

Schedule –B-21

Significant Accounting Policies, Notes To Account

31st March 2025

Nagar Palika Parishad KATANGI

Submitted to

Directorate of Urban Administration and Development
Government of Madhya Pradesh
Palika Bhavan, Shivaji Nagar
Bhopal

Submitted by

A K DIKSHIT & ASSOCIATES

BALAGHAT

MP Urban Local Body, Katangl

BALANCE SHEET

As at 31 March 2025

	Particulars	Schedule no.	Current year (Rs)		Previous year (Rs)	
A	SOURCES OF FUNDS					
A1	Reserves and Surplus					
	Municipal (General) Fund	B-1	60007050.74		70119507.32	
	earmarked Funds	B-2	4391406.89		3813911.89	
	Reserves	B-3	11214040.72		2635558.01	
	Total Reserves and Surplus			77612498.35		76588977.22
A2	Grants/Contribution for Specific Purpose	B-4	91005351.46	91005351.46	83313551.46	83313551.46
A3	Loans					
	Secured loans	B-5	10901807.00		11296147.00	
	Unsecured loans	B-6	0.00		0.00	
	Total Loans			10901807.00		11296147.00
	TOTAL SOURCES OF FUNDS (A1 - A3)			179519656.81		171198675.68
B	APPLICATION OF FUNDS					
B1	Fixed Assets	B-11				
	Gross Block		215985821.00		209414933.00	
	Less: Accumulated Depreciation		127218688.64		119124750.32	
	Net Block		88767132.36		90290182.68	
	Capital Work-in-Progress		5081373.00		3314791.00	
	Total Fixed Assets			93848505.36		93604973.68
B2	Investments					
	Investment- General Fund	B-12	7529326.00		6500826.00	
	Investment-Other Funds	B-13	0.00		0.00	
	Total Investment			7529326.00		6500826.00
B3	Current assets, loans & advances					
	Stock in hand (inventories)	B-14	0.00		0.00	
	Sundry Debtors (Receivables)	B-15				
	Gross amount outstanding		2216342.00		2209777.00	
	Less: Accumulated Provision against bad and doubtful receivables		0.00		0.00	
	Sundry Debtors (Receivables) - Net		2216342.00		2209777.00	
	Prepaid expenses	B-16	0.00		0.00	
	Cash and Bank Balances	B-17	41612867.45		27413175.00	
	Loans, advances and deposits	B-18	44835427.00		44835427.00	
	Total Current Assets		88664636.45		74458379.00	
B4	Current Liabilities and Provisions					
	Deposits received	B-7	500505.00		72500.00	
	Deposit Works	B-8	0.00		300554.00	
	Other liabilities (Sundry Creditors)	B-9	7045795.00		436719.00	
	Provisions	B-10	2976511.00		2555730.00	
	Total Current Liabilities		10522811.00		3365503.00	
	Net Current Assets (B3-B4)			78141825.45		71092876.00
C	Other Assets	B-19		0.00		0.00
D	Miscellaneous Expenditure (to the extent not Written off)	B-20		0.00		0.00
	TOTAL APPLICATION OF FUNDS			179519656.81		171198675.68
	[B1+B2+B3+B4+C+D]					
Notes to the Balance Sheet - Figures of previous year are subject to reconciliation as no balance sheet is attached in last year audit report.						



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MP urban Local Body,
Schedule B-1: Municipal (General) Fund (Rs)

Account Code	Particulars	Water Supply, Sewerage and Drainage	Road Development and Maintenance	Bustee Services	Commercial Projects	General Account
						70119507.66
31010	Balance as per last amount	0.00	0.00	0.00	0.00	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
31090	Surplus for the year	0.00	0.00	0.00	0.00	0.00
	Transfers	0.00	0.00	0.00	0.00	0.00
	Total (Rs)	0.00	0.00	0.00	0.00	70119507.06
	Deductions during the year	0.00	0.00	0.00	0.00	0.00
31090	Deficit for the year	0.00	0.00	0.00	0.00	-10112458.31
	Transfers	0.00	0.00	0.00	0.00	0.00
310	Balance at the end of the current year	0.00	0.00	0.00	0.00	60007050.74

Schedule B-2: Earmarked Funds (Special Funds/Sinking Fund/Trust of Agency Fund)

Account Code	Particulars	Special Fund 1 Sanchit nidhi	Special Fund 2	Special Fund 3	Special Fund 4	Pension Fund	General Provident Fund
	(a) Opening Balance	3833911.89	0.00	0.00	0.00	0.00	0.00
	(b) Additions to the Special Fund	557495.00	0.00	0.00	0.00	0.00	0.00
	- Transfer from Municipal Fund	0.00	0.00	0.00	0.00	0.00	0.00
	- Interest/Dividend earned on Social Fund Investments	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
	- Appreciation in Value of Special Fund Investments	0.00	0.00	0.00	0.00	0.00	0.00
	Mandatory transfer from revenue collection	0.00	0.00	0.00	0.00	0.00	0.00
	Total (b)	557495.00	0.00	0.00	0.00	0.00	0.00
	(c) Payments Out of Funds	0.00	0.00	0.00	0.00	0.00	0.00
	[1] Capital expenditure on	0.00	0.00	0.00	0.00	0.00	0.00
	- Fixed Asset	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
	[2] Revenue Expenditure on	0.00	0.00	0.00	0.00	0.00	0.00
	- Salary, Wages and allowances etc.	0.00	0.00	0.00	0.00	0.00	0.00
	- Rent Other administrative charges	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
	- Loss on disposal of Special Fund investments	0.00	0.00	0.00	0.00	0.00	0.00
	- Diminution in Value of Special Fund investments	0.00	0.00	0.00	0.00	0.00	0.00
	- Transferred to Municipal Fund	0.00	0.00	0.00	0.00	0.00	0.00
	Total (c)	0.00	0.00	0.00	0.00	0.00	0.00
311	Net Balance of Special Funds [(a+b)-(c)]	4391406.89	0.00	0.00	0.00	0.00	0.00

Schedule B-3: Reserves

Account Code	Particulars	Opening Balance (Rs)	Additions During the Year (Rs)	Total (Rs)	Deductions During the Year (Rs)	Balance at the End of Current Year (Rs)
1	2	3	4	5(3+4)	6	7(5-6)
31210	Capital Contribution	0.00	0.00	0.00	0.00	0.00
31220	Borrowing Redemption Reserve	0.00	0.00	0.00	0.00	0.00
31230	Special Funds (Utilised)	0.00	0.00	0.00	0.00	0.00
31240	Statutory Reserve	2635558.01	11817742.31	14453300.32	1239259.60	13214040.72
31250	General Reserve	0.00	0.00	0.00	0.00	0.00
31260	Revaluation Reserve	0.00	0.00	0.00	0.00	0.00
31211	Capital Reserve	0.00	0.00	0.00	0.00	0.00
	Total Reserve funds	2635558.01	11817742.31	14453300.32	1239259.60	13214040.72



