988.00
	Assigned Revenues & Compensation	IE-2	2,069,097,692.00	2,420,867,349.00
	Rental Income from Municipal Properties	IE-3	172,861,649.00	50,768,394.58
	Fees & User Charges	IE-4	286,517,487.53	312,677,727.74
	Sales & Hire Charges	IE-5	24,499,588.00	27,143,627.00
	Revenue Grants, Contributions & Subsidies	IE-6	1,471,651,902.00	1,001,750,949.19
	Income from Investments	IE-7	22,321,771.00	21,754,124.00
	Interest Earned	IE-8	47,956,939.00	57,925,085.16
	Other Income	IE-9	422,823,501.93	416,807,043.53
	<b>Total - INCOME</b>		<b>5,645,701,986.46</b>	<b>5,408,555,288.20</b>

	Item / Head of Account	Schedule No	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
<b>B</b>	<b>EXPENDITURE</b>			
	Establishment Expenses	IE-10	1,974,338,197.00	1,611,054,036.25
	Administrative Expenses	IE-11	355,504,017.00	409,962,153.00
	Operations & Maintenance	IE-12	1,894,002,151.80	1,570,853,257.00
	Interest & Finance Expenses	IE-13	107,567,064.69	111,936,453.65
	Programme Expenses	IE-14	32,870,752.00	20,787,379.00
	Revenue Grants, Contributions & Subsidies	IE-15	1,162,551.00	921,412.00
	Provisions & Write off	IE-16	23,067,072.00	81,082,601.00
	Miscellaneous Expenses	IE-17	54,794,682.00	-
	Depreciation	IE-18	1,004,003,856.59	965,650,884.76
	Prior Period Items (Net)	IE-19	(21,784,590.00)	(1,946,623.95)
	<b>Total - EXPENDITURE</b>		<b>5,425,525,754.08</b>	<b>4,770,301,552.71</b>
<b>C</b>	Gross Surplus / (Deficit) of Income over Expenditure before Prior Period Items (A-B)		<b>220,176,232.38</b>	<b>638,253,735.49</b>
<b>D</b>	Add/Less: Prior Period Items (Net)	IE-19		
<b>E</b>	Gross Surplus / (Deficit) of Income over Expenditure after Prior Period Items (C-D)		<b>220,176,232.38</b>	<b>638,253,735.49</b>
<b>F</b>	Less: Transfer to Reserve Funds			
<b>H</b>	Net Balance being Surplus / (deficit) carried over to Municipal Fund (E-F)		<b>220,176,232.38</b>	<b>638,253,735.49</b>

For SOURABH JAIN & CO.  
Chartered Accountants

CA Sourabh Jain (Partner)

M No.-410577, FRN-0156440



4/2/21  
श्रीर आयुक्ता (विम)  
नगर निगम जबलपुर

JABALPUR MUNICIPAL CORPORATION

INCOME AND EXPENDITURE STATEMENT

FOR THE PERIOD FROM 01st April 2019 to 31st March 2020

	Item / Head of Account	Schedule No	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
<b>A</b>	<b>INCOME</b>			
	Tax Revenue	IE-1	1,127,971,456.00	1,098,860,988.00
	Assigned Revenues & Compensation	IE-2	2,069,097,692.00	2,420,867,349.00
	Rental Income from Municipal Properties	IE-3	172,861,649.00	50,768,394.58
	Fees & User Charges	IE-4	286,517,487.53	312,677,727.74
	Sales & Hire Charges	IE-5	24,499,588.00	27,143,627.00
	Revenue Grants, Contributions & Subsidies	IE-6	1,471,651,902.00	1,001,750,949.19
	Income from Investments	IE-7	22,321,771.00	21,754,124.00
	Interest Earned	IE-8	47,956,939.00	57,925,085.16
	Other Income	IE-9	422,823,501.93	416,807,043.53
	<b>Total - INCOME</b>		<b>5,645,701,986.46</b>	<b>5,408,555,288.20</b>

	Item / Head of Account	Schedule No	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
<b>B</b>	<b>EXPENDITURE</b>			
	Establishment Expenses	IE-10	1,974,338,197.00	1,611,054,036.25
	Administrative Expenses	IE-11	355,504,017.00	409,962,153.00
	Operations & Maintenance	IE-12	1,894,002,151.80	1,570,853,257.00
	Interest & Finance Expenses	IE-13	107,567,064.69	111,936,453.65
	Programme Expenses	IE-14	32,870,752.00	20,787,379.00
	Revenue Grants, Contributions & Subsidies	IE-15	1,162,551.00	921,412.00
	Provisions & Write off	IE-16	23,067,072.00	81,082,601.00
	Miscellaneous Expenses	IE-17	54,794,682.00	-
	Depreciation	IE-18	1,004,003,856.59	965,650,884.76
	Prior Period Items (Net)	IE-19	(21,784,590.00)	(1,946,623.95)
	<b>Total - EXPENDITURE</b>		<b>5,425,525,754.08</b>	<b>4,770,301,552.71</b>
<b>C</b>	Gross Surplus / (Deficit) of Income over Expenditure before Prior Period Items (A-B)		<b>220,176,232.38</b>	<b>638,253,735.49</b>
<b>D</b>	Add/Less: Prior Period Items (Net)	IE-19		
<b>E</b>	Gross Surplus / (Deficit) of Income over Expenditure after Prior Period Items (C-D)		<b>220,176,232.38</b>	<b>638,253,735.49</b>
<b>F</b>	Less: Transfer to Reserve Funds			
<b>H</b>	<b>Net Balance being Surplus / (deficit) carried over to Municipal Fund (E-F)</b>		<b>220,176,232.38</b>	<b>638,253,735.49</b>



JABALPUR MUNICIPAL CORPORATION

SCHEDULE FORMING PART OF INCOME AND EXPENDITURE STATEMENT

Schedule IE-1: Tax Revenue

Account Code	Particulars	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
1100100	Property Tax	745,200,000	747,679,791
1100200	Water Tax	373,632,705	339,772,581
11011	Advertisement Tax		
11011-01	Advertisement Tax - Land Hoardings	9,138,751	11,380,016
1108000	Other Taxes		
1108001	Show Tax	-	28,600
	<b>Total Tax Revenues</b>	<b>1,127,971,456</b>	<b>1,098,860,988</b>

Schedule IE-2 : Assigned Revenues & Compensation

Account Code	Particulars	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
12010	Taxes & Duties Collected by others		
12010-11	Stamp Duty on Transfer of Properties	98,606,000	131,210,990
12010-21	Passenger Tax	-	
12020	Compensation in lieu of Taxes / Duties		
12020-01	Compensation in Lieu of Octroi	1,949,447,692	2,281,016,359
12020-21	Compensation in Lieu of Pilgrim Tax	21,044,000	8,640,000
	<b>Total Assigned Revenues &amp; Compensation</b>	<b>2,069,097,692</b>	<b>2,420,867,349</b>

Schedule IE-3 : Rental Income From Municipal Properties

Account Code	Particulars	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
13010	Rent from Civic Amenities		
13010-01	Rent From Markets	19,780,755	19,844,430
13010-02	Bazar Bathiki	3,039,590	3,088,906
13010-03	Rent From Community Halls & Auditorium	3,332,880	4,265,150
13010-04	Rent From Stadium	35,650	50,950
1301006	Dharamshala Se Kiraya	97,209	351,675
1301007	Renbasera Se Kiraya	70,508	-
13020-00	Consolidated Rent From Office Buildings	-	51,200
13040	Rent from Lease Lands		
13040-01	Consolidated Rent/Income from Lease of Lands	145,568,354	22,411,714
13080	Other Rent	-	-
13080-02	Rent from Employee Quarters	420,590	400,850
13080-11	Parking Lots	516,113	303,520
	<b>Total Rental Income from Municipal Properties</b>	<b>172,861,649</b>	<b>50,768,395</b>



## Schedule IE-4 : Fees &amp; User Charges: Income Head-Wise

Account Code	Particulars	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
<b>14010</b>	<b>Empanelment &amp; Registration Charges</b>		
14010-01	Fees From Empanelment of Contractors	-	-
14010-02	Colony Empanelment and Inspection Fees	30,286,002	19,188,033
<b>14011</b>	<b>Licensing Fess</b>		
14011-01	Trade License Fees	13,315,186	27,135,374
14011-05	Shop Licensing Fees	122,100	120,339
14011-12	Licensing Fees From Slaughter Houses	1,134,860	1,567,620
<b>14012</b>	<b>Fees for Grant of Permit</b>		
14012-01	Fees From Sanction of Building Plans	9,953,869	9,053,019
<b>14013</b>	<b>Fees for Certificate or Extract</b>		
14013-03	Vivah Panjiyan Shulk	-	177,240
<b>14014</b>	<b>Development Charges</b>		
14014-01	Development Charges	64,605,059	72,369,136
<b>14015</b>	<b>Regularization Fees</b>		
14015-01	Encroachment Fees	67,200	95,000
14015-02	Compromise Fees	2,350,580	696,690
14015-03	Building Construction Regularization fees	13,985,541	8,063,663
<b>14020</b>	<b>Penalties and Fines</b>		
14020-01	Property Tax	20,900,000	23,514,508
14020-02	Water Tax	19,478,066	1,995,425
14020-04	Others	342,834	2,065,120
14020-06	Kanjhi House Se Prapt Aay	608,550	355,585
<b>14040</b>	<b>Other Fees</b>		
14040-13	Application Fees	368,314	29,788,100
14040-09	Parayveshan Shulk	2,254,421	-
14040-14	Miscellaneous Fees	1,174,505	11,917,875
14040-03	Education Fees	-	34,137
14040-04	Sports Fees	22,575	15,125
14040-06	Notice Fees	46,000	83,710
14040-11	Sarvajanic Isdhal Per Karayakam Se Aay	-	14,560
14040-01	Jan Bhagedari Shulk	5,000	385,252
14040-12	Miscellaneous Income	-	919,466
14040-22-000	Fee-RTI Act	75,964	76,601
<b>14050</b>	<b>User Charges</b>		
14050-01	Litter/Debris Collection Charges	-	2,100
14050-02	Septic Tank Cleaning Charges	420,290	483,840
14050-08	Nai Connection Charges	191,218	3,921,810
14050-09	Charges for Supply of Water By Tankers	309,900	100,850
14050-11	Penalty imposed by Courts	-	-
14050-80	Door to Door Collection	98,200,000	92,100,000
<b>14060</b>	<b>Entry Fees</b>		
14060-01	User Charges From Swimming Pool	72,500	243,334
14060-02	Income From Garden	5,651,229	5,217,969
14060-03	Pariyat/ Khandari/ Dumna Braman	470,149	7,970
1406004	Pustkalaya Shulk	-	142,622
<b>14070</b>	<b>Service / Administrative Charges</b>		
14070-02	Recovery Charges for Damages To Roads	104,855	824,430
<b>14080</b>	<b>Other Charges</b>		
14080-00	Consolidated others Charges	720	1,225
	<b>Total Income from Fees &amp; User Charges</b>	<b>286,517,488</b>	<b>312,677,728</b>



**Schedule IE-5 : Sale & Hire Charges**

Account Code	Particulars	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
<b>15010</b>	<b>Sale of Products</b>		
15010-02	Sale of Trees	-	44,140
<b>15011</b>	<b>Sale of Forms &amp; Publications</b>		
15011-01	Sale of Tender Papers	23,522,341	21,968,869
15011-02	Sale of Ration Card & Other Forms	32,196	1,960
<b>15012</b>	<b>Sale of Stores &amp; Scrap</b>		<b>35,050</b>
15012-01	Obsolete Stores	268,163	759,556
<b>15030</b>	<b>Sale of Others</b>		
15030-01	Sale of Old Newspapers	18,640	12,693
<b>15040</b>	<b>Hire Charges of Vehicles</b>		
1504001	Hire Charges From Bus Rentel	634,546	4,265,776
15040-01	Fire Brigade Rental	23,702	15,383
15040-20	Parivahan Se Aay	-	4,200
<b>15041</b>	<b>Hire charges of Equipments</b>		
15041-01	Hire Charges on Road Rollers	-	36,000
	<b>Total Income from Sale &amp; Hire Charges</b>	<b>24,499,588</b>	<b>27,143,627</b>

**Schedule IE-6 : Revenue Grants, Contributions & Subsidies**

Account Code	Particulars	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
<b>16010</b>	<b>Revenue Grant</b>		
160-10-07 -	Fundamental Service Programe	403,105,000	501,124,000
160-10-08 -	State Finance Commission	17,849,000	25,746,000
1601012	Sadak Anurakshan Anudan	83,262,000	132,105,000
160	14 th Finance Commission	882,612,000	259,919,690
16020-31 -	Other Compensation Lalpur Water	4,640,000	6,990,000
160	Other Revenue Grant	10,103,321	-
	Revenue Portion Swachata Mission	29,904,215	15,000,000
	Revenue Portion Talabo ka Sanrakshan	5,139,712	-
	Payjal Parivhan Grant	-	4,000,000
16010-04	Ashrya Nidhi se Aye	35,036,654	56,866,259
	<b>Total Revenue Grants, Contributions &amp; Subsidies</b>	<b>1,471,651,902</b>	<b>1,001,750,949</b>



