



# R.K.Singhania & Associates

CHARTERED ACCOUNTANTS

(FINANCIAL CONSULTANTS)

## FINACIAL STATEMENTS

FOR THE YEAR 2014-2015

OF

NAGAR PALIK NIGAM BHILAI

DISTRICT – DURG

(CHATTISHGARH)



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**Nagar Nigam Bhilai**  
**BALANCE SHEET as at 31st March 2015**

	Particulars	Schedule No.	Current year (Rs)
<b>A</b>	<b>SOURCES OF FUNDS</b>		
<b>A1</b>	<b>Reserves and Surplus</b>		
	Municipal (General) Fund	B-1	1,659,510,668
	Earmarked Funds	B-2	-
	Reserves	B-3	3,010,629,866
	<b>Total Reserves and Surplus</b>		<b>4,670,140,534</b>
<b>A2</b>	<b>Grants, Contribution for Specific Purpose</b>	B-4	1,150,593,059
	<b>Total Grants, contribution &amp; Surplus</b>		<b>1,150,593,059</b>
<b>A3</b>	<b>Loans</b>		
	Secured loans	B-5	-
	Unsecured loans	B-6	50,691,209
	<b>Total Loans</b>		<b>50,691,209</b>
	<b>TOTAL SOURCES OF FUNDS [A1 - A3]</b>		<b>5,871,424,802</b>
<b>B</b>	<b>APPLICATION OF FUNDS</b>		
<b>B1</b>	<b>Fixed Assets</b>	B-11	
	Gross Block		6,269,998,769
	Less: Accumulated Depreciation		1,684,149,518
	Net Block		4,585,849,251
	Capital Work-in-Progress		149,641,076
	<b>Total Fixed Assets</b>		<b>4,735,490,327</b>
<b>B2</b>	<b>Investments</b>		
	Investment- General Fund	B-12	362,557,434
	Investment-Other Funds	B-13	-
	<b>Total investment</b>		<b>362,557,434</b>
<b>B3</b>	<b>Current assets, loans &amp; advances</b>		
	Stock in hand	B-14	1,849,081
	Sundry Debtors	B-15	
	Gross amount		(15,211,033)
	Less: Accumulated Provision against bad and doubtful receivables		-
	Sundry Debtors (Receivables) - Net		
	Prepaid expenses	B-16	4,061,642
	Cash and Bank Balances	B-17	788,035,625
	Loans, advances and deposits	B-18	34,030,516
	<b>Total Current Assets</b>		<b>812,765,831</b>
<b>B4</b>	<b>Current Liabilities and Provisions</b>		
	Deposits received	B-7	144,518,866
	Deposit Works	B-8	-
	Other liabilities (Sundry Creditors)	B-9	76,369,924
	Provisions	B-10	-
	<b>Total Current Liabilities</b>		<b>220,888,790</b>
<b>B5</b>	<b>Net Current Assets (B3-B4)</b>		<b>591,877,041</b>
<b>C</b>	<b>Other Assets</b>	B-19	181,500,000
<b>D</b>	<b>Miscellaneous Expenditure (to the extent not Written off)</b>	B-20	-
	<b>TOTAL APPLICATION OF FUNDS [B1+B2+B5+C+D]</b>		<b>5,871,424,802</b>

Notes to the Balance Sheet - Attached



  
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**Nagar Nigam Bhilai**  
**INCOME AND EXPENDITURE STATEMENT**  
For the period from 1 April 2014 to 31 March 2015