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Schedule B-4: Grants & Contribution for Specific Purposes

Particulars	Grants from Central Government	Grants from State Government	Government Agencies	Grants from Financial Institutions	Others Specify	Total
Account Code	32010	32020	32030	32040	32080	
(a) Opening Balance	14537062.00	22983555.98	0.00	0.00	45792933.48	83313551.46
(b) Additions to the Grants						0.00
Grant received during the year	13216000.00	7953000.00	0.00	0.00	8500000.00	29669000.00
Interest/Dividend earned on Grant investments	0.00	0.00	0.00	0.00	0.00	0.00
Profit on disposal of Grant investments	0.00	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	0.00
Other addition (Specify nature)	0.00	0.00	0.00	0.00	0.00	0.00
Total (b)	13216000.00	7953000.00	0.00	0.00	8500000.00	29669000.00
Total (a+b)	27753062.00	30936555.98	0.00	0.00	54292933.48	112982551.46
(C) Payment out of funds	0.00	0.00	0.00	0.00	0.00	0.00
Capital expenditure of Fixed Assets	0.00	0.00	0.00	0.00	0.00	0.00
Capital Expenditure of Other	0.00	0.00	0.00	0.00	0.00	0.00
Revenue Expenditure on	0.00	0.00	0.00	0.00	0.00	0.00
Salary, Wages, allowances etc	0.00	0.00	0.00	0.00	0.00	0.00
Rent	0.00	0.00	0.00	0.00	0.00	0.00
Other	13582000.00	8395200.00	0.00	0.00	10580000.00	0.00
Loss on disposal of Grant investments	0.00	0.00	0.00	0.00	0.00	0.00
Diminution in Value of Grant investments	0.00	0.00	0.00	0.00	0.00	0.00
Other Administrative Charges	0.00	0.00	0.00	0.00	0.00	0.00
Total (C)	13582000.00	8395200.00	0.00	0.00	10580000.00	21977200.00
Net balance at the year end (a+b) - (C)	14171062.00	22541355.98	0.00	0.00	43712933.48	91005351.46



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Schedule B-5: Secured Loans

Account Code	Particulars	Current Year (Rs)	Previous year (Rs)
33010	Loans from Central Government	0.00	0.00
33020	Loans from State Government	0.00	0.00
33030	Loans from Govt. bodies & Associations	0.00	0.00
33040	Loans from international agencies	0.00	0.00
33050	Loans from banks & other financial institutions	0.00	0.00
33060	Other Term Loans	10901807.00	11296147.00
33070	Bonds & debentures	0.00	0.00
33080	Other Loans	0.00	0.00
	Total Secured Loans	10901807.00	11296147.00

Notes:

- *The nature of the Security shall be specified in each of these categories;
- *Particulars of any guarantees given shall be disclosed;
- *Terms of redemption (if any) of bonds/debentures issued shall be stated, together with the earliest date of redemption;
- *Rate of interest and original amount of loan and outstanding can be provided for every Loan under each of these categories separately;
- *For loans disbursed directly to an executing agency, please specify the name of the Project for which such loan is raised.

Schedule B-6: Unsecured Loans

Code No.	Particulars	Current Year (Rs)	Previous year (Rs)
33110	Loans from Central Government	0.00	0.00
33120	Loans from State Government	0.00	0.00
33130	Loans from Govt. bodies & Associations	0.00	0.00
33140	Loans from international agencies	0.00	0.00
33150	Loans from banks & other financial institutions	0.00	0.00
33160	Other Term Loans	0.00	0.00
33170	Bonds & debentures	0.00	0.00
33180	Other Loans	0.00	0.00
	Total Unsecured Loans	0.00	0.00

Note:

- *Rate of interest and original amount of loan and outstanding can be provided for every Loan under each of these categories separately;



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Schedule B-7: Deposits Received

Account Code	Particulars	Current Year (Rs)	Previous year (Rs)
34010	From Contractors	500505.00	72500.00
34020	From Revenues	0.00	0.00
34030	From Staff	0.00	0.00
34080	From other	0.00	0.00
	Total deposits received	500505.00	72500.00

Schedule B-8: Deposits Works

Account Code	Particulars	Opening balance as the beginning of the year (Rs)	Utilization/expenditure (Rs)	Balance outstanding at the end of the current year (Rs)
34110	Civil Works	300554.00	300554.00	0.00
34120	Electrical works	0.00	0.00	0.00
34180	Others	0.00	0.00	0.00
	Total of deposit works	0.00	0.00	0.00

Schedule B-9: Other Liabilities (Sundry Creditors)

Account Code	Particulars	Current Year (Rs)	Previous year (Rs)
35010	Creditors	0.00	0.00
35011	Employee Liabilities	6695740.00	556820.00
35012	Interest Accrued and Due	0.00	0.00
35013	Outstanding liabilities	0.00	0.00
35020	Recoveries Payable	350055.00	-120101.00
35030	Government Dues Payable	0.00	0.00
35040	Refunds Payable	0.00	0.00
35041	Advance Collection of Revenues	0.00	0.00
35090	Others (sale Proceeds)	0.00	0.00
	Total Other Liabilities (Sundry Creditors)	7045795.00	436719.00

Schedule B-10: Provisions

Account Code	Particulars	Current Year (Rs)	Previous year (Rs)
36010	Provision for Expenses	2976511.00	2555730.00
36020	Provision for Interest	0.00	0.00
36030	Provision for Other Assets	0.00	0.00
	Total Provision	2976511.00	2555730.00