Schedule IE-7 : Income From Investments-

Account Code	Particulars	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
17010-01	Interest on Fixed Deposits	19,272,184	18,699,413
	Interest on Mobilisation Advance(Thekedar Agrim)	3,049,587	3,054,711
	<b>Total</b>	<b>22,321,771</b>	<b>21,754,124</b>

Schedule IE-8 : Interest Earned

Account Code	Particulars	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
17010-00	Consolidated Interest from advance	2,035,740	599,000
1711001	Consolidated Interest From Bank	45,921,199	57,326,085
<b>1710000</b>	<b>Total- Interest Earned</b>	<b>47,956,939</b>	<b>57,925,085</b>

Schedule IE-9 : Other Income

Account Code	Particulars	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
18010	Deposits Forfeited	-	-
18040	Recovery From Employee	103,500	117,250
18011	Lapsed Deposits	-	-
<b>18080</b>	<b>Miscellaneous Income</b>	<b>9,978,079</b>	<b>8,562,195</b>
1808007	Janbhagedari	-	350,000
18080001	Premium	3,177,657	10,222,231
	Deferred Income (transferred from Capital Reserve for Depreciation on Assets out Grant Fund)	406,314,266	397,555,368
	Guarantee Invoked	3,250,000	-
		<b>422,823,502</b>	<b>416,807,044</b>



JABALPUR MUNICIPAL CORPORATION

SCHEDULE FORMING PART OF INCOME AND EXPENDITURE STATEMENT

Schedule IE-10: Establishment Expenses

Account Code	Particulars	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
21010	Salaries, Wages and Bonus		
21010-11	Salaries & Allowances Staff	1,249,366,549	1,010,527,061
21010-21	Wages	161,396,682	151,005,629
21010-31	Bonus & Ex-Gratia	670,352	2,268,733
21020	Benefits and Allowances		
21020-01	Remuneration & Fees Mayor	136,800	162,000
21020-02	Remuneration & Fees Councillors	5,251,525	6,004,800
21020-31	Medical Allowance	18,975	3,011,930
21020-41	Uniform Allowance	24,800	612,394
21020-51	Compensation to Staff	1,246,190	-
21020-61	Staff Welfare Expenses	1,144,905	58,500
21020-71	Staff Training Expenses	979,150	310,300
210-20-06	Teacher(Bhatta)	3,830,268	-
21020-21	Leave Travel Concession	115,996	-
21030	Pension		
21030-01	Contributory Pension /Family Pension	410,431,910	350,365,568
21040	Other Terminal & Retirement Benefits		
21040-01	Death Cum Retirement Benefit	94,741,418	52,599,093
21040-11	Leave Encashment	3,608,529	12,754,733
21040-21	Employer Contribution towards Retirement funds	41,374,148	21,373,295
	<b>Total Establishment Expenses</b>	<b>1,974,338,197</b>	<b>1,611,054,036</b>

Schedule IE-11: Administrative Expenses

Account Code	Particulars	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
22010	Rent Rates and Taxes		
22010-02	Rent -Other	-	-
22010-11	Rates and Taxes	3,676,115	1,062,121
22011	Office Maintenance		
22011-01	Office Maintenance Expenses	495,001	1,318,357
22011-02	Security and Office Expenses	27,811,963	42,759,992
22012	Communication Expenses		
22012-01	Telephone Expenses	3,380,344	3,384,461
22012-02	Mobiles	-	184,615
22012-11	Web Internet	2,839,727	3,017,134
22012-21	Postage and Other Expenses	10,000	11,352
22020	Books & Periodicals		
22020-01	Books & Periodicals	610,437	604,713
22021	Printing & Stationery		
22021-01	Printing Expenses	10,895,819	2,776,821
22021-02	Stationery	1,672,591	2,791,307
22021-03	Computer Stationery And Consumables	457,880	1,151,222
22030	Travelling & Conveyance		
22030-01	Consolidated Travelling & Conveyance Expenses	136,223,732	102,848,267
22040	Insurance		
22040-00	Consolidated Insurance Expenses	107,958	-
22040-02	Vehicles	4,095,891	4,051,560
22050	Audit Fees		
22050-02	Audit Fees	297,500	99,500



<b>22051</b>	<b>Legal Expenses</b>		
22051-01	Legal Fees	5,713,352	7,139,972
22051-03	Cost of Suits/Compromises	-	945,000
<b>22052</b>	<b>Professional and Other Fees</b>		
22052-21	Consultancy Fees, Charges	5,987,888	8,040,421
<b>22060</b>	<b>Advertisement &amp; Publicity</b>		
22060-01	Advertisement Expenses	81,127,188	69,973,152
22060-11	Publicity Expenses	38,632,898	91,558,385
22060-31	Cultural Events	1,137,698	5,656,297
2206032000	National Festival Expenses	358,305	1,277,439
2206033	Spiritual Festivals Expenses	-	212,659
220-60-35	Sports Program Expenses	112,000	345,000
22060-41	Workshop & Seminars	-	191,720
22060402	Photography Video graphy	-	-
22060-00	Consolidated Advertisement And Publicity	2,838,929	3,503,000
22061-01	Professional Societies	-	-
<b>22080</b>	<b>Other Administrative Expenses</b>		
22080-01	Expenses for Meeting of Corporation/MMIC	-	710,651
22080-02	Guest Entertainment Expenses	2,561,720	9,258,571
22080-13	MIS	-	7,615,231
22080-51	Miscellaneous Expenses	14,687,857	26,737,519
<b>220-51-02-000</b>	<b>Cost Recoveries of Tax Revenue</b>	9,771,224	10,685,714
<b>22061</b>	<b>Membership &amp; Subscription</b>	-	50,000
	<b>Total Administrative Expenses</b>	<b>355,504,017</b>	<b>409,962,153</b>

**Schedule IE-12: Operations & Maintenance**

Account Code	Particulars	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
<b>23010</b>	<b>Power &amp; Fuel</b>		
23010-01	Water Works	327,265,533	303,089,429
23010-02	Street Light	171,132,763	189,165,392
<b>23020</b>	<b>Bulk Purchase</b>		
230-20-20-000	Conservancy Material	1,684,367	1,556,792
2302030	Medicine,Pesticides	5,013,365	1,790,455
<b>23030</b>	<b>Consumption of Stores</b>		
23030-01	Consumption of Stores	10,309,106	14,094,937
<b>23040</b>	<b>Hire Charges</b>		
23040-00	Consolidated Hire Charge	-	2,693,250
23040-01	Hire Charges Of Machineries	22,796,641	24,496,465
<b>23050</b>	<b>Repairs &amp; Maintainance- Infrastructure Assets</b>		
23050-01	Concrete Roads	758,829	7,641,251
23050-03	Metalled Roads	7,176,692	13,301,922
23050-04	Other Roads	4,698,892	5,315,379
23050-05	Bridges & Flyovers	-	-
23050-11	Underground Drains	-	-
23050-12	Open Drains	1,698,555	1,268,157
23050-21	Water Ways	453,503,688	220,996,357
23050-22	Borewell	44,401,387	46,905,488
23050-23	Open Wells	23,483,862	31,301,213
23050-24	Water Reservoirs	6,060,992	1,566,599
23050-31	Public Lightings	48,880,967	19,948,933
230 50 51	Garbage Clearance	2,961,508	2,939,712
230 50 11	Nal Krop Pump Sadharan	-	-
2305007	Culvert	-	406,149
230 50 34	Other Repair & Maintainance	17,491,298	30,497,509



<b>23051</b>	<b>Repairs &amp; Maintenance- Civic Amenities</b>		
23051-01	Parks, Nurseries & Gardens	49,977,920	53,339,243
23051-05	Parking Lots	382,320	98,370
23051-11	Markets & Complexes	97,610	-
2305101-606101	Park,Nursery,Evam udyaan-park	-	606,100
230-51-02-000	R&M Parks & Ponds	468,805	2,067,848
2305110	Kridha Samagri Evam Pratiyogita	-	19,060
23051-21	Public Toilets	3,225,514	10,778,951
<b>23052</b>	<b>Repairs &amp; Maintenance- Buildings</b>		
23052-01	Office Buildings(R&M)	4,117,673	3,372,068
23052-02	Community Building	1,927,934	1,243,312
23052-03	Market Building	824,377	622,148
23052-05	Residential Quarters	475,932	2,560,639
23052-11	Temples	298,526	83,877
23052-06	School Building	2,887,162	811,491
230-52-20-000	R&M-Building Fire Station	-	3,645
2305227	Shala Vikas Avam maramat	-	17,025,100
2305223000	R&M-Building Auditorium Function Hall	-	580,516
230-52-30-000	R&M-Building Bus Stand	196,456	122,685
2305223	Program Hall	-	674,383
2305280	Wall/fencing	783,824	290,890
2305289	Other Structures	6,790,068	7,423,756
<b>23053</b>	<b>Repairs &amp; Maintenance- Vehicles</b>		
23053-00	Repairs & Maintenance -Vehicles	-	1,014,332
23053-01	Motor Car	523,590	370,139
23053-02	Jeep	1,948,970	1,248,661
23053-04	Trucks	16,459,160	7,999,747
23053-05	Tankers	5,588,394	4,154,778
23053-06	Cranes and JCB	17,644,255	13,387,955
2305309-701	Shav Vahan	1,559,292	419,280
23053-08	Fire Tenders	7,553,348	1,466,576
23053-09	Hearse Van	2,082,438	2,678,507
2305390	Repairs & Maintenance-Other	7,233,597	2,549,237
2303050	Store Upyog	8,312,731	1,504,857
<b>23054</b>	<b>Repairs &amp; Maintenance- Furniture</b>		
23054-01	Chairs	33,750	328,804
23054-03	Almirahs	24,985	107,292
23054-09	Others	176,820	293,820
<b>23055</b>	<b>Repairs &amp; Maintenance- Office Equipment</b>		
23055-01	Air Conditioners	-	759,389
23055-02	Computers	3,482,929	2,987,494
23055-06	Water Coolers	-	746,445
23055-09	Others	170,959	354,163
<b>23056</b>	<b>Repairs &amp; Maintenance Electrical Appliances</b>		
23056-01	Fans	-	2,844,613
23056-09	Others	237,075	691,607
<b>23057</b>	<b>Repairs &amp; Maintenance Heritage Building</b>		
23057-00	Consolidated Building	46,000	-
2305773	Gymnasium / Sport / Club Equipment	1,713,735	469,930
<b>230-59-20-000</b>	<b>R&amp;M Statue</b>	290,268	195,750
<b>23080</b>	<b>Other Operating &amp; Maintenance Expenses</b>		
23080-01	Water Purification Charges	13,429,467	7,155,129
23080-02	Testing & Inspection Charges	91,585	419,924
23080-03	Garbage Cleaning Expenses	570,504,695	493,469,655
23080-12	Other Operating & Maintenance Expenses	13,121,543	1,496,250
23080-05	Water Tankers	-	244,590
	<b>Total Operations &amp; Maintenance Expenses</b>	<b>1,894,002,152</b>	<b>1,570,853,257</b>



**Schedule IE-13: Interest & Finance Charges**

Account Code	Particulars	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
2404000	Interest on Loans from International Agencies	91,353,771	91,353,771
2405000	Interest on Loans from Banks & Other Financial Institutions (Over Draft & Term Loan)	14,837,917	19,759,700
2406000	Other Interest	-	-
2407000	Bank Charges	1,192,861	464,399
	GST Late Fees	-	85,800
	Interest On Taxes & Duties	182,515	272,784
2407000	Bank Processing Fees(HUDCO)	-	-
<b>24080</b>	<b>Other Finance Expenses</b>		
24080-01	Guarantee Fees	-	-
24080-02	LIC Loan repayment	-	-
	<b>Total Interest &amp; Finance Charges</b>	<b>107,567,065</b>	<b>111,936,454</b>

**Schedule IE-14: Programme Expenses**

Account Code	Particulars	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
2501000	Own Programs	4,079,089	5,031,073
2501002	Other	-	-
25010	Election Expenses	26,500,553	13,705,090
23050-01	Program Expenses	2,291,110	2,051,216
2502000	Own Programs	-	-
	<b>Total Programme Expenses</b>	<b>32,870,752</b>	<b>20,787,379</b>

**Schedule IE-15: Revenue Grants, Contributions & Subsidies**

Account Code	Particulars	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
26010	Grants		
26010-01	Mid Day Meal	-	-
26010-02	Swaksta Mission	-	-
26010-03	Mukhya mantri kanya Dan	1,162,551	-
	<b>Total Revenue Grants, Contributions &amp; Subsidies</b>	<b>1,162,551</b>	<b>921,412</b>



**Schedule IE-16: Provisions & Write Off**

Account Code	Particulars	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
27010	Provisions for doubtful receivables		
27010-01	Property Tax	20,438,454	64,694,005
27010-02	Water Tax	2,725,803	16,040,735
27010-03	Market Rent	(97,185)	347,861
27010-04	Development Charges	-	-
	<b>Total Provisions &amp; Write off</b>	<b>23,067,072</b>	<b>81,082,601</b>

**Schedule IE-17: Miscellaneous Expenses**

Account Code	Particulars	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
27180	Other Miscellaneous Expenses		
27180-01	Deductions from Compensation and Grants	54,794,682	-
	<b>Total Miscellaneous Expenses</b>	<b>54,794,682</b>	<b>-</b>

**Schedule IE-18: Depreciation**

Account Code	Particulars	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
27220	Depreciation		
27220-01	Consolidated Depreciation	1,004,003,857	965,650,885
	<b>Total Depreciation</b>	<b>1,004,003,857</b>	<b>965,650,885</b>

**Schedule IE-19: Prior Period Items (Net)**

Account Code	Particulars	Amount For the year 2019-20 (Rs.)	Amount For the year 2018-19 (Rs.)
	<b>Income</b>		
	Taxes Other-Revenues	-	-
	Interest	-	2,206,086
	Other Income	-	11,622
	Electricity Charges	23,036,685	-
	<b>Sub - Total Income (a)</b>	<b>23,036,685</b>	<b>2,217,708</b>
	<b>Expenses</b>		
2855000	Refund of Taxes	-	-
2856000	Refund of Other Revenues	-	-
2857000	Other Expenses	1,252,095	271,085
	<b>Sub - Total Expenses (b)</b>	<b>1,252,095</b>	<b>271,085</b>
	<b>Total Prior Period (Net) (a-b)</b>	<b>21,784,590</b>	<b>1,946,624</b>



# Jabalpur Municipal Corporation



## SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS FOR THE YEAR ENDED ON MARCH 31, 2020

### **Significant Accounting Policies:-**

Significant accounting policies are the basis of accounting that is used to determine how transactions are reported on the financial statements. These financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, whenever applicable.