	Item/Head of Account	Schedule No.	Current Year (Rs)
<b>A</b>	<b>INCOME</b>		
	Tax Revenue	IE-1	391,126,935
	Assigned Revenues & Compensations	IE-2	359,545,830
	Rental Income From Municipal Properties	IE-3	78,661,901
	Fees & User Charges	IE-4	167,096,291
	Sale & Hire Charges	IE-5	5,772,589
	Revenue Grants, Contribution & Subsidies	IE-6	171,495,564
	Income From Investments	IE-7	66,115
	Interest Earned	IE-8	4,306,231
	Other Income	IE-9	10,404,856
	<b>Total - INCOME</b>		<b>1,188,476,312</b>
<b>B</b>	<b>EXPENDITURE</b>		
	Establishment Expenses	IE-10	497,084,364
	Administrative Expenses	IE-11	181,309,988
	Operations & Maintenance	IE-12	318,459,335
	Interest & Finance Charges	IE-13	-
	Programme Expenses	IE-14	4,665,286
	Revenue Grants, Contribution and Subsidies	IE-15	124,647,319
	Provisions and Write Off	IE-16	-
	Miscellaneous Expenses	IE-17	-
	Depreciation		406,589,154
	<b>Total - EXPENDITURE</b>		<b>1,532,755,447</b>
<b>C</b>	<b>Gross surplus/ (deficit) of income over expenditure before prior period items (A-B)</b>		<b>-344,279,135</b>
<b>D</b>	Add/Less: Prior period Items (Net)	IE-18	-
<b>E</b>	<b>Gross surplus/ (deficit) of Income over expenditure after prior period items (C-D)</b>		<b>-344,279,135</b>
<b>F</b>	Less: Transfer to Reserved Fund		-
<b>G</b>	<b>Net balance being surplus/ (deficit) carried over to Municipal Fund (E-F)</b>		<b>344,279,135</b>



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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	Total
31010	Balance as per last amount	-	-	-	-	-	2,003,789,802.64
	Additions during the year	-	-	-	-	-	0.00
31090	Surplus for the year	-	-	-	-	-	-
	Transfers	-	-	-	-	-	-
	<b>Total (Rs)</b>	-	-	-	-	-	<b>2,003,789,802.64</b>
	Deductions during the year	-	-	-	-	-	-
31090	Deficit for the year	-	-	-	-	-	344,279,134.81
	Transfers	-	-	-	-	-	-
310	<b>Balance at the end of the current year</b>	-	-	-	-	-	<b>1,659,510,668</b>

Schedule B-2: Earmarked Funds (Special Funds/Sinking Fund/Trust of Agency Fund)							
Account Code	Particulars	Special Fund 1	Special Fund 2	Special Fund 3	Special Fund 4	Pension Fund	General Provident Fund
	<b>(a) Opening Balance</b>	-	-	-	-	-	-
	<b>(b) Additions to the Special Fund</b>	-	-	-	-	-	-
	Transfer from Municipal Fund	-	-	-	-	-	-
	Interest/Dividend earned on Special Fund Investments	-	-	-	-	-	-
	Profit on disposal of Special Fund Investments	-	-	-	-	-	-
	Appreciation in Value of Special Fund Investments	-	-	-	-	-	-
	Other addition (Specify nature)	-	-	-	-	-	-
	<b>Total (b)</b>	-	-	-	-	-	-
	<b>(c) Payments Out of Funds</b>	-	-	-	-	-	-
	[1] Capital expenditure on	-	-	-	-	-	-
	Fixed Asset	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	[2] Revenue Expenditure on	-	-	-	-	-	-
	Salary, Wages and allowances etc.	-	-	-	-	-	-
	Rent Other administrative charges	-	-	-	-	-	-
	[3] Other:	-	-	-	-	-	-
	Loss on disposal of Special Fund investments	-	-	-	-	-	-
	Diminution in Value of Special Fund investments	-	-	-	-	-	-
	Transferred to Municipal Fund	-	-	-	-	-	-
	<b>Total (c)</b>	-	-	-	-	-	-
311	<b>Net Balance of Special Funds (a+b)-(c)</b>	-	-	-	-	-	-

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		3	4	5(3+4)	6	7(5-6)
31210	Capital Contribution	1,431,138,575	79,154,039.8	2,222,686,615	-	2,222,686,615
31211	Capital Reserve	782,389,201.00	-	782,389,201	-	782,389,201
31220	Borrowing Redemption Reserve	-	-	-	-	-
31230	Special Funds (Utilised)	-	-	-	-	-
31240	Statutory Reserve	-	-	-	-	-
31250	General Reserve	5,554,050	-	5,554,050	-	5,554,050
31260	Revaluation Reserve	-	-	-	-	-
	<b>Total Reserve funds</b>	<b>2,219,081,826</b>	<b>79,154,040</b>	<b>3,010,629,866</b>	-	<b>3,010,629,866</b>