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Schedule B-11: Fixed Assets

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 during the period	Total at the end of the year	At the end of current year	At the end of Previous year
1	2	3	4	5	6	7	8	9	10	11	12
	Land Buildings									20000000.00	20000000.00
41010	Land	20000000.00	0.00	0.00	20000000.00	0.00	0.00	0.00	0.00	0.00	0.00
41015	Lakes and Pond	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
41020	Buildings	14961306.00	0.00	0.00	14961306.00	432772.49	913589.25	0.00	5256161.71	9204944.29	9912518.40
41025	Heritage Building	1200000.00	0.00	0.00	1200000.00	0.00	0.00	0.00	0.00	0.00	0.00
	Infrastructure Assets									0.00	0.00
41030	Roads & Bridges	84254282.00	2571186.00	0.00	86825468.00	55293797.75	3183151.83	0.00	58482549.58	28347918.44	30998833.07
41031	Sewerage and drainage	40000000.00	1764181.00	0.00	41764181.00	27063625.10	1525559.19	0.00	28589184.29	131747996.61	14294336.80
41032	Water ways	15056541.00	470878.00	0.00	15527419.00	9811702.85	92987.16	0.00	10426689.81	5100729.19	5771092.10
41033	Public Lighting	12780280.00	1569570.00	0.00	14349850.00	8543680.14	593205.25	0.00	9142825.39	5206964.41	4674695.76
41040	Plants & Machinery	4033254.00	0.00	0.00	4033254.00	2251222.57	537923.53	0.00	2645053.66	1388204.34	2175862.61
41050	Trucks	8983268.00	0.00	0.00	8983268.00	6571862.67	158446.13	0.00	7104786.15	1828481.85	1667853.96
41060	Office & other equipment	4590608.00	0.00	0.00	4590608.00	3081200.16	130624.00	0.00	2175588.17	1124804.81	1258513.52
41070	Furniture and fittings	3183937.00	116456.00	0.00	3300393.00	2044964.16	33620.86	0.00	155943.32	294130.68	275286.78
41080	Other fixed assets	371457.00	28617.00	0.00	400074.00	122322.46	0.00	0.00	127218688.64	88767132.36	95193941.92
	Sub-Total	209414933.00	6570888.00	0.00	215985821.00	119124750.32	8093938.31	0.00	0.00	5081373.00	2489791.00
412	Capital Work in Progress	3314792.00	1766582.00	0.00	5081373.00	0.00	0.00	0.00	127238688.64	93848505.36	68410251.92
	Total	212729724.00	8337470.00	0.00	221067194.00	119124750.32	8093938.31	0.00	127238688.64	93848505.36	68410251.92

Additional disclosures to the Schedule

1. Value of fixed assets under dispute or litigation shall be provided. The status of the legal case as at the reporting date of the financial statements shall also be mentioned.

2. The details & value of assets, which are not yet physically identified/traced, shall be disclosed separately.

3. Details and value of assets under leases and hire purchase needs to be disclosed as a note.

Note:

1. Additions include fixed asset created out of Earmarked Funds and Grants transferred to Urban Local Body's fixed block as referred to in Schedule B-2 and B-4.

2. Gross Block means cost of acquisition of fixed asset. Opening Balance in Gross Block as on the first day of the year represents the closing balance of the previous year. For instance, the opening balance as on 1 April 2006 shall be equal to the closing asset balance as on 31 March 2006.

3. Land includes areas used as and for the purpose of public places such as parks, squares, gardens, lakes, museums, libraries, godowns etc.

4. Buildings include office and works buildings, commercial buildings, residential buildings, school and college, hospital buildings, public buildings temporary structures and sheds, etc.

5. Roads and bridges include roads, streets, pavements, pathways, bridges, culverts and subways.

6. Sewerage and drainage include sewerage lines, storm-water drainage lines and other similar drainage systems.

7. Waterworks include water storage tank, water wells, bore wells, Water pumping station, Water transmission & distribution system etc.

No depreciation is to be charged on Land.



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Schedule B-12: Investments- General Funds

Account code	Particulars	With whom invested	Face value (Rs)	Current year Carrying Cost (Rs.)	Previous year Carrying Cost (Rs.)
42010	Central Government Securities	0.00	0.00	0.00	0.00
42020	State Government Securities	0.00	0.00	0.00	0.00
42030	Debentures and Bonds	0.00	0.00	0.00	0.00
42040	Preference Shares Equity Shares	0.00	0.00	0.00	0.00
42060	Units of Mutual Funds	0.00	0.00	0.00	0.00
42080	Other Investments	bank	0.00	7529326.00	6500826.00
	Total of Investments General Fund	bank	0.00	7529326.00	6500826.00

Schedule B-13: Investments- Other Funds

Account code	Particulars	With whom invested	Face value (Rs)	Current year Carrying Cost (Rs.)	Previous year Carrying Cost (Rs.)
42110	Central Government Securities	0.00	0.00	0.00	0.00
42120	State Government Securities	0.00	0.00	0.00	0.00
42130	Debentures and Bonds	0.00	0.00	0.00	0.00
42140	Preference Shares Equity Shares	0.00	0.00	0.00	0.00
42160	Units of Mutual Funds	0.00	0.00	0.00	0.00
42180	Other Investments	0.00	0.00	0.00	0.00
	Total of Investments General Fund	0.00	0.00	0.00	0.00

Schedule B-14 Stock in Hand (Inventories)

Account code	Particulars	Current year (Rs)	Previous year (Rs)
43010	Stores Loose	0.00	0.00
43080	Others	0.00	0.00
	Total Stock in hand	0.00	0.00



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Schedule B-15 Sundry Debtors (Receivables)

Account code	Particulars	Gross Amount (Rs)	Provision for Outstanding revenues (Rs)	Net Amount (Rs)	Previous year Net amount (Rs)
43110	<u>Receivables for property taxes</u>				
	Less than 5 year	1976601.00	0.00	1976601.00	1452599.00
	More than 5 year	0.00	0.00	0.00	0.00
	Sub-total	0.00	0.00	0.00	0.00
	Less: State Government Cesses/Levies in Taxes-Control Accounts		0.00	0.00	0.00
	Net Receivables of property Taxes	1976601.00	0.00	1976601.00	1452599.00
43120	<u>Receivables of Other Taxes</u>				
	Less than 3 year	51303.00	0.00	51303.00	51303.00
	More than 3 year	0.00	0.00	0.00	0.00
	Sub-total	0.00	0.00	0.00	0.00
	Less: State Government Cesses/Levies in Taxes-Control Accounts	0.00	0.00	0.00	0.00
	Net Receivables of Other Taxes	51303.00	0.00	51303.00	51303.00
	<u>Receivable of water tax</u>				
	Less than 3 year	79380.00	0.00	79380.00	116787.00
	More than 3 year	0.00	0.00	0.00	0.00
	Sub-total	79380.00	0.00	79380.00	116787.00
43130	<u>Receivables for Fees and User Charges</u>				
	Less than 3 year	109058.00	0.00	109058.00	589088.00
	More than 3 year	0.00	0.00	0.00	0.00
	Sub-total	109058.00	0.00	109058.00	589088.00
43140	<u>Receivables from Other Sources</u>				
	Less than 3 year	0.00	0.00	0.00	0.00
	More than 3 year	0.00	0.00	0.00	0.00
	Sub-total	0.00	0.00	0.00	0.00
43150	Receivables from Government	0.00	0.00	0.00	0.00
43180	Receivables -Control Accounts	0.00		0.00	0.00
	Sub-total	0.00	0.00	0.00	0.00
	Total of Sundry Debtors (Receivables)	2216342.00	0.00	2216342.00	2209777.00



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Schedule B-16: Prepaid Expenses

Account code	Particulars	Current year (Rs)	Previous year (Rs)
44010	Estabilshment		
44020	Administrative	0.00	0.00
44030	Operation & Maintenance	0.00	0.00
	Total Prepaid expenses	0.00	0.00