These Accounting Policies have been prepared considering Madhya Pradesh Municipal Accounts Manual (MPMAM); All the policies are disclosed below as per MPMAM Accounting manual.

### **Basis of Accounting:-**

The financial statements are prepared on a going concern and under historical cost basis under accrual basis of accounting, unless stated otherwise. The method of accounting is the accrual base double entry accounting system.

## **Income**

### **2.1. Property Taxes**

- a) Revenue in respect of Property and Other Related Taxes are recognized in the period in which they become due (When demand is raise).
- b) In case of new or changes in assessments, it is taken as accrued in the year in which the demand is served.
- c) Revenue in respect of surcharge on Property and Other Related Taxes are recognized in the period in which they received.



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## 2.2. Water Supply

- a) Revenue in respect of Water Tax, Water Supply Charges, Meter Rent, are recognized in the period in which they are due, i.e., when the bills are raised.
- b) Revenue in respect of Connection Charges for Water Supply is recognized on cash basis.
- c) Revenue in respect of Water Tanker Charges and Road Damage Recovery Charges, Penalties are recognized on cash basis.
- d) Revenue in respect of surcharge on Water Tax and Other Related Taxes are recognized in the period in which they received.

## 2.3 Rentals Income

- a) Revenues in respect of market rent from municipal properties are recognized when they become due.
- b) Revenue in respect of Income on other on rental properties are recognized in the period in which they received.
- c) Revenue in respect of surcharge on Rental properties are recognized in the period in which they received.

## 2.4. Fees, User Charges & and Other Income

- a) Revenue in respect of various Trade License Fees is recognized on cash basis.
- b) Revenue in respect of advertisement fees is recognized on cash basis.



# Jabalpur Municipal Corporation



- e) Revenues in respect of Door to door Garbage Collection from municipal properties are recognized in the period in which they are due, i.e., when the bills are raised.
- c) Other Income, 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 of the JMC, are recognized on actual cash basis.
- d) Revenue in respect of Property Transfer Charges is recognized on cash basis.
- e) Revenue in respect of collection charges or share in collection made by JMC or by any other agency on behalf of State Government are recognized on receipt.
- f) Revenue in respect of rent of equipment provided to the contractors and deducted from their bills, is recognized when the deductions are made.
- g) Revenue in respect of dispensaries fees and/or hire charges in respect of ambulance, vehicle and road roller, Sale of waste and scrap are recognized on actual receipt.

## **A. Common Accounting Principles Concerning Income Accounting**

The age-wise analysis of all receivables on account of taxes, fees, rental and charges shall be made on a regular basis, at the year end and stated /shown in notes forming part of the annual financial statement. Refunds, remission of taxes for previous years are recorded in the current year are adjusted against the income .

- Demands raised with retrospective effect are treated as to the extent it pertains to earlier years
- Refunds, remissions of all kind of incomes for the current year is adjusted against the income and if pertain to previous years
- Write off of taxes or Other Income is adjusted against the provisions made.



# Jabalpur Municipal Corporation



- Any additional provision for demand outstanding required to be made during the year is recognized as expenditure and any excess provision written back during the year is recognized as income of the JMC.
- The EMD (earnest money deposit) and SD (security deposit) is recognized as income when the right for claiming refund of deposit has expired and it is forfeited.

## Provisions for Arrears of Income

The age-wise analysis of all receivables on account of taxes, fees, rental and charges is made and provision is made at the rates stated herein below, at the yearend and disclosed in Notes forming part of the annual financial statements.

Particulars Service / Activity	Provision ( in % )					
	< 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years	> 5 Years
Property, and related, taxes	NIL	NIL	25%	50%	75%	100%
Water, Sewerage, Solid Waste Management Fee and Charges	NIL	NIL	25%	50%	75%	100%
Lease, Rentals	NIL	NIL	25%	50%	75%	100%
All Other Accrued Revenues	NIL	25%	50%	100 %	100%	100%
Closed, Sick Industries, Establishment				100%		

In absence of necessary details regarding age wise break up of tax receivables; JMC is not able to make provision thereon as per norms stated in MPMAM. However provision has been made on average rate as provided in opening balance sheet at the rate of 55.78%, 55.78 %, 12.72



# Jabalpur Municipal Corporation



%, & 95.33 for Property Tax, Water Tax, Rental Income & Development charges respectively.

## GRANTS :-

- **Revenue Grant** General Purpose Grants of a revenue nature are recognized on cash basis.
- Grants received or receivable in respect of specific revenue expenditure are recognized as income in the accounting year in which the corresponding revenue expenditure is charged to the Income and Expenditure Account.

### A. Capital Grant

- Grants received towards capital expenditure are accounted on cash basis. The amount is initially credited to a Capital Grant head under 'Liabilities' and on acquisition/construction of the asset the value of the amount so spent is debited to the liability head by corresponding credit to 'Capital Contribution'.
- Capital Grants received as a nodal agency or as implementing agency for an intended purpose, which does not, result in creation of assets with ownership rights for the JMC are treated as a liability till such time it is used for the intended purpose. Upon utilization for the intended purpose, the extent of liability is reduced with the value of such utilization.
- Grants in the form of non-monetary assets (such as fixed assets given at a concessional rate) are accounted for on the basis of the acquisition cost. In case a non-monetary asset is received free of cost, it is recorded at a nominal value (Rupee One).
- Income on investments made from 'Specific Grants received in advance' is recognized and credited to the Specific Grant, whenever accrued. Profit/loss, if any, arising on disposal of investments made from the 'Specific Grant received in advance' is recognized and credited/debited to the Specific Grant.



# Jabalpur Municipal Corporation



## Assets

### 4.1 Fixed Assets

Fixed assets include Land: Parks; Buildings; Roads and Bridges; Waterworks; Bore Wells; Laboratory Equipment; Sewerage and drainage; Public Lighting; Luminary & Electrical Fittings; Furniture, fixtures, fittings; Electrical appliances; Office & other equipments; Computer Hardware, etc.; Vehicles; Health related assets; Cold Storage Equipment; Medical Equipment etc.

- 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 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 month.
- Any addition to or improvement to the fixed asset that results in increasing the utility or useful life of the asset is capitalized and included in the cost of fixed asset.
- Any Fixed Asset, which has been acquired free of cost or in respect of which no payment has been made, is accounted for at nominal value of Re. 1/-.
- All assets costing less than Rs.5,000 (Rupees Five thousands) are expensed/charged to Income & Expenditure Account in the year of purchase.
- Valuation of land is made as under:
  - I. Land acquired through purchase is recorded on the basis of aggregate of purchase price paid/ payable and other costs incidental to acquisition.



## Jabalpur Municipal Corporation



- II. Leasehold lands acquired by the JMC are taken as a part of the municipal asset at a total value payable as lease charges over the entire lease period and amortized equally over the lease period.
  - III. Lands that are acquired free of cost from the government or provided by individuals or institutions under endowment for specific purposes are accounted for at Rs. One. Where the ownership of the lands has not been transferred in favor of the JMC, but the land is in the permissive possession of the JMC, such lands is included in the Register of Land with Rs One as its value.
  - IV. Cost of land improvements such as leveling, filling or any other developmental activity is capitalized as a part of the cost of land.
- All lands that are under encroachment and where it is not possible to have the land evacuated, provision is made on the cost of land as decided. If the encroachment is for more than two years, provision equal to ninety five percent (95%) of the carrying amount is made.
  - Parks and Playgrounds are accounted for as under:
    - I. Land pertaining to Parks and Playgrounds including the cost of development of land is accounted as 'Land', and
    - II. Other amenities in Parks and Playgrounds taken under 'Parks and Playgrounds'.
  - Statues and Heritage Assets - Statues and valuable works of art are valued at the original cost. In case, the original cost is not available or the items have been gifted to the JMC the value is taken at Rs. One. Heritage buildings declared through Gazette Notification are booked under this head and valued at book value/cost of the material date and no depreciation is charged. However, in case of capital improvements after the building has been so notified, depreciation at the normal rate of buildings is charged.



# Jabalpur Municipal Corporation



- Intangible assets include computer software, which is valued at cost plus cost of staff time and consultants costs incurred, in implementing the software, if any. It is capitalized, only when the intangible asset is developed, and which can be used by JMC over a period of time to derive economic benefits from it. Other wise the entire amount is charged to revenue, in the year in which it is incurred. The intangible assets are depreciated over a period of five years or useful life, whichever is earlier.

## 4.2 Public Works

- The cost of fixed assets include:
  - i) Cost incurred/amount spent in acquiring or installing or constructing fixed asset,
  - ii) Interest on borrowings attributable to acquisition or construction of qualifying fixed assets up to the date of commissioning of the assets, and
  - iii) Other incidental expenses incurred up to that date of bringing the asset to use.
- Any addition to or improvement to the fixed asset that results in increasing the utility or capacity or useful life of the asset is capitalized and included in the cost of asset. Expenditure in the nature of repairs and maintenance incurred to maintain the asset and sustain its functioning or the benefit of which is less than a year, is treated as revenue expenditure in the year of incurrence.

## 4.3 Capital Work In Progress (CWIP)

- Assets in the nature of civil works and equipment/machinery requiring erection/installation are accounted for as 'Capital Work-In-Progress account'. Upon completion of the civil works and installation of machinery the value is transferred to the respective asset account under fixed assets. The value of each work-in-progress includes the direct cost on material, labour, stores, and advances to suppliers for material and others. Where



# Jabalpur Municipal Corporation



an asset is created with borrowed funds the interest paid/accrued as on the day of the valuation is added to the total value of the work-in-progress.

- Deposit received under Deposit works is treated as a liability till such time the projects for which money is received is completed. Upon completion of the projects, the cost incurred against it is reduced from the liability.

## 4.4. Depreciation

- Depreciation is provided at Straight Line Method at the rates taken for preparation of Opening Balance sheet as prescribed in MPMAM.
- Depreciation is provided at full rates for assets, which are purchased / constructed before October 1 of an Accounting Year and at half the rates which are purchased / constructed on or after October 1 of an Accounting Year.
- Depreciation is provided at full rates for assets, which are disposed on or after October 1 of an Accounting Year. Depreciation is provided at half the rates for assets, which are disposed before October 1 of an Accounting Year.
- Depreciation on assets on which government grant has been received, is calculated on the gross value of fixed asset i.e. without deducting the grant amount from asset value. The grant so received is charged to the income and expenditure statement in the same proportion as the depreciation charged on such assets.

## 4.5 Stores

Expenditure in respect of material, equipment, etc., procured is recognized on admission of bill by the JMC. The cost of inventories include purchase price including expenditure incurred to bring the inventories to its present location and condition i.e. freight inward, duties and taxes, etc.



# Jabalpur Municipal Corporation



## 5.0 Other Expenditures

### 5.1. Employees Related Expenditures

- Expenses on Salaries and other allowances are recognized as and when they are due for payment.
- Statutory deductions from salaries including those for income tax, profession tax, provident fund contribution, are recognized as liability in the period in which the corresponding salary is recognized.
- Interest receivable on loans given to employees is recognized as revenue at the end of the period in which these have accrued. Penal interest leviable on default in repayment of principal or payment towards interest shall be recognized on cash basis.
- Bonus, ex-gratia, overtime allowance, other allowances and reimbursements to the employees are recognized as and when they are due for payment.
- Contribution due towards Pension and other retirement benefit funds is recognized as an expense and a liability.