Schedule B-4: Grants & Contribution for Specific Purposes



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Schedule B-5: Secured Loans			
Account Code	Particulars	Current Year (Rs)	Previous year (Rs)
33010	Loans from Central Government	0	0
33020	Loans from State Government	-	-
33030	Loans from Govt. bodies & Associations	-	-
33040	Loans from international agencies	-	-
33050	Loans from banks & other financial institutions	-	-
33060	Other Term Loans	-	-
33070	Bonds & debentures	-	-
33080	Other Loans	-	-
	<b>Total Secured Loans</b>	-	-

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	-	-
33120	Loans from State Government	50,687,192.0	-
33130	Loans from Govt. bodies & Associations	-	-
33140	Loans from international agencies	-	-
33150	Loans from banks & other financial institutions	4,016.8	-
33160	Other Term Loans	-	-
33170	Bonds & debentures	-	-
33180	Other Loans	-	-
	<b>Total Un-Secured Loans</b>	<b>50,691,208.8</b>	-

Note: Rate of interest and original amount of loan and outstanding can be provided for every Loan under each of these categories separately.

Schedule B-7: Deposits Received			
Account Code	Particulars	Current Year (Rs)	Previous year (Rs)
34010	From Contractors	144,518,866	-
34020	From Revenues	-	-
34030	From Staff	-	-
34080	From other	-	-
	<b>Total deposits received</b>	<b>144,518,866</b>	-

Schedule B-8: Deposits Works



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Account Code	Particulars	Opening balance as the beginning of the year (Rs)	Additions during the current year (Rs)	Utilization/expenditure (Rs)	Balance outstanding at the end of the current year (Rs)
34110	Civil Works	-	-	-	-
34120	Electrical works	-	-	-	-
34180	Others	-	-	-	-
	<b>Total of deposit works</b>	-	-	-	-

**Schedule B-9: Other Liabilities (Sundry Creditors)**

Account Code	Particulars	Current Year (Rs)	Previous year (Rs)
35010	Creditors	30,054	-
35011	Employee Liabilities	34,547,326	-
35012	Interest Accrued and Due	49,600	-
35013	Outstanding liabilities	3,000	-
35020	Recoveries Payable	40,086,668	-
35030	Government Dues Payable	1,057,892	-
35040	Refunds Payable	3,001	-
35041	Advance Collection of Revenues	486,540	-
35080	Others	105,844	-
	<b>Total Other Liabilities (Sundry Creditors)</b>	<b>76,369,924</b>	-

**Schedule B-10: Provisions**

Account Code	Particulars	Current Year (Rs)	Previous year (Rs)
36010	Provision for Expenses	-	-
36020	Provision for Interest	-	-
36030	Provision for Other Assets	-	-
	<b>Total Provisions</b>	-	-