Schedule B-17: Cash and Bank Balances

Account code	Particulars	Current year (Rs)	Previous year (Rs)
45010	Cash Balance		
	Balance with Bank - Municipal Funds	0.00	0.00
45021	Nationalised Banks		
45022	Other Schedule Banks	41612867.45	27413175.00
45023	Scheduled Co-Operative Bank	0.00	0.00
45024	Post Office	0.00	0.00
	Sub- Total	0.00	0.00
	Balance with Bank - Special Funds	41612867.45	27413175.00
45041	Nationalised Banks		
45042	Other Schedule Banks	0.00	0.00
45043	Scheduled Co-Operative Bank	0.00	0.00
45044	Post Office	0.00	0.00
	Sub- Total	0.00	0.00
	Balance with Bank - Grant Funds	0.00	0.00
45061	Nationalised Banks		
45062	Other Schedule Banks	0.00	0.00
45063	Scheduled Co-Operative Bank	0.00	0.00
45064	Post Office	0.00	0.00
	Sub- Total	0.00	0.00
	Total Cash and Bank balances	41612867.45	27413175.00



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Schedule B-18: Loans, advances, and deposits					
Account Code	Particulars	Opening Balance at the beginning of the year (Rs)	Paid during the current year (Rs)	Recovered during the year (Rs)	Balance outstanding at the end of the year (Rs)
46010	Loans and advances to employees	0.00	0.00	0.00	0.00
46020	Employees Provident Fund Loans	0.00	0.00	0.00	0.00
46030	Loans to Others	0.00	0.00	0.00	0.00
46040	Advance to Suppliers and Contractors	0.00	0.00	0.00	0.00
46050	Advance to Others	0.00	0.00	0.00	0.00
46060	Deposit with External Agencies	0.00	0.00	0.00	0.00
46080	Other Current Assets	44835427.00	0.00	0.00	44835427.00
	Sub- Total	44835427.00	0.00	0.00	44835427.00
461	Less: Accumulated Provisions against Loans, Advances and Deposits [Schedule B-18 (a)]	0.00	0.00	0.00	0.00
	Total Loans, advances, and deposits	44835427.00	0.00	0.00	44835427.00

Account Code	Particulars	Current year (Rs)	Previous year (Rs)
46110	Loans to Others		
46120	Advances	0.00	0.00
46130	Deposits	0.00	0.00
	Total Accumulated Provision	0.00	0.00



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Schedule B-19: Other Assets

Account Code	Particulars	Current year (Rs)	Previous year (Rs)
47010	Deposit Works	0.00	0.00
47020	Other asset control accounts	0.00	0.00
	Total Other Assets	0.00	0.00

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

Account Code	Particulars	Current year (Rs)	Previous year (Rs)
48010	Loan Issue Expenses	0.00	0.00
48020	Deferred Discount on Issue of Loans	0.00	0.00
48021	Deferred Revenue Expenses	0.00	0.00
48030	Other	0.00	0.00
	Total Misscellaneous expenditure	0.00	0.00



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MP Urban Local Body, Katangi
INCOME AND EXPENDITURE STATEMENT
FOR THE PERIOD FROM 1 APR 2024 TO 31MAR 2025

	Account Head	Schedule	Current Year	Previous year
A	Income			
	Revenue Income	IE-1	7007547.00	3855493.00
	Assigned Revenues & Compensations	IE-2	22527390.00	21512290.00
	Rental Income From Municipal Properties	IE-3	2276758.00	410615.00
	Fees & User Charges	IE-4	2068517.00	4841276.00
	Sale & Hire Charges	IE-5	876000.00	1199010.00
	Revenue Grants, Contribution & Subsidies	IE-6	9231176.00	7297167.00
	Income From Investments	IE-7	0.00	0.00
	Accrued Interest	IE-8	594262.00	2563792.00
	Other Income	IE-9	0.00	1920.00
	Total Income		44581650.00	41681563.00
B	Expenditure			
	Establishment Expenses	IE-10	28901738.00	29671553.00
	Administrative Expenses	IE-11	1921726.00	2416050.00
	Operations & Maintenance	IE-12	14865490.00	8520045.39
	Interest & Finance Charges	IE-13	17440.00	14668.27
	Programme Expenses	IE-14	863924.00	533635.00
	Revenue Grants, Contribution and Subsidies	IE-15	29850.00	30836.00
	Provisions and Write Off	IE-16	0.00	0.00
	Miscellaneous Expenses	IE-17	0.00	9902042.00
	Depreciation		8093938.31	7739120.25
	Total Expenditure		54694106.31	58827949.91
C	Gross surplus/ (deficit) of income over expenditure except prior period items (A- B)		-10112456.31	-17146386.91
D	Add/Less: Prior period Items (Net)	IE-18	0.00	0.00
E	Gross surplus/ (deficit) of Income over expenditure after prior period items (C-D)		-10112456.31	-17146386.91
F	Less: Transfer to Reserved Fund		0.00	0.00
G	Net balance being surplus/ (deficit) carried over to Municipal Fund (E- F)		-10112456.31	-17146386.91



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Schedule IE-1: Tax Revenue

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
11001	Property Tax	5574954.00	3018038.00
11002	Water Tax	1112888.00	760116.00
11003	Sewerage Tax	0.00	0.00
11004	Samakit tax	0.00	0.00
11005	Lighting Tax	0.00	100.00
11006	Education Tax	0.00	0.00
11007	Vehicle Tax	0.00	0.00
11008	Tax on Anilals	20050.00	42000.00
11009	Electricity Tax	0.00	0.00
11010	Professional Tax	0.00	0.00
11011	Advertisement Tax	0.00	0.00
11012	Pilgrimage Tax	0.00	0.00
11013	Export Tax	0.00	0.00
11051	Octroi & Toll	0.00	0.00
11060	Cess	0.00	0.00
11080	Others Taxes	299655.00	35239.00
11090	Tax	0.00	0.00
	Sub Total	7007547.00	3855493.00
11090	Less: Tax Remissions & Refund [Schedule IE - 1(a)]	0.00	0.00
	Sub Total	7007547.00	3855493.00
	Total Tax Revenue	7007547.00	3855493.00

Schedule IE-1 (a): Tax Remission & Refund

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
1109001	Property Tax	0.00	0.00
1109002	Octroi & Toll	0.00	0.00
1109003	Surcharge	0.00	0.00
1109004	Advertisement tax	0.00	0.00
1109011	Others	0.00	0.00
	Total refund and remission of tax revenues	0.00	0.00

Schedule IE-2: Assigned Revenues & Compensations

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
12010	Taxes and Duties Collected By Others	3401596.00	2649734.00
12020	Compensation in Lieu Of Taxes/Duties	19125794.00	18862556.00
12030	Compensation in Lieu Of Concession	0.00	0.00
	Total Assigned Revenues & Compensations	22527390.00	21512290.00