### 5.2. Other Revenue Expenditures

- Other Revenue Expenditures is treated as expenditures in the period in which they are incurred.
- Provisions are made at the year-end for all bills received upto a cut off date.
- Any expenditure for which the payment has been made in the current period but the benefit and/or service is likely to arise in a future period is treated as expenditure for the period in which its benefit arises and/or services are received.



# Jabalpur Municipal Corporation



## 6.0 Borrowings

- Interest expenditure on loan is recognized on accrual basis.
- Interest on borrowings directly attributable to acquisition or construction of qualifying fixed assets up to the date of commissioning of the assets is capitalized.

## 7.0 Investments

- *Investments* are recognized at cost of investment. The cost of investment includes cost incurred in acquiring investment and other incidental expenses incurred for its acquisition if any
- All long-term investments are carried / stated at their cost.
- Short-term investments are carried at their cost or market value (if quoted) whichever is lower.
- Interest on investments is recognized as and when due.

## 8.0 Special Funds

- a) Special Funds are treated as a liability on their creation.
- b) Any expenditure of a revenue nature, which is incurred specifically on scheme/project for which a Special Fund has been created, is charged to that Special Fund.
- c) On completion of the construction of a fixed asset and/or on acquisition of a fixed asset out of a Special Fund, the amount equivalent to the cost of such fixed asset is transferred from the respective Special Fund to the Grant against Asset Account. Amount proportionate to depreciation of the asset is credited to the Income and Expenditure Account every year.



# Jabalpur Municipal Corporation



## 9.0 Prepaid Expenses

- The expenses paid during the year for the future period or not for the current financial year are recognized as prepaid expenses.



# Jabalpur Municipal Corporation



## NOTES TO ACCOUNTS FOR THE YEAR ENDED ON MARCH 31, 2020

The preparation of financial statements in conformity with generally accepted accounting principles, guideline of MPMAM requires to make estimates and assumptions that affect the reported balances of assets and liabilities and also disclosures relating to contingent liabilities as at the date of financial statements and reported such estimates relied upon includes provisions on tax receivables, useful lives of fixed assets etc. differences between the actual result and estimates are recognized in the period in which the result are known / materialized.

The objective of this assignment is 'preparation of closing balance sheet as on 31st march 2020 and fixed assets REGISTER' was to assist the Jabalpur municipal corporation (JMC) in managing the transition to double entry accounting system following the Madhya Pradesh municipal accounting manual (MPMAM) . Objective was to further provide technical and advisory services to JMC for preparation of closing balance sheet as on 31st march 2020 fixed asset REGISTER with requirements of MPMAM, and other concerned government notifications.

### **1. Municipal (General) Fund:**

The amount shown under Municipal (General) Fund is the difference between Total liabilities and Total Assets of JMC. The figure is subject to change if any accounting entry directly passed in the municipal fund for any assets, liabilities or receivables subsequently, which may pertain to earlier years or prior period.

### **2. Earmarked funds**

- Earmarked fund considering the special fund received from various agencies and other funds to be utilized for specific purpose.



# Jabalpur Municipal Corporation



- Social Security Schemes: JMC is acting as nodal disbursement agency for different schemes . The amount shown is unspent amount of such funds.
- Other Earmarked Funds: Other Earmarked funds represent unspent amount of Mayor Fund, Earth Quake Relief Fund, Gwarighat Vikas Fund, NULM etc.
- **3. Reserve:** The amount shown in Reserve is net off Fixed Assets acquired against Grant On completion of the construction of a fixed asset and/or on acquisition of fixed asset out of a Special Fund, the amount equivalent to the cost of such fixed asset is transferred from the respective Special Fund to the Grant against Asset Account. Amount proportionate to depreciation of the asset is credited to the Income and Expenditure Account every year Depreciation on assets on which government grant has been received, is calculated on the gross value of fixed asset i.e. without deducting the grant Amount from asset value. The grant so received is charged to the income and expenditure statement in the same proportion as the depreciation charged on such assets. Grant Utilised under RAY, Swakshta mission-House hold Toilets & PMAY-AHP has also credited in 'Capital Contribution'.

## 4. Grant for Specific Purpose:-

- **Un-utilized Grant:** Un-utilized amount of grants has been worked out from the records and information for grant received and expenses (Capital and Revenue) available.
- **Grant Receivable:** - Any grants received pertain to March. In such a case, the amounts received in April or thereafter will be considered as Grants recoverable and shown in the balance sheet as grants receivable.



# Jabalpur Municipal Corporation



- General purpose Grants of a revenue nature are recognized on cash basis.
- Grants received or receivable in respect of specific revenue expenditure are recognized as income in the accounting year in which the Grant received. JMC incurs expenditure from the grant as well as from the municipal own fund. Therefore, One to one expenditure in connection of revenue grant is not possible to match.
- Full amount of 14<sup>th</sup> finance commission grant has been considered as revenue grant for the period 2019-20.
- Being grant the purpose of which is unknown as received in bank but detail has not been provided to JMC has been treated as revenue grant in current financial year as amount is not significant.
- Bills of Electricity and some other payment dues has been directly paid by State Government after making deductions from Octroi and other compensation the details of which has not been made available to JMC hence deductions made by UADD from compensation is booked in other expenditure 19-20. Thus it is being looking in the books as consolidated figure. Proper details need to be provided by the government so that it could be noted down properly in the books.

## 5. Un-Secured Loan:-

- **HUDCO Loan:** The JMC has outstanding balance of two loan from HUDCO of amount of Rs 10.74 Crore as on 31.03.2020. An amount of Rs 4.88 Crore Principal repayment on account of HUDCO loan is repaid for the current year 2019-20. Loan Repayable by Go MP's has been included under the GRANT in FY in which loan was availed.
- **ADB Loan** The project UDAY assets has been financed by funds received from Asian Development Bank (ADB), and own share of JMC. Go MP's share has been included under the Reserves. Out of funds received from ADB 70% has been included under the unsecured loan and 30% has been received as grant which is also included under the Reserves.



# Jabalpur Municipal Corporation



An amount of Rs 8.39 Crore Principal repayment on account of ADB loan is repaid for the current year 2019-20.

- Interest expenditure on loan is recognized on accrual basis.
- Interest on borrowings directly is booked as a expenditure for the year end when become due.

## 6 FIXED ASSETS

Due to large volume of assets and inadequate records and deficiencies in record keeping it was very difficult to compile the Fixed Assets Register(s). It may not be possible to write down the efforts made by us in compiling the fixed assets register. It has been our endeavor, all through, to include every possible asset in listing and the effort is reflected in the substantial additions done by the team. Responsible JMC officials have been continuously apprised of the developments and the additions.

However, no effort, in this kind of a Technical Assistance project, can claim to be conclusive and there always is a chance of an odd asset or so which can still be added. The important thing, however, is, that a structure has been built, which can easily be updated on a continuous basis from now onwards.

**6.1 Fixed assets include land :** Parks buildings, roads and bridges, waterworks bore wells laboratory equipment , sewerage and drainage, pubic lighting luminary & Electrical Fittings , Furniture fixtures, fittings, Electrical appliances, office & other equipments, computer Hardware, etc, vehicles, Health related assets cold storage Equipment Medical Equipment etc.

**6.2** The Fixed figures represent valuation of the assets identified and measured as on 31.03.2020 the valuation of fixed assets has been done as per valuation methodology provided in MPMAM.

**6.3** Categorization and grouping of fixed assets has been done as provided in the MPMAM.



# Jabalpur Municipal Corporation



**6.4** Fixed Assets are carried at cost less accumulated depreciation. The cost of fixed assets includes cost incurred/money spent in acquiring or installing or constructing fixed assets. Interest on borrowing 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 month

**6.5** Any addition to or improvement to the fixed asset that results in increasing the utility or useful life of the asset has been capitalized and included in the cost of fixed asset.

**6.6** Any Fixed asset, which has been acquired free of cost or in respect of which no payment has been made , has been accounted for at nominal value of re. 1/-.

- i. While preparation of the asset records as per the MPMAM format a few columns were left blank such as length, height, name of contractor, area and survey number etc. as records and information were not available.
- ii. An asset, which has out lived its useful life as prescribed under MPMAM and for which cost details was not available has been valued at Re. 1 each.
- iii. Depreciation has been provided on the basis of life of the asset provided in the MPMAM.

## **6.8 Land**

- 1 Land acquired for various purposes has been valued at cost and land transferred by Nazul has been valued at Re.1.
- 2 Land for which ownership records are not available but are under permissible possession of JMC as per other records available have been accounted for and valued at Re.1.



# Jabalpur Municipal Corporation



- 3 Provision has been made for land under encroachment @ 95% of the value.

## 6.9 Building and other immovable assets

The Fixed assets figures represent valuation of the assets identified and measured as on 31st march 2020. cost of building and other infrastructure assets i.e. roads, footpaths, bridges, culverts, drains, waterworks etc. has been taken from works orders awarded in different have years. The assets for which cost is not available the valuation method prescribed in the MPMAM have been followed. The properties that have out lived their useful life have been valued at Re.1.

The date for fixed assets has been compiled based on information furnished by various user departments of JMC and physical verification as per prescribed norms.

Categorization and grouping of fixed assets has been done as provided in the MPMAM.

## 7. Depreciation

- Depreciation is provided at straight line method at the rates prescribed in MPMAM.
- Depreciation is provided at full rates for assets, which are purchased/constructed before October 1,2019 and at half the rates which are purchase / constructed on or after October 1 of the accounting year.
- Depreciation on assets created out of the government grant has been received, has been calculated on the gross value of fixed asset i.e. without deducting the grant amount from asset value. The grant so received is charged to the income and expenditure statement in the same proportion as the depreciation charged on such assets.



# Jabalpur Municipal Corporation



## 8. Capital Work In Progress

- The register/record for capital work in progress was not maintained.
- There was no system of certification by concerned engineer of work started but not completed as at end of the financial year in JMC. Without the above certification, actual amount of capital work in progress at the end of the year could not be ascertained.
- Year wise detail of loan disbursement was provided instead of date wise also information related to interest incurred for specific assets is not available.
- Assets in the nature of civil works and equipment/machinery requiring erection/installation are accounted for as 'Capital work-in-progress' upon completion of the civil works and installation of machinery the value is transferred to the respective asset account under fixed assets. The value of work-in-progress includes the direct cost on material labour, store, and advances to suppliers for material and others. Where an asset is created with borrowed funds the interest paid/accrued as on the day of the valuation is added to the total of the work-in-progress.
- The amount of CWIP has been estimated based on work orders issued and the payment made from April'19 to September '19 Which pertains to 2019-20.

## 9. Investments

- The register provided by the JMC was incomplete in many aspects as the information like Date of maturity; Date of Renewal, interest accrued amount etc were not mentioned.
- Interest accrued amount was not mentioned in the register & no data is available for the same hence interest on Investment is provided on lump sum basis considering FDR interest rate.



# Jabalpur Municipal Corporation



- Income on investments made from Special Fund and Grants under specific Scheme is recognized and credited to Special Fund and Grants under Specific Scheme respectively, whenever accrued. Profit/loss, if any, arising on disposal of investments (net of selling expense such as commission, brokerage, etc) made from the Special Fund and Grants under specific Scheme is recognized and credited/debited to Special Fund Account and Grant under specific scheme Account respectively.
- All long-term investments are carried / stated at their cost.
- short-term investments are carried at their cost or market value (if quoted) whichever is lower.
- FDR with the banks has been shown under investment – general fund. In some of cases FDR register of JMC has shown FD with bank while in current/saving balance confirmation received from respective bank.

## 10. INVENTORIES

- Inventories were taken in the balance sheet on the basis of information furnished by the concerned department.
- Inventories consist of different types of stores and spares consumed by the different departments of corporation for providing various types of services viz. Water, Sanitation, Health, Public Transportation, Street Lighting etc. In the case of JMC generally most of the purchases are need based. We have not made physical verification of the same. The same has been accounted base on the information and record provided to us.
- Stationary & other miscellaneous items are treated as expenditure at the time of purchase and do not part of inventories , however we have deducted expenditure amount from respective codes & arrived the inventory amount on the information and record provided to us.
- Records for Stationary items were not provided, hence not accounted in inventory.