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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
		3	4	5	6	7	8	9	10	11	12
1	2										
	<b>Land Buildings</b>										
41010	Land	1,668,013,208	16,959,798	-	1,684,973,006	-	-	-	-	1,684,973,006	1,668,013,208
4101003	Lakes and Pond	93,662,896	41,325,020	-	134,987,916	-	-	-	-	134,987,916	93,662,896
41020	Buildings	653,296,948	72,776,002	-	726,072,950	75,588,739	46,789,098	-	122,377,836	603,695,114	577,708,209
41025	Heritage Buildings	4,903,594	5,041,928	-	9,945,522	-	-	-	-	9,945,522	4,503,594
	<b>Infrastructure Assets</b>										
41030	Roads and Endges	1,710,621,330	453,301,993	-	2,163,923,323	966,901,332	269,535,637	-	1,236,436,969	927,486,354	743,719,998
41031	Sewerage and drainage	620,723,248	124,749,089	-	745,472,337	109,707,010	47,412,906	-	157,119,917	588,352,420	511,016,237
41032	Water ways	275,685,117	95,947,279	-	371,632,396	25,096,429	11,099,388	-	36,195,817	335,436,579	250,588,688
41033	Public Lighting	113,736,923	11,399,380	-	125,136,303	34,278,506	11,943,661	-	46,222,168	78,914,136	79,458,417
41034	Bridges	85,966,323	9,955,380	-	95,921,703	-	-	-	-	95,921,703	85,966,323
	<b>Other Assets</b>										
41040	Plants & Machinery	7,988,355.00	-	-	7,988,355	4,445,591	752,632	-	5,198,223	2,790,132	3,542,764
41050	Vehicles	55,975,600	1,057,640	-	57,033,240	28,155,407	5,237,527	-	33,392,934	23,640,305	27,820,193
41060	Office & other equipment	22,777,182	3,253,071	-	26,030,253	11,285,495	3,044,660	-	14,330,154	11,700,099	11,491,688
41070	Furniture, Fixtures, electrical appliances	55,974,024	15,390,797	-	71,364,821	19,754,612	6,672,834	-	26,427,446	44,937,375	36,219,413
41080	Other fixed assets	27,154,011	22,362,633	-	49,516,644	2,347,243	4,100,810	-	6,445,053	43,068,591	24,806,768
	<b>Total</b>	5,396,478,759	873,520,010	-	6,269,998,769	1,277,560,364	406,589,154	-	1,684,149,518	4,585,849,251	4,118,918,395
412	<b>Capital Work in Progress</b>	179,872,892	782,061,082	812,292,898	149,641,076	-	-	-	-	149,641,076	-

Note:

- Additions include fixed asset created out Earmarked Funds and Grants transferred to Urban Local Body's fixed block as referred to in Schedule B-2 and B-4.
- 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 2012 shall be equal to the closing asset balance as on 31 March 2012.
- Land includes areas used as and for the purpose of public places such as parks, squares, gardens, lakes, museums, libraries, godowns etc.
- Buildings include office and works buildings, commercial buildings, residential buildings, school and college buildings, hospital buildings, public buildings temporary structures and sheds, etc.
- Roads and bridges include roads and streets, pavements, pathways, bridges, culverts and subways
- Sewerage and drainage include sewerage lines, storm-water drainage lines and other similar drainage system.
- 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	-	-	-	-
42020	State Government Securities	-	-	-	-
42030	Debentures and Bonds	-	-	-	-
42040	Preference Shares Equity Shares	-	-	-	-
42060	Units of Mutual Funds	-	-	-	-
42080	Other Investments	-	-	362,557,434.43	-
	<b>Total of Investments General Fund</b>	-	-	<b>362,557,434</b>	-

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	-	-	-	-
42120	State Government Securities	-	-	-	-
42130	Debentures and Bonds	-	-	-	-
42140	Preference Shares Equity Shares	-	-	-	-
42160	Units of Mutual Funds	-	-	-	-
42180	Other Investments	-	-	-	-
	<b>Total of Investments General Fund</b>	-	-	-	-

Schedule B-14 Stock in Hand (Inventories)			
Account code	Particulars	Current year (Rs)	Previous year (Rs)
43010	Stores Loose	1,849,081	-
43020	Tools Others	1,849,081	-
	<b>Total Stock in hand</b>	-	-



  
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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	<b>Receivables for property taxes</b>				
	Less than 5 years	-	-	-	-
	More than 5 years	-	-	-	-
	<b>Sub-total</b>				
	Less: State Government Cesses/Levies in Taxes-Control Accounts				
43120	<b>Net Receivables of property Taxes</b>				
	<b>Receivables of Other Taxes</b>				
	Less than 3 years	-	-	-	-
	More than 3 years	-	-	-	-
	<b>Sub-total</b>				
	Less: State Government Cesses/Levies in Taxes-Control Accounts				
	<b>Net Receivables of Other Taxes</b>				
	<b>Receivable of Cess Income</b>				
	Less than 3 years	-	-	-	-
	More than 3 years	-	-	-	-
	<b>Sub-total</b>				
43130	<b>Receivables for Fees and User Charges</b>				
	Less than 3 years	-	-	-	-
	More than 3 years	-	-	-	-
	<b>Sub-total</b>				
43140	<b>Receivables from Other Sources</b>				
	Less than 3 years	-	-	-	-
	More than 3 years	-	-	-	-
	<b>Sub-total</b>				
43150	Receivables from Government				
	<b>Sub-total</b>				
43180	Receivables Control Account				
	<b>Sub-total</b>				
432	<b>Less : Accumulated Provision Against Debtors (Receivables)</b>	15,211,033		15,211,033	15,536,033
	<b>Total of Sundry Debtors (Receivables)</b>	-15,211,033		-15,211,033	-15,536,033