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Schedule IE-3: Rental Income From Municipal Properties

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
13010	Rent From Civic Amenities	2240448.00	274210.00
13020	Rent From Office Buildings	0.00	750.00
13030	Rent From Guest Houses	22810.00	25860.00
13040	Rent From Lease of Lands	0.00	0.00
13080	Other Rents	13500.00	109795.00
	Sub Total	2276758.00	410615.00
13090	Less: Rent remission and refunds	0.00	0.00
	Sub Total	2276758.00	410615.00
	Total Rental Income From Municipal Properties	2276758.00	410615.00

Schedule IE-4: Fees & User Charges

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
14010	Empanelment & Registration Charges	0.00	0.00
14011	Licensing Fees	63100.00	63430.00
14012	Fees for Grant of Permit	595100.00	2876627.00
14013	Fees For Certificate Or Extract	41152.00	46393.00
14014	Development Charges	44500.00	41805.00
14015	Regularisation Fees	0.00	0.00
14020	Penalties And Fines	11600.00	10550.00
14040	Other Fees	965800.00	996324.00
14050	User Charges	169460.00	631468.00
14060	Entry Fees	0.00	0.00
14070	Service / Administrative Charges	9800.00	9900.00
14080	Other Charges	168005.00	164779.00
14090	Fees Remission and Refunds	0.00	0.00
	Sub Total	2068517.00	4841276.00
14090	Less: Fees Remission and Refunds	0.00	0.00
	Sub Total	2068517.00	4841276.00
	Total Income from Fees & User Charges	2068517.00	4841276.00



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Schedule IE-5: Sale & Hire Charges			
Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
15010	Sale Of Products		
15011	Sale of Forms & Publications	649500.00	930000.00
15012	Sale of Stores & Scrap	226500.00	269010.00
15030	Sale of Others	0.00	0.00
15040	Hire Charges for Vehicles	0.00	0.00
15041	Hire Charges for Equipments	0.00	0.00
	Total Income from Sale & Hire Charges	876000.00	1199010.00

Schedule IE-6: Revenue Grants, Contribution & Subsidies			
Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
16010	Revenue Grants		
16020	Reimbursement of Expenses	9185676.00	7250467.00
16030	Contribution Towards Schemes	0.00	910.00
	Total Revenue Grants, Contribution & Subsidies	45500.00	45790.00
		9231176.00	7297167.00

Schedule IE-7: Income From Investments			
Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
17010	Interest on Investments		
17020	Dividend	0.00	0.00
17030	Income From Project Taken Up On Commercial Basis	0.00	0.00
		0.00	0.00
17040	Profit on Sale of Investments		
17080	Others	0.00	0.00
	Total Income From Investments	0.00	0.00
		0.00	0.00

Schedule IE-8:- Interest Earned			
Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
17110	Interest From Bank Accounts		
17120	Interest On Loans And Advances To Employees	466728.00	2563792.00
		0.00	0.00
17130	Interest On Loans To Others		
17180	Other Interest	0.00	0.00
	Total Interest Earned	127534.00	0.00
		594262.00	2563792.00



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Schedule IE-9:- Other Income

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
18010	Deposits Forfeited	0.00	0.00
18011	Lapsed Deposits	0.00	1920.00
18020	Insurance Claim Recovery	0.00	0.00
18030	Profit on Disposal of Fixed Assets	0.00	0.00
18040	Recovery From Employees	0.00	0.00
18050	Unclaim Refund/ Liabilities	0.00	0.00
18060	Excess Provisions Written Back	0.00	0.00
18080	Miscellaneous Income	0.00	0.00
19040	Transfer Into Activity Fund	0.00	0.00
19220	Transfer Into Gratuity & Leave Salary Fund	0.00	0.00
	Total Other Income	0.00	1920.00

Schedule IE-10:- Establishment Expenses

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
21010	Salaries, Wages And Bonus	28901738.00	26013017.00
21020	Benefits And Allowances	0.00	3300202.00
21030	Pension	0.00	208334.00
21040	Other Terminal & Retirement Benefits	0.00	150000.00
	Total Establishment Expenses	28901738.00	29671553.00

Schedule IE-11:-Administrative Expenses

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
22010	Rent, Rates and Taxes	0.00	325743.00
22011	Office Maintenance	15000.00	268398.00
22012	Communication Expenses	20648.00	18236.00
22020	Books & Periodicals	0.00	0.00
22021	Printing and Stationery	457769.00	290299.00
22030	Travelling & Conveyance	335240.00	670.00
22040	Insurance	47215.00	0.00
22050	Audit Fees	41300.00	0.00
22051	Legal Expenses	152090.00	96040.00
22052	Professional and Other Fees	303580.00	164060.00
22060	Advertisement And Publicity	548884.00	960304.00
22061	Membership & Subscriptions	0.00	0.00
22080	Other Administrative Expenses	0.00	292300.00
	Total Administrative Expenses	1921726.00	2416050.00



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Schedule IE-12:-Operations & Maintenance

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
23010	Power & Fuel	655557.00	3100280.00
23020	Bulk Purchases	1029644.00	876111.00
23030	Consumption of Stores	0.00	0.00
23040	Hire Charges	261816.00	269100.00
23050	Repairs & Maintenance Infrastructure Assets	0.00	0.00
23051	Repairs & Maintenance Civic Amenities	0.00	0.00
23052	Repairs & Maintenance Buildings	189690.00	0.00
23053	Repairs & Maintenance Vehicles	95980.00	0.00
23054	Repairs & Maintenance Furniture	0.00	0.00
23055	Repairs & Maintenance Office Equipments	0.00	0.00
23056	Repairs & Maintenance Electrical Appliances	0.00	0.00
23057	Repairs & Maintenance Heritage Building	0.00	0.00
23059	Repairs & Maintenance Others	6732803.00	4274554.39
23080	Other Operating & Maintenance Expenses	0.00	0.00
	Total Operations & Maintenance	14865490.00	8520045.39

Schedule IE-13:- Interest & Finance Charges

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
24010	Interest on Loans From Central Government	0.00	0.00
24020	Interest on Loans From State Government	0.00	0.00
24030	Interest on Loans From Govt. Bodies & Association	0.00	0.00
24040	Interest on Loans From International Agencies	0.00	0.00
24050	Inte.on Loans From Banks & Other Financial Institution	0.00	0.00
24060	Other Term Loans	0.00	0.00
24070	Bank Charges	5590.00	3509.27
24080	Other Finance Expenses	11850.00	11159.00
	Total Interest & Finance Charges	17440.00	14668.27

Schedule IE-14:- Programme Expenses

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
25010	Election expenses	57705.00	533635.00
25020	Own Programme	806219.00	0.00
25030	Share in Programme Of Others	0.00	0.00
	Total Programme Expenses	863924.00	533635.00