# Jabalpur Municipal Corporation



## 11. Receivables for Property Taxes & Water Taxes

- **Property Tax:** The amount of Property Tax receivable as on balance sheet date has been taken based on the information provided by Revenue section of JMC & Data Maintained in E Nagar Palika Software ., operator appointed by JMC for maintaining records for Property Tax. Total of the demand provided by Revenue Department has been taken as receivable in the Balance Sheet. The above balance is subject to reconciliation and confirmation.
- **Water Tax:** The amount of Water Charges & Tax receivable as on balance sheet date has been taken based on the information provided by Revenue section of JMC & Data Maintained in E Nagar Palika Software., operator appointed by JMC for maintaining records for Property & water Tax. Total of the demand provided by Revenue Department Ltd. has been taken as receivable in the Balance Sheet. The above balance is subject to reconciliation and confirmation.
- **Market Rent:** The amount of Market Rent receivable as on balance sheet date has been taken based on the information provided by Revenue section of JMC & Data maintained in E Nagar Palika Software., operator appointed by JMC for maintaining records for Market Rent . Total of the demand provided by Revenue Department Ltd. has been taken as receivable in the Balance Sheet. The above balance is subject to reconciliation and confirmation.
- JMC has implemented E-NAGAPALIKA software for revenue management in financial year 2019-20 details of surcharge collected on various revenue was not generated from E-NAGARPLAIKA software and hence amount of surcharge as certified by the revenue department has been taken and accounted in the income and expenditure.



# Jabalpur Municipal Corporation



## ➤ Receivables from Government

**Grant Receivable:-** Any grants received pertains to March. In such a case, the amounts received in April or thereafter is considered as Grants recoverable and shown in the balance sheet as grants receivable.

Balances of advances, recoverable etc., are subject to confirmation/reconciliation and consequential adjustments if any.

## Provisions for Arrears of Income

- **Property Taxes:** - The proper & reliable age wise arrears of receivables as required by MPMAM is not available in E Nagarpalika System. Therefore average rate of provision on the basis of Opening balance sheet i.e 55.78% is taken for provision of arrears of income.
- **Water Taxes:** - The proper & reliable age wise arrears of receivables as required by MPMAM is not available in E Nagarpalika System. Therefore average rate of provision on the basis of Opening balance sheet i.e 55.78% is taken for provision of arrears of income.
- **Market Rent:** - The proper & reliable age wise arrears of receivables as required by MPMAM is not available in E Nagarpalika System. Therefore average rate of provision on the basis of Opening balance sheet i.e 12.72% is taken for provision of arrears of income.
- **Development Charges:** - The proper & reliable age wise arrears of receivables as required by MPMAM is not available in E Nagarpalika System. Therefore average rate of provision on the basis of Opening balance sheet i.e 95.33% is taken for provision of arrears of income.

## 12. Prepaid Expenses

- We have prepared the detail of prepaid amount from insurance policies of vehicles and accounted in the Closing balance sheet.



# Jabalpur Municipal Corporation



- We have considered the expenses paid during the year for the future period the current financial year are recognized as prepaid expenses.

## 13. Cash and Bank Balances

- The amount acknowledged by bank after 31st march 2020 has been shown as cash in hand.
- Information regarding Imprest to zonal officers was collected from head office and the same were verified from respective zone.
- We have not made physical verification of the cash as on 31.03.2020.
- We have reconciled the investment and bank account and the amount appearing in the books of JMC under investment was taken to bank account
- The bank balance is reconciled and verify with bank book and bank statement. However, some of the banks are under reconciliation.
- No Separate Cheque issue register is maintained

## 14.0 LOANS, ADVANCES AND DEPOSITS

### LOANS AND ADVANCES

- The amount of contingent/temporary advance was taken in closing balance sheet as these were appearing in the contingent advance register without adjustment. It may be possible that the same were already adjusted in files and entry for the above is pending in register.



# Jabalpur Municipal Corporation



## Advances to Staff

- In many cases Temporary (Contingent) advances (for office expenses) given to staff have not been adjusted in the books of accounts since the year 2001-02. Contingent advances not adjusted until year end has been taken as current asset. However, these are subject to reconciliation.
- Advance given to employees for Purchase of Vehicles, Grain, Medical, Salary, and Festival have been computed on the basis of available records. It may be possible that the same were already adjusted in files and entry for the above is pending in register. However there are difference among actual liabilities and liabilities appearing in financial statements which are under reconciliation.

## DEPOSIT WITH EXTERNAL AGENCIES

- The amounts shown in the Closing balance sheet derived from electricity bills and confirmation by the telecom department are subject to realization.

## 15. CURRENT LIABILITIES AND PROVISIONS

### SECURITY DEPOSIT

- Security deposit amount is showing balance so deducted & not yet paid from bills of contractor's & suppliers, however Party wise list of Security deposits balance shown in opening balance sheet is not available hence party wise list of security deposit could not be provided. The amount is subject to reconciliation and confirmation.



# Jabalpur Municipal Corporation



## EMPLOYEE & OTHER LIABILITY

- Salary & other benefits for the month of March 2020 Paid in April 2020 are taken as salary payable.
- The unpaid retirement benefits of employee's retired up to balance sheet date have taken in the current liabilities. Actuarial valuation has not been done to ascertain the Retirement Benefit Liability in lines with the MPMAM guidelines. However, there are difference among actual liabilities and liabilities appearing in financial statements which are under reconciliation.

## General Provident fund payable

- Amount of GPF deducted from employee's salary and deposited in respective employees bank account. JMC discharge liabilities at the time of depositing in employee's Bank account therefore no liabilities are created.

## Statutory Dues Out Standing

- Statutory Dues out standing unpaid on balance sheet date & paid after 31<sup>st</sup> March shown under current liability. However, there are difference among actual liabilities and liabilities appearing in financial statements which are under reconciliation.

## Provision for Expenses

- **Liability for Capital work in Progress:** No separate records of outstanding liabilities for capital work in progress are maintained by JMC. It has been worked out on the basis of the payment vouchers for the period April 2020 to September 2020 and the outstanding payments for previous period.



# Jabalpur Municipal Corporation



- **Liability for Capital Assets:** No separate records of outstanding liabilities for capital assets are maintained by JMC. It has been worked out on basis of payment vouchers for the period April 2020 to September 2020 and the outstanding payments for previous period.
- **Liability for Revenue Expenses:** No separate records for outstanding liabilities of revenue expenditure are maintained by the JMC. It has been derived from the payment vouchers for the period April 2020 to May 2020 and the outstanding payments for previous period.
- **Outstanding** liabilities for capital\Revenue expenditure are pending around Rs 150 crore but consolidated details of same are not available. While making provision for outstanding amount paid after September 2020 has not been provided in books of accounts. It has been worked out on the basis of the payment vouchers for the period April '2020 to Sept 2020 and the outstanding payments for previous period.

## 16. Contingent Liability

- Contingent liability register is not maintained by the JMC. Liability towards dues payable on account of unsettled claims has not been provided and the same is not ascertainable. JMC has given bank guarantee to various governments departments which is fully backed by bank deposits.



Schedule forming part of Audit Report :-Jabalpur Municipal Corporation FY 2019-20

Heading	SR. NO.	Points to be Checked.	Remarks
Audit of Revenue	i.	The auditor is responsible for audit of revenue from various sources.	We have verified accounts and maintenance of records of various sources of income on test basis i.e., Taxes, Fees, Rental income and Compensation in lieu of Octroi and Passenger Tax etc. Levy, calculation and correction in bills of taxes, fees etc. is not checked by us.
	ii.	He is also responsible to check the revenue receipts from the counter foils of receipt books and verify that the money received is duly deposited in the respective bank account.	<p>In Jabalpur Municipal Corporation all revenue receipts were computer generated except for daily Bazaar Baithki Shulk, Entrance fees and License fees.</p> <p>No separate cash book is maintained for all kind of revenue receipts; however computerized revenue reports were generated and maintained at various collection centers. As computerized revenue receipts were generated and no separate manual cash book is maintained, hence we could not verify cash book posting of receipts from the counterfoils at different collection centers (i.e., at various zones).</p> <p>We have checked money deposited in banks from computerized summary reports of daily money collection, generated through computer software and maintained at various collection centers and no substantial discrepancies were found.</p> <p>Receipts are not being made for the Online Tender Fees received directly in bank accounts.</p> <p>Receipts of money deposited for Building permission cell are computer generated through building permission software, Cash book is not maintained for the same. Incorporation of Building permission cell receipts with main software were also not fully done.</p>

  
 अभूषण अयुक्त (वि.स.)  
 नगर निगम जबलपुर



Schedule forming part of Audit Report :-Jabalpur Municipal Corporation FY 2019-20

Cheque return charges were levied by bank on dishonor of cheques but same were not recovered from payer in many cases.

The revenue collected through cheque& deposited in the bank account is not fully reconciled.

We have found cases where revenue receipts which were cancelled without signature of the concerned authority, brought to the notice of concerned office in charge.

Consolidated receipts have been generated on the basis of collection deposited in the bank accounts for the following income without reconciling with the collection agency

- BSUP contribution
- Trade License
- MAP fees in E-NAGARPALIKA software

Collection of license fees is outsourced by JMC to agency on commission sharing basis. It is collecting fees on behalf of JMC and initially cash deposits were made in their own account and subsequently transfer it to JMC bank accounts. It was suggested that money should be directly deposited in JMC bank accounts as receipts are issued in the name of JMC and not on agency name.

As per the contract executed the payment to be received in lieu of waste given by the JMC to waste management entity is not received by the JMC.

iii. Percentage of revenue collection increases decreases in various heads in property tax Samekit kar shiksha upkar Nagariya Vikas upkar and other tax, compared to previous year

Details as per **Annexure-1-A.**



## Schedule forming part of Audit Report :-Jabalpur Municipal Corporation FY 2019-20

	shall be part of report	
iv.	Delay beyond 2 working days shall be immediately brought to the notice of Commissioner/CMO.	During the Audit we found that, the cash collected was duly deposited in the respective bank accounts within 2 Days, except the cases in which there was a delay which was duly brought into the notice of appropriate authority.
v.	The entries in cash book shall be verified.	No Cash Book is maintained for revenue receipts. However, computer generated receipts report is maintained and test checked.
vi.	The auditor shall specifically mention in the report, the revenue recovery against the yearly targets. Any lapses in the revenue recovery shall be a part of the report.	<p>No quarterly and monthly targets were fixed only Budgeted yearly targets were fixed for revenue recoveries. ULB did not achieve its yearly revenue recovery targets.</p> <p>Jabalpur Municipal Corporation still not achieved desired tax and other charges recovery efficiency and has huge unrecoverable dues since many years. Except for property tax, water tax, Door to door service charges collection &amp; Rent demand is not raised in accounts and accounted for in cash basis.</p> <p>Many cases of cheque bounce were found where recovery is still pending which need to be strictly followed up.</p>
vii.	The auditor shall verify the interest income from FDR's and verify that interest income is duly and timely accounted for in cash book.	<p>Interest income on matured FDRs was only checked, as details of accrued interest on FDRs were not mentioned in FDR Register, we could not verify the same however it is taken in accounts as per bank certificates &amp; interest calculation sheet.</p> <p>As Cash book of receipts were not maintained, interest income on FDRs matured &amp; accrued is accounted at the time finalization of accounts through journal entry.</p>

## Schedule forming part of Audit Report :-Jabalpur Municipal Corporation FY 2019-20

			During our audit of FDRs, we have found that, Details relating to FDRs in the FDR Register was not maintained as per MPMAM and reconciliation between register and accounts is under progress.
	viii.	The cases where, the investments are made on lesser interest rates shall be brought to the notice of the commissioner/CMO.	JMC has not made any enquiries from banks to invest their funds. But it is invested in nationalize/scheduled Banks as per prevailing Bank rate. However, JMC should make inquiry in various banks so that a better advantage could be achieved in terms of higher interest rates.
<b>Audit of Expenditure</b>	i.	The auditor is responsible for audit of expenditure under all the schemes.	<p>On the basis test checking of bills/vouchers produced for our audits we have observed following discrepancies in many files.</p> <ul style="list-style-type: none"> <li>• Completion Certificate not found annexed in many files.</li> <li>• There has been a regular consumption and requisite purchase of Diesel, but no proper Stock Register or Consumption Register being maintained by the Workshop Department.</li> <li>• Estimates were changed for the contract, but no Authorization letter of the concerned officer was found regarding such revised estimates.</li> <li>• Verification report in respect of material used in the work was not attached in the file.</li> <li>• Photo/Photography of the work place before the start of work is not held in files.</li> <li>• Inspection report while the work under construction is not held in file.</li> <li>• Even after substantial delay in Work no penalty was deducted.</li> <li>• Photocopy of the Performance guarantees were not found attached in the file.</li> <li>• There is a clause in the agreement that if the work is not completed</li> </ul>

Schedule forming part of Audit Report :-Jabalpur Municipal Corporation FY 2019-20

		<p>within stipulated time, the amount up to 10% shall be deducted from the contract value. As contract completion certificate was not attached in the file from where penalty clause can be insured. also, no penalty has been deducted in any cases</p> <ul style="list-style-type: none"><li>• Work is still not completed even after many years of expiration of stipulated time but contract is not terminated.</li><li>• Many assets of the ULB are not in working conditions and kept as SCRAP. No action is initiated for disposal of same.</li><li>• Recurring notices were served of late work/deficient work to the contractor, but no actions were taken and hence no penalties were deducted.</li><li>• In some of the tenders there were no penal clauses in case of work not completed within stipulated time mentioned in work order.</li><li>• Stock verification should be carried out at reasonable intervals, but in Jabalpur Municipal Corporation, General department it not being carried out. Appropriate steps should be taken.</li><li>• MB not found in the file.</li><li>• Note sheet is incomplete in some cases.</li></ul>
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- Expenditure has been made in relation to Repair & maintenance of vehicle beyond limit as prescribed by MP Road transport department.
- Government of MP has revised enhanced rate of royalty deduction but in some of cases ULB has deducted royalty with old rates.
- During our audit we have checked files as provided by the concerned department and zones, but many files were not provided and many department and zones have not provided any of the file's despite of repetitive reminders. Many files related to Expenditure and tenders of PWD, Various section of JMC head office were not provided to us having huge expenditures. These files may affect our audit observation if they could have been provided.
- In many cases GST TDS was not deducted from the payment made above Rs 250000.
- In many cases it was observed that the Bill submitted by the Party was not in proper format. It did not have proper GST number and other details mentioned under general laws and GST act.
- In many cases proper certification of the weight of food used for the cow was not available in the documents.
- There have been many cases of Unreconciled\Non\Delayed payment of Taxes and Duties.
- GST is being paid on collection basis and not on accrual basis



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- Non- compliance exists in Jabalpur Municipal Corporation regarding Service Tax, TDS, PF, NPS and GST etc. as the same was delayed resulting in interest & late fees which was paid in some cases and also has not been paid in some cases, which is against the provisions of the respective acts and the GST Returns were also not filed by the ULB on Time. GST payments are also delayed, resulting in higher interest payments. In following cases GST is not being charged and paid by the JMC although these incomes attract GST within the Purview of GST act. It should also be noted that when GST is not separately charged in all these receipts, then the JMC will have to Pay the GST from their own funds thereby reducing the income earned through these drastically.