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Schedule B-15 (a): Accumulated Provision Against Debtors (Receivables)			
Account Code	Particulars	Current year (Rs)	Previous year (Rs)
43230	Receivable From Other Sources	15,211,033.00	-
		-	-
		-	-
	<b>Total Accumulated Provision</b>	<b>15,211,033.00</b>	<b>-</b>



  
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**Schedule B-16: Prepaid Expenses**

Account code	Particulars	Current year (Rs)	Previous year (Rs)
44010	Establishment	-	-
44020	Administrative	-	-
44030	Operation & Maintenance	4,061,642.00	-
	<b>Total Prepaid expenses</b>	<b>4,061,642.00</b>	-

**Schedule B-17: Cash and Bank Balances**

Account code	Particulars	Current year (Rs)	Previous year (Rs)
45010	Cash Balance	176,896,243	-
	<b>Balance with Bank - Municipal Funds</b>		
45021	Nationalised Banks	611,139,382	-
45022	Other Schedule Banks	-	-
45023	Scheduled Co-Operative Bank	-	-
45024	Post Office	-	-
	<b>Sub- Total</b>	<b>611,139,382</b>	-
	<b>Balance with Bank - Special Funds</b>		
45041	Nationalised Banks	-	-
45042	Other Schedule Banks	-	-
45043	Scheduled Co-Operative Bank	-	-
45044	Post Office	-	-
	<b>Sub- Total</b>	<b>-</b>	-
	<b>Balance with Bank - Grant Funds</b>		
45061	Nationalised Banks	-	-
45062	Other Schedule Banks	-	-
45063	Scheduled Co-Operative Bank	-	-
45064	Post Office	-	-
	<b>Sub- Total</b>	<b>-</b>	-
	<b>Total Cash and Bank balances</b>	<b>788,035,625</b>	-



  
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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	32,796,968	13,730,992	9,144,194	37,383,766
46020	Employees Provident Fund Loans	-	-	-	-
46030	Loans to Others	-	-	-	-
46040	Advance to Suppliers and Contractors	(3,353,250)	-	-	(3,353,250)
46050	Advance to Others	-	-	-	-
46060	Deposit with External Agencies	-	-	-	-
46080	Other Current Assets	-	-	-	-
	<b>Sub- Total</b>	<b>29,443,718</b>	<b>13,730,992</b>	<b>9,144,194</b>	<b>34,030,516</b>
461	Less: Accumulated Provisions against Loans, Advances and Deposits [Schedule B-18 (a)]	-	-	-	-
	<b>Total Loans, advances, and deposits</b>	<b>29,443,718</b>	<b>13,730,992</b>	<b>9,144,194</b>	<b>34,030,516</b>

**Schedule B-18 (a): Accumulated provision against Loans, Advances, and Deposits**

Account Code	Particulars	Current year (Rs)	Previous year (Rs)
46110	Loans to Others	-	-
46120	Advances	-	-
46130	Deposits	-	-
	<b>Total Accumulated Provision</b>	<b>-</b>	<b>-</b>

**Schedule B-19: Other Assets**

Account Code	Particulars	Current year (Rs)	Previous year (Rs)
47010	Deposit Works	181,500,000	-
47020	Other asset control accounts	-	-
	<b>Total Other Assets</b>	<b>181,500,000</b>	<b>-</b>