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Schedule IE-15:- Revenue Grants, Contribution and Subsidies

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
26010	Grants	29850.00	30836.00
26020	Contributions	0	0.00
26030	Subsidies	0.00	0.00
	Total Revenue Grants, Contribution and Subsidies	29850.00	30836.00

Schedule IE-16:- Provisions and Write Off

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
27010	Provisions for Doubtful Receivables	0.00	0.00
27020	Provision for Other Assets	0.00	0.00
27030	Revenues Written Off	0.00	0.00
27040	Assets Written Off	0.00	0.00
27050	Miscellaneous Expense Written Off	0.00	0.00
	Total Provisions and Write Off	0.00	0.00

Schedule IE-17:- Miscellaneous Expenses

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
27110	Loss on Disposal Of Assets	0.00	0.00
27120	Loss on Disposal Of Investments	0.00	0.00
29010	Transfer to General Activity Fund	0.00	0.00
29040	Transfer to Water Supply	0.00	0.00
29220	Transfer to Gratuity & Leave Salary Fund	0.00	0.00
29230	Provident Fund	0.00	9902042.00
27180	Other Miscellaneous Expenses	0.00	0.00
	Total Miscellaneous Expenses	0.00	9902042.00

Schedule IE-18:- Prior Period

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
18500	Expenses	0.00	0.00
18510	Other expenses Revenue	0.00	0.00
18540	Other Income	0.00	0.00
	Sub Total	0.00	0.00
28500	Expenses	0.00	0.00
28550	Refund of Taxes	0.00	0.00
28560	Refund of Other Revenues	0.00	0.00
28580	Other Expenses	0.00	0.00
	Sub Total	0.00	0.00
	Total Prior Period	0.00	0.00



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Table 31.5

Statement of Cash Flow

Particulars	Previous Year (Rs.)	Current Year (Rs.)
a. Cash flows from operating activities Gross surplus/(deficit) over expenditure	-17146386.91	-10112456.31
Adjustments for		
Add:		
Depreciation	7739120.25	8093938.31
Interest & finance expenses	14668.27	17440.00
Less:		
Profit on disposal of assets	0	0
Dividend Income	0	0
Investment income	0	0
Adjusted income over expenditure before effecting changes in current assets and current liabilities and extra ordinary items.	-9392598.39	-2001078.00
Changes in current assets and current liabilities		
(Increase)/decrease in Sundry debtors	-343223	-6565.00
(Increase)/decrease in Stock in hand	0	0.00
(Increase)/decrease in prepaid expenses	0	0
(Increase)/decrease in other current assets	-9032126	0.00
(Decrease)/increase in Deposits received	72500	428005.00
(Decrease)/increase in Deposits works	-26318	-300554.00
(Decrease)/increase in other current liabilities	338069	6609076.00
(Decrease)/increase in provisions	265917	420781.00
Extra ordinary items (Specify)	0	0
Net cash generated from/(used in) operating activities (a)	-18091461.39	5450219.00
b. Cash flows from investing activities		
(Purchase) of fixed assets & CWIP	-3660961	-8337470.00
Increase/(Decrease) in Special funds/grants	20968773.9	18527223.45
Increase/(Decrease) in Earmarked funds	0	0
(Purchase) of Investments	0	-1028500.00
Add:		
Proceeds from disposal of assets Proceeds from disposal of investments	0	0
Investment income received	0	0
Interest income received	0	0
Net cash generated from/(used in) investing activities	17307812.90	9161253.45
(b)		
c. Cash flows from financing activities		
Add:		
Loans from bank/others received	3805013	-394340.00
Less:		
Loans repaid during the period	0	0
Loans & advances to employees	0	0
Loans to others	0	0
Finance expenses	-14668.27	-17440.00
Net cash generated from (used in) financing activities (c)	3790344.73	-411780.00
Net increase/ (decrease) in cash and cash equivalents (a+b+c)	3006696.24	14199692.45
Cash and cash equivalents at beginning of period	23581478.76	27413175.00
Cash and cash equivalents at end of period	27413175	41612867.45
Cash and Cash equivalents at the end of the year comprises of the following account balances at the end of the year:		0
i Cash Balances	0	0
ii Bank Balances	27413175	41612867.45
iii Scheduled co-operative banks		
iv Balances with post offices		
v Balances with other bank		



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कार्यालय नगर परिषद कटंगी, जिला बालाघाट (मध्यप्रदेश)

प्राप्ति भुगतान खाता

॥ पालिका निधि व अन्य मद से वित्तिय वर्ष 2024-25 ॥

	Receipts	AMOUNT		Payment	AMOUNT
	Opening cash	27413175.00			
11001	Property Tax	3543463.00	21010	Salaries, Wages And Bonus	28901738.00
11002	Water Tax	1112888.00	22011	Office Maintenance	15000.00
11008	Tax on Anilals	20050.00	22012	Communication Expenses	20648.00
11080	Others Taxes	299655.00	22021	Printing and Stationery	457769.00
12010	Taxes and Duties Collected By Others	3401596.00	22030	Travelling & Conveyance	335240.00
12020	Compensation in Lieu Of Taxes/Duties	19125794.00	22040	Insurance	47215.00
13010	Rent From Civic Amenities	2240448.00	22050	Audit Fees	41300.00
13030	Rent From Guest Houses	22810.00	22051	Legal Expenses	152090.00
13080	Other Rents	13500.00	22052	Professional and Other Fees	303580.00
14011	Licensing Fees	63100.00	22060	Advertisement And Publicity	548884.00
14012	Fees for Grant of Permit	595100.00	23010	Power & Fuel	6555557.00
14013	Fees For Certificate Or Extract	41152.00	23020	Bulk Purchases	1029644.00
14014	Development Charges,	44500.00	23040	Hire Charges	261816.00
14020	Penalties And Fines	11600.00	23052	Repairs & Maintenance Buildings	189690.00
14040	Other Fees	965800.00	23053	Repairs & Maintenance Vehicles	95980.00
14050	User Charges	169460.00	23059	Repairs & Maintenance Others	6732803.00
14070	Service / Administrative Charges	9800.00	24070	Bank Charges	5590.00
14080	Other Charges	168005.00	24080	Other Finance Expenses	11850.00
15010	Sale Of Products	649500.00	25010	Election expenses	57705.00
15011	Sale of Forms & Publications	226500.00	25020	Own Programme	806219.00
16010	Revenue Grants	9185676.00	26010	Grants	4396617.55
16030	Contribution Towards Schemes	45500.00	33070	hudco	394340.00
17110	Interest From Bank Accounts	466728.00	34010	deposit	428005.00
17180	Other Interest	127534.00	41030	Roads & Bridges	2571186.00
32010	Grants from Central Government	13216000.00	41031	Sewerage and drainage	1764181.00
32020	Grants from State Government	7953000.00	41032	Water ways	470878.00
32080	Others Specify grant	8500000.00	41033	Public Lighting	1569570.00
43110	Receivables for property taxes	1976601.00	41070	furniture and fittings	116456.00
43120	Receivables of Other Taxes	51303.00	41080	Other fixed assets	78617.00
43130	Receivables for Fees and User Charges	79380.00	412	Capital Work in Progress	1766582.00
				CLOSING BANK BALANCE	41612867.45
TOTAL		101739618.00	TOTAL		101739618.00