- GST on tender fees.
- GST on Civic amenities rent etc.
- GST on commercial lease.
- GST on Sale of scrape

- EPF Penalty payment has been paid for late deposit. Care needs to be taken to pay statutory liabilities within time limits so as to avoid penalty and interest.
- as JMC contractor has not submitted EPF of their share . recovery has been made from JMC as principal employer.
- There has been a delay many times in deposit of EPF/NPS, Royalty Etc. to Government treasury beyond the respective dates.
- There has been a regular consumption and requisite purchase of Diesel, but no proper Stock Register or Consumption Register being maintained by the Workshop Department.
- Blank lines, overwriting found in Inward and outwards register.
- In many cases GST is not separately



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mentioned in the Bill despite having registration number on bills, thus raising serious concerns over the genuineness of the bill.

- In many cases number of Trips as claimed by the party in the bill was not certified by the concerned officer before making payment.
- Security Deposit of electricity connection is generating interest in which TDS is being deducted which is not getting accounted for in the books of accounts.
- Payment made to Commission on License fees recovery is covered under section 194H since it is in a nature of commission and hence TDS should be deducted at the rate of 5% instead of 2%.
- The JMC comes under permanent residential audit. Hence all the expenditure are audited by residential auditors. We have relied upon their audit and concluded our observation based on our files audited on test check.
- JMC has implemented E-NAGARPLAIKA(SAP) software for integration of data and transparency where each and every file has to be entered into the software but it is not being done by many sections of ULB and it is defeats for the purpose of transparent online system.
- JMC is liable to pay GST on Rental services on due basis, but the GST was paid to the department on recovery basis.
- Many Bills submitted by the parties have GST included in them but they do not contain GST number printed on their bills as should be there in a proper Bill.
- Many Bills are submitted by the parties which are GST registered but do not levy GST in the Bill. Such cases need to be examined properly before payment whether vendor is depositing GST to government or not.
- Affixing of revenue stamp on the payment



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			<p>vouchers is not been done by the JMC.</p> <ul style="list-style-type: none"> <li>• Proper documentation of Insurance, RTO, Pollution fitness is not available in the in the file of Vehicle hiring contracts. Also, it should be noted that no proof is available regarding whether they are commercially registered or not.</li> <li>• As per tender clause payment should be made to the workers till 5<sup>th</sup> day of the subsequent month. No proof such as bank statement is being submitted by the contractor to verify this condition.</li> </ul>
	ii.	He is also responsible for checking the entries in cash book and verifying them from relevant vouchers.	No separate cash book maintained for income and expenditure, only payment cash book is maintained and, in some cases, cutting & correction has been found. Also, some vouchers were not made available during audit.
	iii.	He should also check monthly balances of the cash book and guide the accountant to rectify errors, if any.	Monthly Balancing was not done for Cash Book.
	iv.	He shall verify that the expenditure for a particular scheme is limited to the funds allocated for that particular scheme any over payment shall brought to the notice of the commissioner/CMO	<p>No separate cash book is maintained for project wise, fund wise receipt and payments. Hence, we could not able to verify the same. In some cases, it has been observed that after the project have been completed security deposited deducted from the Bills of contractors has been paid /payable from JMC's OWN Funds as Grant allocated towards the project has been exhausted. This practice needs to be corrected as sufficient provisioning of funds should be made beforehand so as to pay back the security deposit.</p> <p>Also, for various schemes like Swakchta where ULB is also making significant expenditure separate records are not being maintained from where separate identification is possible for each expense.</p>



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v.	He shall also verify that the expenditure is accordance with the guidelines, directives, acts and rules issued by Government of India/ State Government.	<p>Whereas fund is received for specific purpose concerned department is explained that it is utilized accordance with the guidelines, directives, acts and rules issued by Government of India/ State Government. Since no utilization certificate as well as any specific working made available before us, therefore it could not be ascertaining that whether the same was utilized as per the directives/guidelines issued concerned authority. The expenditure done as per 14<sup>th</sup> Finance Commission grant expenditure guidelines cannot be verified, as separate working related to it is not available in the documents.</p> <p>Sometimes it has been noticed that after the budget of particulars head has been exhausted then the excess expenditure has been booked in other heads.</p> <p>The bank charges deducted by the banks are not in accordance with the agreement with the bank and should not be deducted. Charges deducted during the year should be flagged for recovery.</p> <p>Where specific assets of expenditure is not traced but UC available, Auditor has relied upon UC prepared and taken grant utilized for respective head.</p>
vi.	During the audit financial propriety shall also be checked. All the expenditure	On verification of records & explanation given to us by concerned department for audit on test check basis we didn't came across any such cases where expenditures are not supported by financial & administrative sanctions.



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		shall be supported by financial and administrative sanctions accorded by competent authority and shall be limited to the administrative and financial limits of the sanctioning authority.	JMC has no such mechanism for payment of Bills on queue\priority basis due to which payment of dues are on the discretion of higher authority.
	vii.	All the cases where appropriate sanctions have not been obtained shall be reported and the compliance of audit observations shall be ensured during the audit. Non compliances of audit paras shall be brought to the notice of commissioner.	Not applicable.
	Viii	The auditor shall be responsible for verification of scheme wise project wise Utilization Certificates (UCs). UCs shall be tallied with the income & expenditure records and creation of Fixed Asset.	No separate cash book is maintained for project wise, fund wise receipt and payments. Hence, we could not able to verify the project wise Utilization Certificates (UCs).
	ix	The Auditor shall verify that all the temporary advance has been fully recovered.	<p>The temporary advance has not been fully recovered &amp; many entries pending for adjustment since long time. Amount around pending as per balance sheet is Rs 7.20 crore.</p> <p>There exists difference between head of temporary advance and various accounts with subsidiary ledger.</p> <p>There exists a difference between accounting records and actual records for various advances given to employees namely Medical advances, Food and Grain, and Festival advances.</p> <p>The list of temporary advances is not available in records.</p>

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<b>Audit of Book Keeping</b>	i.	The auditor is responsible for audit of all the books of accounts as well as stores.	As per recommendations of the <b>Eleventh Finance Commission (EFC)</b> and the guidelines issued by the <b>Ministry of Finance</b> , Government of India, the Comptroller and Auditor General of India (C&AG) had constituted a <b>Task Force</b> to recommend budget and accounting formats for ULBs. The Task Force in its report, inter alia, suggested formats for maintaining Books of Accounts. The Urban Administration and Development Department (UADD) published the Madhya Pradesh Municipal Accounts Manual ( <b>MPMAM</b> ) in July, 2007 adopting such formats Jabalpur Municipal Corporation (JMC) is required to follow such formats. We have examined the books of Accounts taking MP MAM as a base
	ii.	He shall verify that all the books of accounts and stores are maintained as per Accounting Rules applicable to Urban Local Bodies (ULBs). Any discrepancies shall be brought to the notice of Commissioner.	<p>During the verification of various books of accounts, it has been observed that books of accounts are not maintained in accordance with the prescribed formats. Details of records which are not maintained according to format prescribed under Municipal Accounting.</p> <p>All files are not being updated in E-NAGARPALIKA software.</p> <p>JMC has around Rs 150 Crore liability towards various capital and Revenue expenditure up to 31.03.2020 which is not been paid till September 2020, and has not been considered in books of accounts of FY 19-20.</p> <p>Many items remain unsold in stores have become obsolete. Proper store verification needs to be done so as to unsure such items does not remain in the store for long time.</p> <p>Many files are not being provided to us during the audit so we cannot comment on the efficacy of every record as per the guideline issued.</p> <p>There is difference between subsidiary ledger</p>



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		<p>accounts of various ledgers.</p> <p>JMC is not doing provisioning of Sanchit Nidhi at the rate of 5% of tax revenue as per Municipal Act 1956.</p> <p>Accounting rules of the MP Municipal corporation Act provides that the Commissioner shall constitute a committee to verify the stocks held by the municipality &amp; Committee shall conduct stock verification at least twice in a year.</p> <p>While in the course of audit we have observed that no such committee was constituted and not any physical verification of stock was done by the ULB.</p> <p>There have been many cases of booking expense in an incorrect code.</p> <p>There is significant accumulated difference between arrears as per revenue section and arrears as appearing in Balance Sheet.</p> <p>NPS contribution by the JMC for its employees is taken in the books on a cash basis and is deposited late. Thus, this practice is hampering the working of process of effective contribution.</p> <p>Fixed asset register is maintained in Spreadsheet and consolidated entry is passed in Account at year end however full details as per MPMAM is not mentioned there. No numbering/tagging, identification done on fixed assets.</p>
iii.	<p>The auditor shall verify advance register and see that all the advances are timely recovered according to the conditions of advances. All the cases of non-recovery shall be specifically mentioned in audit report.</p>	<p>As per Para 4.1.6 of Chapter 9 of MPMAM 2007, Register of Advances will record details concerning advances extended to employees and its subsequent adjustment and it will maintain separate register for each type of advance. Scrutiny of records reveals that separate register for each type of advances are not maintained and details regarding sanction no, accounting code, accounting head and date of posting are also not mentioned.</p>



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			As per Para 4.1.6 of Chapter 9 of MP MAM 2007, Register of Advances will record details concerning advances extended to employees and its subsequent adjustment and it will maintain separate register for each type of advance. Scrutiny of records reveals that separate register for each type of advances are not properly maintained.
	iv	The Auditor shall verify that all the temporary advance have been fully recovered.	We have observed cases of Advances made in audit period or in prior period were not adjusted in reasonable time.
	v.	Bank reconciliation statements shall be verified from the records of ULB and the bank concerned. If bank reconciliation statements are not prepared, the auditor will help in the preparation of BRS.	<p>Rules 97-98 of Madhya Pradesh Municipal Accounts Rules 1971 provide that the reconciliation of any difference between the balances of cash book and bank accounts is required to be conducted every month.</p> <p>Reconciliation has been prepared but there were many untraceable entries which were found to be aging from one month to five years amount of approximately Rs 10-15 crore on which effort should be made to clear all those entries. Some of the accounts are under reconciliation till the completion of audit so we cannot comment on it.</p> <p>There are many inoperative accounts which needs to be closed for better financial management.</p> <p>JMC is having idle deposit of around Rs 93 lakhs in various bank accounts of various government sponsored scheme which need to be return to the government.</p>
	vi.	He shall be responsible for verifying the entries in the Grant register. The receipts and payments of grants shall be duly verified from the entries in the cash book.	<p>Grant Register is maintained but details of grant utilization (payment of grant) for particular work for which grant is received is not updated in the register So we are unable to identify that whether the grant has been used for the purposes for which it was received by the Jabalpur Municipal Corporation. Nature of grants is also not mentioned in many cases.</p> <p>While examining the cash book it has been observed</p>