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Schedule B-20: Miscellaneous Expenditure ( to the extent not written off)		
Account Code	Particulars	Previous year (Rs)
48010	Loan issue Expenses	-
48020	Deferred Discount on issue of Loans	-
48021	Deferred Revenue Expenses	-
48030	Other	-
	<b>Total Miscellaneous expenditure</b>	-



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**Schedule IE-1: Tax Revenue**

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
11001	Property Tax	198,089,896	-
11002	Water Tax	63,246,885	-
11003	Sewerage Tax	-	-
11004	Conservancy Charge	-	-
11005	Lighting Tax	-	-
11006	Education Tax	-	-
11007	Vehicle Tax	-	-
11008	Tax on Animals	44,500	-
11009	Electricity Tax	-	-
11010	Professional Tax	-	-
11011	Advertisement Tax	11,652	-
11012	Pilgrimage Tax	-	-
11051	Octroi & Toll	54,060	-
11013	Export Tax	42,507,775	-
11060	Cess	-	-
11080	Others Taxes	87,172,167	-
11090	Tax	-	-
	<b>Sub Total</b>	<b>391,126,935</b>	-
11090	Less: Tax Remissions & Refund [Schedule IE - 1(a)]	-	-
	<b>Sub Total</b>	<b>391,126,935</b>	-
	<b>Total Tax Revenue</b>	<b>391,126,935</b>	-

**Schedule IE-1 (a): Remission and Refund of taxes**

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
1109001	Property Tax	0	-
1109002	Octroi & Toll	-	-
	Cess Income	-	-
1109003	Surcharge	-	-
1109004	Advertisement tax	-	-
1109011	Others	0	-
	<b>Total refund and remission of tax revenues</b>	<b>-</b>	<b>-</b>

**Schedule IE-2: Assigned Revenues & Compensations**

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
12010	Taxes and Duties Collected By Others	112,328,083	-
12020	Compensation in Lieu Of Taxes/Duties	247,217,747	-
12030	Compensation in Lieu Of Concession	-	-
	<b>Total Assigned Revenues &amp; Compensations</b>	<b>359,545,830</b>	-



  
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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	64,875,384	-
13020	Rent From Office Buildings	-	-
13030	Rent From Guest Houses	-	-
13040	Rent From Lease of Lands	-	-
13080	Other Rents	13,786,517	-
	<b>Sub Total</b>	<b>78,661,901</b>	-
13090	Less: Rent remission and refunds	-	-
	<b>Sub Total</b>	<b>78,661,901</b>	-
	<b>Total Rental Income From Municipal Properties</b>	<b>78,661,901</b>	-

Schedule IE-4: Fees & User Charges - Income head-wise			
Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
14010	Empanelment & Registration Charges	900,017	-
14011	Licensing Fees	50,694,473	-
14012	Fees for Grant of Permit	6,859,317	-
14013	Fees For Certificate Or Extract	48,879	-
14014	Development Charges	43,845,505	-
14015	Regularisation Fees	10,607,789	-
14020	Penalties And Fines	14,244,405	-
14040	Other Fees	31,746,598	-
14050	User Charges	8,149,308	-
14060	Entry Fees	-	-
14070	Service / Administrative Charges	-	-
14080	Other Charges	-	-
14090	Rent Remission and Refunds	-	-
	<b>Sub Total</b>	<b>167,096,291</b>	-
14090	Less: Rent Remission and Refunds	-	-
	<b>Sub Total</b>	<b>167,096,291</b>	-
	<b>Total Income from Fees &amp; User Charges</b>	<b>167,096,291</b>	-

Schedule IE-5: Sale & Hire Charges			
Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
15010	Sale Of Products	567,759	-
15011	Sale of Forms & Publications	3,673,931	-
15012	Sale of Stores & Scrap	5,460	-
15030	Sale of Others	-	-
15040	Hire Charges for Vehicles	1,523,189	-
15041	Hire Charges for Equipments	2,250	-
	<b>Total Income from Sale &amp; Hire Charges - income head-wise</b>	<b>5,772,589</b>	-