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**SIGNIFICANT ACCOUNTING POLICIES FOR FINANCIAL STATEMENT
AS ON 31ST MARCH 2025**

Significant Accounting policies

Important accounting policies to be followed by the **Nagar Palika Parishad KATANGI** in respect of accounting for its transaction and in the preparation and presentation of the Financial Statement are prescribed in the Madhya Pradesh Municipal Account Manual (MPMAM). All the policies are disclosed below as per MPMAM accounting manual. This balance sheet of **Nagar Palika Parishad KATANGI**, has been placed on information provided\available with Nagar Palika.

Basis Of Accounting

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

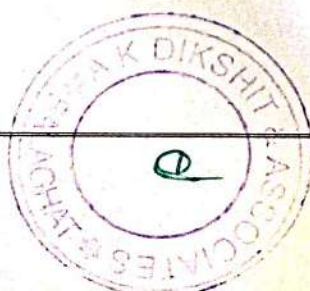
INCOME

A. following are accounted on due basis (when demand is raised)

- Property Taxes
- Water tax and water supply charges
- Rent from municipal properties

B. Following are accounted on case basis (when recovery made)

- Advertisement fees
- Various license fees
- Connection charge for water supply
- Water tanker charges and road damage recovery charges ,penalties ,etc
- Property transfer charges
- Collection charges or share in collection made by any other agency on behalf of state government
- Rent of equipment provided to the contractors
- Interest element and penalties
- Other income



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C. 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 stated /shown in notes forming part of the annual financial statement refunds, remissions of taxes for previous years are recorded in the current year are adjusted against the income.

(A.) Demands raised with retrospective effect are treated as to be the extend it pertains to earlier years

(B.) Demand raised arising out of change in self assessment of properties is treated as 'change in demand' and is accounted for as income.

(C) Refund, remissions of all kind of incomes for the current year is adjusted against the income and if pertain to previous year

(D) Any subsequent recovery (off of all kinds), which were

(E) Already written off principles adopted for the heads

(F) Write off of taxes or other income is adjusted against the provisions made.

(G) In case collection of any income is under litigation, the same is not accrued but a disclosure is made in the notes to accounts.

(H) 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 GMC.

(I) 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

D. GRANTS

a. General purpose grants of revenue nature are recognized on case basis.

b. Grants received 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.

c. Income on investment made from 'specific grants received' is recognized and credited to the specific grant, whenever accrued.



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E. ASSETS

1. Fixed Assets

Fixed assets include land, park, building, roads and bridges, watermark, bore wall, sewerage and drainage public lighting & electrical fittings, furniture fittings electrical appliances, office & other equipment, computer hardware, computer, vehicles, fire brigade, equipments etc.

(a) 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 and indirect expenses incurred up to that month.

(b) Any addition to or improvement to the fixed asset that result in increasing the utility or useful life of the asset is capitalized and included in the cost of fixed asset.

(c) Any fix 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.1/.

(d) All assets costing less than Rs.5000 (rupees five thousands) are expensed / charged to income and expenditure account in the year of purchase.

(e) 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.

ii Lands that are acquired free of cost from the government or provided by individuals or institution under endowment for specific purpose are accounted for at Re. One. Where the ownership of the lands has not been transferred in favor of the corporation, but the land in the permissive possession of the corporation, such lands are included in the register of land with Re One as its value.

iii cost of land improvements such as leveling, filling or any other development activity is capitalized as a part of the cost of land.

(f.) Park and playground are accounted for us under:

i Land pertaining to park and playground including the cost of development of land is accounted as 'land' and

ii Other amenities in parks and playground taken under 'parks and playground'



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(g) 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 corporation, the value is taken at Re. One.

(h) Intangible assets include computer software, which is valued at cost plus cost of staff time and consultancy costs incurred, in implementing the software, if any.

It will capitalized, only when the intangible asset is developed, and which can be used by corporation over a period of time to derive economic benefits from it. Otherwise the entire amount is charge 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.

2. Public Works

a. The cost of fixed assets include

- i Cost incurred/amount spent in acquiring or installing or constructing fixed assets,
- 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 assets to use.

b. 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 include 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.

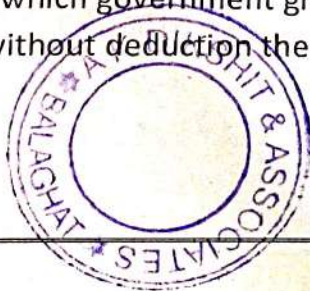
3. Depreciation

a. Depreciation is provided at Straight Line Method at the rates prescribed in MPMAM.

b. 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.

c. 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.

d. Depreciation on assets on which government grant has been received, is calculated on the gross value of fixed assets i.e. without deduction the grant amount from asset value. The



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grant so receive is charge to the income and expenditure statement in the same proportion as the depreciation charged on such assets.

4. Stores

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 The same are valued by applying FIFO method.

5. OTHER EXPENDITURES

A. Employees Related Expenditures

- a. Expenses on Salaries (for regular and daily wages staff) and other allowances are recognized as and when they are due for payment.
- b. 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.
- c. Leave encashment/pension is recognized on case basis.
- d. Interest receivable on loans given to employees is recognized as revenue at the end of the period in which these have accrued. Penal interest liable on default in repayment of principle of payment towards interests shall be recognized on accrual basis.
- e. Bonus, excreta, overtime allowance, other allowances and reimbursements to the employees are recognized as and when they are due for payment.
- f. Contribution due towards Pension and other retirement benefit funds is recognized as an expense and a liability.

B. Other Revenue Expenditures

- a. Other Revenue Expenditures is treated as expenditures in the period in which they are incurred.
- b. Provisions are made at the yearend for all bills received up to a cutoff date.
- c. Any expenditures 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



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which its benefit arises and/or services are received i.e. Amount paid in advance (say for insurance) is treated as prepaid and shown as current assets in the balance Sheet.

6. BORROWINGS

- a. Interest expenditure on loan is recognized on accrual basis.
- b. 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. INVESTMENTS

- a. 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.
- b. All long term investments are carried/ stated at their cost.
- c. Income on investments made from Special Fund and Grants under Specific Scheme respectively, whenever accrued.