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			<p>Cash Book and no cash book is maintained for receipts. Although receipts of grant received is generated through ELBIZ system for grant accounting.</p> <p>It has been noticed that Grant\Revenue are received in the bank account of JMC through online\EFT mode but the receipt is only taken out by JMC for the same in the later period which many times falls in the subsequent accounting period. The receipt of the Grant\Revenue amount should be taken out properly in time.</p> <p>Many grants are being booked in suspense Head, instead of Specific Head.</p> <p>There have been cases of unverified grant received by the JMC and capitalized by it in other grant.</p>
	vii.	<p>The auditor shall verify the fixed asset register from other records and discrepancies shall be brought to the notice of commissioner/CMO.</p>	<p>Fixed Asset Register and Dead stock register is not maintained at ULB. Details of various register are not maintained in accordance with the prescribed format in MP MAM.</p> <p>Only details regarding incoming and outgoing of office equipment's, furniture etc. is maintained at General Section, in which sufficient details to location of the issued items were not mentioned.</p> <p>Fixed asset details have been maintained in excel and consolidated entry is made in books of accounts.</p> <p>Also, no marking done on the individual assets for identification shows lack of Internal Controls of JMC.</p>
	viii.	<p>The auditor shall reconcile the accounts of receipt and payments especially for project funds.</p>	<p>No separate cash book is maintained for project wise receipt and payments. Hence, we could not able to verify the same.</p> <p>In case of Grants of AMRUT, PMAY, SWACHTA no receipt is being generated by JMC through E-NAGARPALIKA.</p> <p>In case of other grants receipts are not being</p>



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			generated in a timely manner by the JMC.
Audit of FDR.	i.	The auditor is responsible for audit of all Fixed deposits and term deposits.	We have checked the FDR Register, but the latest interest details were not made available to us by the concerned person and the register is not maintained properly. FDR register should be maintained as per the standards regarding its interest portion and reinvestment amount and should be updated regularly.
	ii.	It shall be ensured that proper records of FDR's are maintained and all renewals are timely done.	Urban local bodies are required to maintain register with complete details of its investments with specific security along with details of investment matured during the year. No proper working as prescribed related to recording of investment matured during the year in the respective registers where the working should be maintained was found.  During the Audit it was observed that, FDR register was not updated regarding the information mentioned below: -
			1. Rate of Interest (In some cases). 2. Rate of interest when fixed deposits renewed. 3. Maturity amount of fixed deposit not specifically mentioned in register. 4. Interest income on renewal and accrued interest income were not updated.  Some cases of delay in renewals of FDRs were also found.
	iii.	The cases where FDR's/TDRs are kept at low rate of interest than the prevailing rate shall be immediately brought to the notice of commissioner/CMO.	During the scrutiny period i.e. 2019-20, FDRs which were matured before the date of audit, in these cases we could not comment on the rate of interest, time of investment and for renewal period of FDRs as interest rate on deposit and on renewal were not mentioned in FDR register.  Further it was observed that in some cases FDRs investment period was short term and there was a delay in renewal, resulting in interest loss to ULB.
	iv.	Interest earned on FDR/TDR	As cash book of receipts were not maintained, interest



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		<p>shall be verified from entries in the cash book.</p>	<p>income on FDRs matured and Accrued is accounted at the time of finalization of accounts through journal entries.</p> <p>During our audit of FDRs, we have found that, Details relating to FDRs in the FDR Register was not maintained as per MPMAM and reconciliation between register and accounts is under progress.</p>
<p><b>Audit of Tenders / Bids.</b></p>	<p>I.</p>	<p>The auditor is responsible for audit of all tenders/bids invited by the ULB's.</p>	<p>Various departments and zones of the ULB are not maintaining any proper Tender register from where tenders awarded during the year can be assured. We could not have verified all the tenders/bids invited during the year 2019-20 as all files which we have asked for audit were not provided to us during our Audit by the concerned officers of the Respective zones and departments.</p> <p>On the basis of files produced for our audits we have observed following discrepancies in some files.</p> <ul style="list-style-type: none"> <li>• Date of Agreement and Signature of the concerned officer was not found in the agreement.</li> <li>• Signature of concerning officer was missing from Letter of Acceptance.</li> <li>• Signature of concerning officer was missing from the Work Order.</li> <li>• Agreement has not been executed on appropriate amount of stamp paper.</li> <li>• Signature of respective officer was not found in the Rate Analysis Sheet/Estimation sheet annexed.</li> <li>• While opening tender signature of competent authority was missing in Quotation submitted by tenderer. Such type of practices indicates non accountability &amp; lack of transparency as well as negligence in prescribed procedures.</li> <li>• Individual Envelopes of the respective parties were not found attached in the file</li> <li>• Only one application was received in the first call and without making any further</li> </ul>



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			<p>calls contract was awarded to single bidder.</p> <ul style="list-style-type: none"> <li>• Agreement has been executed without presence of witnesses</li> <li>• Additional Stamp paper is attached, but the signature of both contractor and engineer is missing.</li> <li>• Comparison statement made but not signed.</li> <li>• Security deposit is not being deducted from many expenses.</li> </ul>
			<ul style="list-style-type: none"> <li>• Parties came for the tender doesn't provide the Audit Report /other supporting documents to established their credentials required in Tender document, even after that tender was allotted to the concerned party.</li> <li>• Common seal of the contractor missing from the agreement.</li> <li>• Documents submitted by the Bidders are not attested.</li> <li>• In many cases Bidder did not submitted Past work details in the tender /documents. It is essential as to verify whether the bidder is eligible for the tender technically.</li> <li>• In many cases Bidder did not submitted Turnover details along with ITR in the tender documents. It is essential as to verify whether the bidder is eligible for the tender financially.</li> <li>• In many cases Period of Work is mentioned differently in Letter of Agreement and Work order.</li> <li>• There is contradictory information mentioned in file.</li> <li>• In many cases there has been witnessed a delay in completion of work by several months.</li> <li>• In many cases Payment made after completion of Delayed work did not</li> </ul>



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- In one case penalty was not deducted for delayed submission of Construction Program @1% as per tender Clause.
- In many cases New agreement was not made for the established tender. Old agreement was used as it is which was made for old tenders.
- As per Tender Requirement Agreement should be made within 15 days of Letter of agreement. In many cases Agreement was made well after completion of 15 days.
- In one case it was observed that a letter was issued to the contractor to appoint Control quality engineer as per tender requirement but no subsequent follow either from the department or the contractor was available in the documents.
- Several Projects require insurance to be made as per Agreement and Tender clause. But Insurance documents relating to the concerned projects are not available in the documents.
- Payment being made to the MPBPSKS is not accurate. HRA being paid to the entity is at 20% where actual DGR rate is 16%. There exist income leakage.
- EPF and ESIC statements are not being submitted to the Municipality as per Tender conditions. There exist a concern for nonpayment of EPF and ESIC as per government concerns.
- As per tender condition, statement of statutory deductions is not being submitted to JMC as a proof of the payment and hence could not be verified by us whether statutory liabilities regarding the employees is being paid by the contractor or not.
- Most Tender gets completed with delay in the agreed period without taking proper extension permission from appropriate authority.



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			<ul style="list-style-type: none"><li>• The JMC comes under permanent residential audit. Hence all the files are audited by residential auditors from there approval to payment. We have relied upon their audit and concluded our observation based on our files audited on test check.</li><li>• Individual Envelopes of the respective parties were not found attached in the file</li></ul>
	ii.	He shall check whether competitive tendering procedures are followed for all bids.	<p>On the basis of records make available during our audit, we have verified that competitive tendering procedures are followed by the department, except in some cases where single bid tender have been allotted.</p> <p>In some cases, it has been observed that a single person has paid the bidding fees for different parties on the same date by same cheque which raises serious concern over the fact that whether or not all the bidders are independent or not.</p> <p>In order to avoid online tender process which is most transparent process and to allot work to on offline basis work orders were estimated cost of work orders were kept lower than Rs.100000 and that could be easily made to the supplier. Steps should be taken to control such malicious transactions which may hurt public interest.</p> <p>So Many files were not provided to us. Hence, we are unable to express our opinion on that. Also, we have found that proper maintenance of file is not being done and no index/work register etc. maintained from where we could identify how many tenders/enquiries were made for the period under audit. Also register for EMD/SD received and released is not being maintained to identify the fulfillment of whether post work completion conditions are compiled or not.</p>



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	iii.	He shall verify the receipts of tender fee/bid processing fee/ performance guarantee both during the construction and maintenance period.	On the basis of records make available during our audit, we have not across the instances where tender fees, performance guarantee, are not obtained.  No separate record is being maintained for E-Tender Fees received.
	iv.	The bank guarantees, if received in lieu of bid processing fee/ performance guarantee shall be verified from the issuing banks.	Out of the files we checked, we have found that due verification of the BG is being carried out by JMC from their respective RO/ZO. However, verification of all Bank Guarantees has not been carried out as not provided to us and as per concerned officer all the BGs are not with the concerned zone's and were transferred to the Nagar Nigam Head Office and vice versa.
	v.	The conditions of BG's shall also be verified; any BG with any such condition which is against the interests of the ULB shall be verified and brought to the notice of Commissioner.	The contractor has submitted Bank Guarantee as performance security but period of O & M is not covered under the BG submitted by the contractor BGs have not been verified form from issuing branch.  It has been found that BG submitted by the parties is often of a short period and requires renewal many times which does not happen regularly. Hence it is advisable that BG is taken by the JMC of relatively longer period than the duration of the project as the projects gets delayed too very often without taking proper extension permission from appropriate authority.
	vi	The cases of extension of BG's shall be brought to the notice of Commissioner. Proper guidance to extend the BGs shall also begiven to ULB's.	We have found some cases where contract is expired or near to expired but process of extension of bank guarantee is still not undertaken timely even though the contract is still due for completion. The cases have been brought to notice of concerned departments.
<b>Audit of Grants and loans</b>	i.	The auditor is responsible for the audit of grants given by central government and its utilization.	Jabalpur Municipal Corporation has received 14 <sup>th</sup> Finance Commission, AMRUT& PMAY Grant from Central Government  during the F.Y. 2019-20. Utilization certificate for same was issued. For another Grant Register is not maintained in prescribed format, utilization



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		<p>(payment of grant) for particular work for which grant is received is not updated in the register. So, we are unable to identify that whether the grant has been used for the purposes for which it was received by the Jabalpur Municipal Corporation.</p> <p>Nature of grants is also not mentioned in many cases.</p> <p>JMC has not been contributing it's share of contribution in the projects which specifically requires own contribution as a terms and condition for availing of grants.</p>
ii.	He is responsible for audit of grants received from state government and its utilization.	We have verified the grants received from state government, but utilization certificates regarding such were not provided to us hence we are not able to comment on same.
iii.	He shall perform audit of loans provided for physical infrastructure and its utilization. During the audit the auditor shall specifically comment on the revenue mechanism i.e., whether the asset created out of the loan has generated the desired revenue or not. He shall also comment on the possible reasons for non-generation of revenue.	<p>JMC has not taken any loan during the FY 2019-20.</p> <p>JMC has taken loan from HUDCO for infrastructure development and has deposited the money in various bank accounts In which it is earning an interest rate of 4% whereas the loan is to be repaid with an interest rate of 8%. Care should be taken to utilize money on time without the need to keep it idle in bank accounts.</p> <p>JMC has outstanding debt from two agencies: -</p> <p><b>1. Asian Development Bank(ADB):-</b> Taken under project Udhay Scheme. The primary objective of the project is to promote sustainable growth and poverty reduction, in the JMC the project will:</p> <ul style="list-style-type: none"> <li>• Provide sustainable basic urban infrastructure and services to all the citizens of the city; and</li> <li>• Strengthen the capacities of the city to plan and manage urban water supply and</li> </ul>



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sanitation system in a more effective, transparent and sustainable manner.

The Project comprises of three parts: -

• Part-A-The urban water supply & environmental improvement: -

Covers the improvement and expansion of the following municipal infrastructure and services:

- (i) Urban water supply.
- (ii) Sewage and sanitation.
- (iii) Storm Water drainage and
- (iv) Solid waste management.

• Part-B-Is Designed to increase the awareness and participation of the project beneficiaries in project implementation through-

- (i) Two community level funds that will provide participatory planning between the municipal authorities and the poor communities at the neighborhood level, for integrating slum improvements with city wide infrastructure.

And,

- (ii) The Water for Asian Cities Program in India covering urban water conservation and demand management, to be financed through parallel co financing by United Nations Humans Settlements Programme (UN-HABITAT).

• Part-C-Project Implementation Assistance- will be support to the Project Management Unit (PMU) at state-level and Project Implementation Unit (PIUs) at city-level, with activities immediately related to implementation of the Project.

JMC Still not levy any charges for sewage and sanitation, storm water drainage, solid waste management and also not achieved desired



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assets created out of ADB loan has not generated the desired revenue for JMC.

2. HUDCO Loan20241:-

The loan was taken for the CM City Infrastructure Development and CM Drinking Water Scheme. The assets created out of loan amount is having nature of infrastructure development (i.e. the assets created out of loan is road Etc.). The asset is not subject to any levy of tax; hence it will not generate any additional revenue for JMC.

3. HUDCO Loan20373:-

For funding of JMC contribution in JNNURM project. The work undertaken in this scheme is for EWS housing, Sewage (Ph-I, Ph-II) & Drainage. Some of the work is still under progress and apart from housing project in other infrastructure work created out of the loan funds not generating any revenue as levy charges is not yet commenced.

iv. The auditor shall specifically point out any diversion of funds from capital receipts/grants/loans to revenue expenditure.