Schedule IE-6: Revenue Grants, Contribution & Subsidies			
Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
16010	Revenue Grants	171,495,564	-
16020	Reimbursement of Expenses	-	-
16030	Contribution Towards Schemes	-	-
	<b>Total Revenue Grants, Contribution &amp; Subsidies</b>	<b>171,495,564</b>	-

Schedule IE-7: Income From Investments			
Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
17010	Interest on Investments	66,115	-



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17020	Dividend	-	-
17030	Income from projects taken up on commercial basis	-	-
17040	Profit on Sale of Investments	-	-
17080	Others	-	-
	<b>Total Income From Investments</b>	<b>66,115</b>	-

**Schedule IE-8:- Interest Earned**

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
17110	Interest From Bank Accounts	4,306,231	-
17120	Interest On Loans And Advances To Employees	-	-
17130	Interest On Loans To Others	-	-
17180	Other Interest	-	-
	<b>Total Interest Earned</b>	<b>4,306,231</b>	-

**Schedule IE-9:- Other Income**

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
18010	Deposits Forfeited	-	-
18011	Lapsed Deposits	1,541,583	-
18020	Insurance Claim Recovery	-	-
18030	Profit on Disposal of Fixed Assets	-	-
18040	Recovery From Employees	3,885,852	-
18050	Unclaim Refund/ Liabilities	-	-
18060	Excess Provisions Written Back	4,000	-
18080	Miscellaneous Income	4,970,193	-
18090	Other Income	-	-
18510	Taxes	-	-
19010	Transfer Into Activity Fund	-	-
19210	Pension Fund	3,228	-
	<b>Total Other Income</b>	<b>10,404,856</b>	-



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**Schedule IE-10:- Establishment Expenses**

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
21010	Salaries, Wages And Bonus	405,689,833	-
21020	Benefits And Allowances	7,957,328	-
21030	Pension	-	-
21040	Other Terminal & Retirement Benefits	83,437,203	-
	<b>Total Establishment Expenses</b>	<b>497,084,364</b>	-

**Schedule IE-11:-Administrative Expenses**

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
22010	Rent, Rates and Taxes	1,050	-
22011	Office Maintenance	126,493,455	-
22012	Communication Expenses	1,071,981	-
22020	Books & Periodicals	85,614	-
22021	Printing and Stationery	2,821,244	-
22030	Travelling & Conveyance	20,251,698	-
22040	Insurance	539,822	-
22050	Audit Fees	1,078,338	-
22051	Legal Expenses	1,687,628	-
22052	Professional and Other Fees	16,518,294	-
22060	Advertisement And Publicity	8,995,399	-
22061	Membership & Subscriptions	-	-
22080	Other Administrative Expenses	1,765,465	-
	<b>Total Administrative Expenses</b>	<b>181,309,988</b>	-

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

Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
23010	Power & Fuel	2,328,524	-
23020	Bulk Purchases	-	-
23030	Consumption of Stores	4,037,192	-
23040	Hire Charges	418,095	-
23050	Repairs & Maintenance - Infrastructure Assets	109,416,076	-
23051	Repairs & Maintenance - Civic Amenities	8,424,245	-
23052	Repairs & Maintenance - Buildings	9,679,784	-
23053	Repairs & Maintenance - Vehicles	6,482,548	-
23054	Repairs & Maintenance - Furniture	9,665	-
23055	Repairs & Maintenance - Office Equipments	1,645,058	-
23056	Repairs & Maintenance - Electrical Appliances	8,227,570	-
23057	Repairs & Maintenance - Heritage Building	2,141,082	-
23059	Repairs & Maintenance - Others	3,657,135	-
23080	Other Operating & Maintenance Expenses	161,992,361	-
	<b>Total Operations &amp; Maintenance</b>	<b>318,459,335</b>	-



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Schedule IE-13:- Interest & Finance Charges			
Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
24010	Interest on Loans From Central Government		
24020	Interest on Loans From State Government		
24030	Interest on Loans From Government Bodies & Associations		
24040	Interest on Loans From International Agencies		
24050	Interest on Loans From Banks & Other Financial Institutions		
24060	Other Term Loans	-	-
24070	Bank Charges	-	-
24080	Other Finance Expenses		
	<b>Total Interest &amp; Finance Charges</b>	-	-