8. 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 charge 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.



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NOTES TO ACCOUNT ON FINANCIAL STATEMENT AS ON 31ST MARCH 2025

1. Introduction

It is notes of accounts prepared by us after the completion of Financial Statement. It includes approach and methodology adopted since the inception phase and used in the preparation of Financial Statement, towards successful completion of FINANCIAL STATEMENT and their perception of the work schedule, personnel deployment and the timelines for the projects. It also includes the activity and issues arising by us to be adopted by the Nagar Palika in future.

2 Objectives of the Assignment

The objective of this assignment is "Preparation of Financial Statement as on 31st March 2025 and Fixed Assets Inventory and Valuation and Hand Holding Support" was to assist the Nagar Palika KATANGI (Nagar Palika) in managing the transition to double entry accounting system following the Madhya Pradesh Municipal Accounting Manual (MPMAM). The objective was to further provide technical and advisory services to Nagar Palika for preparation of Financial Statement as on 31st March 2025 in compliance with requirements of MPMAM, and other concerned Government notifications.

3 Scope of Work

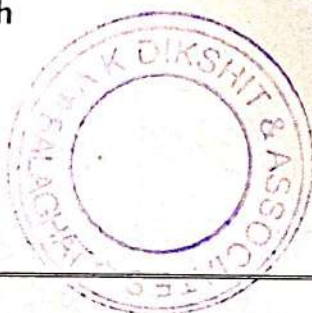
Preparation of Financial Statement as on 31st March 2025

The consultant needs to provide technical and advisory services in preparation of Financial Statement of the Nagar Palika as on 31st March 2025 in accordance to guideline of the MPMAM.

Preparation and valuation of Fixed Asset Inventory as on 31st March 2025

The consultant was required to provide technical and advisory services for undertaking Verification, preparation and updating of Fixed Asset inventory and valuation in accordance with guidelines of MPMAM.

4 Methodology / Approach



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Before taking on a technical consultancy project, it is of paramount important to understand the key requirements of the projects – both generic and task specific. We have spent a considerable effort and time, in identifying the above requirement in Detail and these have been lucidly enumerated in technical proposal. Based on the above, the methodology/approach for the project was defined and finalized.

Task 1

Identification, verification and valuation of fixed assets and all other assets and liabilities;
Preparation/updating of fixed assets register(s), stock registers;

4.1 Approaches

4.1.1 Fixed Assets

The fix assets register for the assets acquired/ constructed was not maintained for land, Building, road, drain & culverts, plant & machinery, furniture and fixture and computer hardware. The register maintained for capital work in progress (CWIP) which was not contain the length, width, height, work starting date, completion date and grant fund. The fix assets register has been prepared from the work register, tenders files and old registers. Few columns such as length, width, contractor name and year of construction etc. have been left blank, due to non availability of the information. Record/files for statues and valuable work of art and antiquities installed were not available.

4.1.2 Intangible assets

As reported to us that Nagar Palika has no intangible assets as on date.

4.1.3 Capital work in progress

The register for capital work in progress was maintained by Nagar Palika but there is no system of certification by the concerned engineer of the work started and completed as at the end of the financial year in Nagar Palika. We have verified the work register and payment vouchers from April 2025 to September 2025, and considered the items as capital work in progress, work started prior to 31st march 2025 but finished after that date and if running bill for the period to 31st march 2025 was paid after 31st march 2025.

4.1.4 Investment



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The register for investment was maintained but not updated. The details have been prepared by obtaining balance confirmation certificates from the respective banks.

4.1.5 Stock in hand (Inventories)

Inventories were taken in the balance sheet on the basis of information extracted from the stock register by the various stores.

4.1.6 Sundry Debtors (Receivables)

Receivables of property tax, Market rent etc have been considered as per data provided by revenue section of Nagar Palika.

Provision for bad and doubtful debts and was not made as per rates mentioned in MPMAM due to non availability of age wise bifurcation.

4.1.7 Loans Advances and Deposits

a. Loans and Advances to Employees

Establishment Section has maintained the manual register of employees advance and gives details of advances given to employees. The adjustment of the advances has not been made in the employees advance register. Manual registers have been maintained for the contingent / temporary advance, but in many cases, adjustment entries against the advance were not made in the register but the same was got adjusted in the file. In many cases, fresh advances were disbursed without adjusting the previous advance.

b. Deposits with External Agencies

Establishment section, has maintained the advance register for advance given to various external agencies but not updated properly. Manual registers have been maintained for the advance given but in many cases, adjustment entries against the advance were not made in the register but the same was got adjusted in the file.

4.1.8 Current Liabilities

a. Unpaid Salary

The salary payable for the month of March'25 has been accounted for as under:

- As per pay bill for the month of March'25
- Paid in the month of april'25 for regular employees



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- Salary up to the month of March'25 paid from the month of April'25 onwards for daily wagers.

b. Gratuity & Encashment of Leave

Gratuity & Encashment of Leave for the employees retired up to the month of March' 25 but paid from the month of April' 25 onwards.

4.1.9 Provisions

The amount of electricity and telephone charges payable was taken from the monthly bills of March'25 paid in April'25 payment vouchers from April 2024 to September 2024 were scrutinized to derive the amount of liability for capital expenditure and recurring expenditure. The amount pertaining to the precious year, paid F.Y 2023-24 was recognized as liability.

4.1.10. Reserves and surplus

Earmarked Funds

Earmarked fund considering the special fund received for the specific purpose.

4.1.11 Grants & Contributions for Specific Purpose

The grant received in and prior to the month of March 2025 and not utilized by the Nagar Palika has been included in unutilized grants.

In the grant utilization register; there was no segregation of utilization capital and revenue grant separately.

4.1.12. Loans

No record for unsecured loans taken has been maintained. In the absence of proper records at Nagar Palika, No loan amount has been taken for Financial Statement purpose. Further, interest has also not been accounted for.

5. Other Notes

The preparation of financial statements conformity with generally accepted accounting principles and accounting guidelines as per MPMAM requires corporation to make estimates and assumption that affect the reported balance of assets and liabilities and also disclosure relating to contingent liabilities as at the date of financial statements. Examples of such estimates relied upon includes provisions on tax receivables, useful lives of fixed assets etc. Difference between the actual result and estimates are recognized in the period in which the

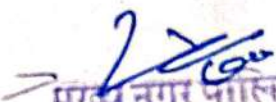


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result are known /materialized latest available statement of accounts issued by consequent lending institution etc. Which are subject to confirmation/ reconciliation and consequent modifications, if any. These being the ground realities, there might be possibility that these financial statement may not cover assets/ liabilities exiting at balance sheet date, if any, but unknown to the appropriate authority of the municipal corporation. To that extent, these financial statements are not showing true and fair view of state of the corporation as on reported date.


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