ULB has not maintained separate bank accounts for each head of grant received, whereas all major grant is received in one bank account (SBI account) & One to one correlation with fund received and its utilization is not possible as JMC has not maintained sufficient records/bank accounts for each grant. Only one cash book is maintained for all kinds of payment and also where separate bank account is opened for any grant/fund bank statements for some of fund is not made available.

Also expenditure out of grant received not mentioned in grant register from where diversion of funds can be ascertained.

However, while scrutinizing bank statements of various grant bank accounts we have identified probable entries of Fund Diversion which explained by account department that they have temporary availed of funds from specified fund/grant (Amrut, Ashrya Nidhi, HUDCO Loan, Colony Cell, Swakshata etc.) to settle utmost



Schedule forming part of Audit Report :-Jabalpur Municipal Corporation FY 2019-20

Payment from HUDCO loan account of Kotak Mahindra Bank in the following case for the general payment head of JMC.

- Rs 1.59 Cr. paid on 24.10.2019

Payment from Ashray Nidhi account of Kotak Mahindra Bank in the following case for the other expenditure payment of JMC.

- Rs 7.19 Cr. paid on various dates to various parties

Payment from Ashray Nidhi account of Canara Bank in the following case for the other expenditure payment of JMC.

- Rs 7.77 Cr. paid on various dates to various parties

Payment from HUDCO Loan account of IDBI Bank in the following case for the other expenditure payment of JMC.

- Rs 02 Cr. paid on 27.05.2019

Fund has been transferred from HUDCO loan account in the following case to the general payment account of the JMC which is not accordance to the loan agreement.

- Rs 03 Cr. Transferred on 27.05.2019

AMRUT Yojna account of Union Bank of India of the following amount at the respective dates. These amounts have been transferred to general payment accounts of JMC.



Schedule forming part of Audit Report :-Jabalpur Municipal Corporation FY 2019-20

- Rs 20 Cr. Transferred on 06.07.2019 to JMC General head bank account and subsequently reverted on 18.10.2019
- Rs 15 Cr. Transferred on 07.09.2019 to JMC General payment account and subsequently reverted on 27.09.2019

AMRUT Yojna account of HDFC Bank of the following amount at the respective dates. These amounts have been transferred to general payment accounts of JMC.

- Rs 10 Cr. Transferred on 23.10.2019 to JMC General head bank account
- Rs 9.06 Cr. Paid to JMC Contractor on 25.10.2019.

Swakhta account of HDFC Bank of India of the following amount at the respective dates. These amounts have been transferred to general payment accounts of JMC.

- Rs 3.19 Cr. Paid to JMC Contractor on 05.03.2020
- Transferred in JMC General Bank Account HDFC -1976 Rs 5Cr on 5.3.2020

Fund has been transferred from the Colony cell account of Allahabad Bank in the following case to the general payment account of the PMAY account.

- Rs 1.27 Cr. Paid to PMAY Contractor on 03.07.2019
- Rs 2.02 Cr. Paid to PMAY Contractor on 06.08.2019
- Rs 10.0 Cr. Transferred on 07.03.2020 to JMC



## Schedule forming part of Audit Report :-Jabalpur Municipal Corporation FY 2019-20

			<p style="text-align: center;"><b>General Bank Account</b></p> <p>All the cases of fund utilization from specific fund/grant has been notified and discussed with the management of JMC and they have assured us that all the funds used elsewhere will be reverted back to their respective accounts in due time.</p>
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अपर आयुक्त (वित्त)  
नगर निगम जबलपुर

For SOURABH JAIN & CO.  
Chartered Accountants

  
CA Sourabh Jain (Partner)  
No.-410577, FRN-015644C

Abstract Sheet for reporting on Audit Para for financial year 2019-20 of Jabalpur Municipal Corporation

Sr. No.	Parameters	Description	Observation in Brief	Suggestion
1.	Audit of Revenue	Non recovery of property & water tax etc.	<ul style="list-style-type: none"><li>• No separate cash book is maintained for all kind of revenue receipts.</li><li>• Receipts are not being made for the online Tender fees received directly in bank accounts.</li><li>• Cash book is not being maintained for Receipts of money deposited for Building permission cell is computer generated through building permission software.</li><li>• Cheque return charges were levied by bank on dishonor of cheques but same were not recovered from many payer.</li><li>• Revenue receipts were cancelled without signature of the concerned authority.</li><li>• Bounced payment and interest accrued to the account of 'Building permission' has been taken as Income of 'Building Permission'.</li><li>• Consolidated receipts are being generated for the BSUP contribution, Trade License, and MAP Fees.</li><li>• ULB did not achieve its yearly revenue Recovery targets.</li></ul>	Sincere Efforts should be made for such recovery by ULB.



Abstract Sheet for reporting on Audit Para for financial year 2019-20 of Jabalpur Municipal Corporation

<p>2.</p>	<p>Audit of Expenditure</p>	<p>Various departments of JMC have not maintained any bill/payment register from where bills passed for payment during the period could be identified.</p>	<p>We have observed following discrepancies in many files.</p> <ul style="list-style-type: none"> <li>• Many requisite documents are not annexed in files to establish genuineness of expenditure and payment Completion Certificate not found annexed in the file.</li> <li>• No contract completion certificate was attached in the file, from where penalty clause can be insured. Also penalty is not being deducted for delayed completion of work.</li> <li>• Work is still not completed even after many years of expiration of stipulated time but contract is not terminated.</li> <li>• Many assets of the ULB are not in working conditions and kept as SCRAP.</li> <li>• No penal clause in case of work not completed within stipulated time mentioned in work order.</li> <li>• GST is being charged by the parties in cases where bill does not even mention its GST number raising concerns over its genuineness.</li> <li>• Unreconciled/Non-payment/Delayed payment of statutory liabilities.</li> <li>• Many files related to Expenditure and tenders of Various section of JMC were not provided to us having huge expenditures. These files may affect our audit observation if they could have been provided.</li> </ul>	<p>Rules &amp; Guidelines should be adhered before making expenditure.</p>
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**Abstract Sheet for reporting on Audit Para for financial year 2019-20 of Jabalpur Municipal Corporation**

3.	Audit of Book Keeping	<ul style="list-style-type: none"><li>Records not completed or not prepared as per as prescribed rules</li></ul>	<ul style="list-style-type: none"><li>Monthly Balancing was not found in the Cash Book.</li><li>No separate cash book is maintained for project wise, fund wise receipt and payments</li><li>All files are not being updated in E-NAGARPALIKA software.</li><li>There is difference between subsidiary ledger maintained at account section and in financial accounts of various ledgers.</li><li>JMC is not doing provisioning of Sanchit Nidhi at the rate of 5% of tax revenue as per Municipal Act 1956.</li><li>Sometimes it has been noticed that after the budget of particulars head has been exhausted then the excess expenditure has been booked in other heads.</li><li>There has been many cases of booking expense in an incorrect code.</li><li>There is significant accumulated difference between arrears as per revenue section and arrears as appearing in Balance Sheet.</li><li>JMC has around Rs 150 Crore liability towards various capital and Revenue expenditure up to 31.03.2020 not considered in books of accounts till the period 2019-20.</li></ul>	Accounts & Other subsidiaries records as prescribed in MP MAM should be adhere for maintenance of accounts records.
4.	Audit of FDR	While checking the FDRs, it is found that the FDRs are not renewed on maturity date	<ul style="list-style-type: none"><li>Interest income on renewal and accrued interest income were not updated in FDR Register.</li><li>Quotation were not called before making investments in FDRs</li></ul>	Rate Quotation should be asked from various banks before making any such investments to get better interest rate.



Abstract Sheet for reporting on Audit Para for financial year 2019-20 of Jabalpur Municipal Corporation

5.	Audit of Tenders/Bids	Rules & Guidelines not adhere while awarding contract.	<p>On the basis of files produced for our audits we have observed following discrepancies in some files.</p> <ul style="list-style-type: none"> <li>• Agreement has not been executed on appropriate amount of stamp paper</li> <li>• Many files related to Expenditure and tenders Various section of JMC were not provided to us including having huge expenditures. These files may affect our audit observation if they could have been provided.</li> <li>• In many cases New agreement was not made for the established tender. Old agreement was used as it is which was made for old tenders.</li> <li>• EPF and ESIC statements are not being submitted to the Municipality as per Tender conditions. There exist a concern for nonpayment of EPF and ESIC as per government concerns.</li> <li>• In some cases, it has been observed that a single person has paid the bidding fees for different parties on the same date by same cheque which raises serious concern over the fact that whether or not all the bidders are independent or not.</li> </ul>	Rules & Guidelines should be adhered before awarding contract.
6.	Audit of Grants & Loans	All Grants are not recorded on grant register.	<ul style="list-style-type: none"> <li>• Utilization certificate were not prepared for some grants.</li> <li>• Grant Register is not maintained in prescribed format</li> <li>• ULB has not maintained separate bank accounts for each head of grant received, whereas all major grant is received in one bank account &amp; One to one correlation with fund received and its utilization is not possible</li> <li>• Grant Register is maintained but details of grant utilization (payment of grant) for particular work for which grant is received is not updated in the register.</li> </ul>	Grant Register should be maintained in prescribed format, utilization (payment of grant) for particular work for which grant is received should be updated in the



**Abstract Sheet for reporting on Audit Para for financial year 2019-20 of Jabalpur Municipal Corporation**

7.	Incidences relating to diversion of funds from Capital receipts/Grants / Loans to Revenue Nature Expenditure and from one scheme/project to another	Cases of Transfer of fund from designated fund bank accounts to municipal fund bank accounts were found	Temporary overdrawn of fund from specified schemes accounts has been noticed during the audit.	ULB should prepare separate cash book/registers for each grant, loan to ascertain its proper utilization.
8	Any Other			
	<b>Percentage of Revenue Expenditure</b> (Establishment , Salary, Operation & Maintenance) with respect to Revenue Receipts (Tax and non-tax) excluding Octroi, Entry Tax, Stamp Duty and other grants etc.	Percentage of Revenue Expenditure with respect to Revenue Receipts =205.77%	<ul style="list-style-type: none"> <li>Revenue Expenditure with respect to Revenue Receipts is very high</li> </ul>	ULB should take appropriate actions to increase its own sources of revenue income.
	b) Percentage of Capital Expenditure with respect to Total Expenditure	Percentage of Capital Expenditure with respect to Total Expenditure= = 31.67 %	<ul style="list-style-type: none"> <li>ULB is dependent on Grants and compensations received from government for making capital expenditures.</li> </ul>	ULB utilized Most of its own revenue income for revenue expenditure as compared to capital



**Abstract Sheet for reporting on Audit Para for financial year 2019-20 of Jabalpur Municipal Corporation**

				expenditure.
9	Whether all the temporary advances have been fully recovered or not	Many temporary advance pending for recovery since long.	Some advances which are pending for recovery since long and no adjustment has taken in reasonable period.	Substantial steps is required to recover /adjustment for temporary advance.
10	Whether the bank reconciliation statement have been regularly prepared	-	Reconciliation was not carried out on timely basis, Many untraceable entries were also found in Reconciliation aging from one month to five years	ULB should close many accounts which are less in use or inoperative.

  
**सुरभ आर्युक्त (वित्त)**  
 नगर निगम जबलपुर

For **SOURABH JAIN & CO.**  
 Chartered Accountants

  
 CA Sourabh Jain (Partner)  
 M.No.-410577, FRN-015611

**Percentage of revenue collection increases decreases in various heads in property tax**

Name of ULB: Jabalpur Municipal Corporation

FY:- 2019-20

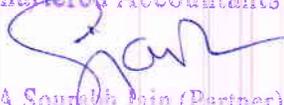
Name of Auditor: Sourabh Jain & Co.

Annexure-1

Audit Of Revenue				Overview in brief	Suggestions	
Sr.NO	Parameter	description				
Revenue Income		Receipts (Including Arrears)in Rs				
		Year 2018-19	Year 2019-20	% of Growth		
1	Property tax				There is increase in overall revenue recovery, Huge old arrears are pending for recovery of property & Water Tax.	ULB need to improve its revenue base
2	Samekit kar					
3	Nagariya vikas upkar					
4	Shiksha upkar	69.54	62.6	(9.98)		
<b>Total</b>		<b>69.54</b>	<b>62.6</b>	<b>(9.98)</b>		
<b>Non Revenue Taxes</b>						
1	Building/Complex rent	5.07	17.28	240.83		
2	Water Charges	26.52	24.52	(7.54)		
3	Solid Waste Management	0.00	0.00	0.00		
4	Other Misc Taxes	75.66	73.38	(3.02)		
<b>Total</b>		<b>107.25</b>	<b>115.18</b>	<b>7.39</b>		
<b>Grant Total</b>		<b>176.79</b>	<b>177.78</b>	<b>0.56</b>		

Note:-Above figures also includes amount of arrears.

  
**सुरभर आयुक्त (वित्त)**  
**नगर निगम जबलपुर**

**For SOURABH JAIN & CO.**  
**Chartered Accountants**  
  
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**M.No.-410577, FRN-015644C**