Schedule IE-14:- Programme Expenses			
Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
25010	Election expenses	642,802	
25020	Own Programs	4,022,484	
25030	Share in Programs Of Others		
	<b>Total Programme Expenses</b>	<b>4,665,286</b>	-

Schedule IE-15:- Revenue Grants, Contribution and Subsidies			
Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
26010	Grants	124,647,319	
26020	Contributions		
26030	Subsidies		
	<b>Total Revenue Grants, Contribution and Subsidies</b>	<b>124,647,319</b>	-

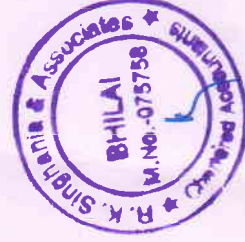


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Schedule IE-16:- Provisions and Write Off			
Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
27010	Provisions for Doubtful Receivables	-	-
27020	Provision for Other Assets	-	-
27030	Revenues Written Off	-	-
27040	Assets Written Off	-	-
27050	Miscellaneous Expense Written Off	-	-
	<b>Total Provisions and Write Off</b>	-	-

Schedule IE-17:- Miscellaneous Expenses			
Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
27110	Loss on Disposal Of Assets	-	-
27120	Loss on Disposal Of Investments	-	-
29010	Transfer to General Activity Fund	-	-
29050	Public Health, Safety & Disease Control Activity	-	-
29110	Ward/Zone Development	-	-
292	Transfer to activity fund	-	-
27180	Other Miscellaneous Expenses	-	-
	<b>Total Miscellaneous Expenses</b>	-	-

Schedule IE-18:- Prior Period Items (Net)			
Account code	Particulars	Current Year (Rs.)	Previous year (Rs.)
18500	Income	-	-
18510	Taxes Other - Revenues	-	-
	Recovery of revenues written off	-	-
18540	Other Income	-	-
	<b>Sub Total Income (a)</b>	-	-
28500	Expenses	-	-
28550	Refund of Taxes	-	-
28560	Refund of Other Revenues	-	-
28580	Other Expenses	-	-
	<b>Sub Total Income (b)</b>	-	-
	<b>Total Prior Period (Net) (a-b)</b>	-	-



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Particulars	Particulars	Grants from State Government	Grants from other Government Agencies	Grants from Central Government	Others Specify	Total
Account Code						
	<b>(a) Opening Balance</b>	723,660,498		81,335,486		804,995,984
32020	<b>(b) Additions to the Grants</b>					
	Grant received during the year	1,098,001,745		56,594,671		1,154,596,416
	Interest/Dividend earned on Grant investments					
	Profit on disposal of Grant investments					
	Appreciation in Value of Grant investments					
	Other addition (Specify nature)					
	<b>Total (b)</b>	1,098,001,745		56,594,671		1,154,596,416
	<b>Total (a+b)</b>	1,821,662,243		137,930,157		1,959,592,400
	<b>(C) Payment out of funds</b>					
	Capital Expenditure of Fixed Assets					
	Capital Expenditure of Other					
	Revenue Expenditure on					
	Salary, Wages, allowances etc.					
	Rent					
	Other					
	Loss on disposal of Grant investments					
	Diminution in Value of Grant investments					
	Grants Refunded					
	Other Administrative Charges	743,687,626		65,311,715		808,999,341
	<b>Total (C)</b>	743,687,626		65,311,715		808,999,341
	<b>Net balance at the year end (a+b)- (c)</b>	1,077,974,617		72,618,442		1,150,593,059



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**Nagar Nigam Bhilai**  
**RECEIPTS AND PAYMENTS ACCOUNT**  
**For the period from 1 April 2014 to 31 March 2015**

Account Code	Head Of Account	Current Period Amount (Rs.)	Corresponding Previous Period Amount (Rs.)	Account Code	Head Of Account	Current Period Amount (Rs.)	Corresponding Previous Period Amount (Rs.)
	Opening Balance* Cash Balance including Imprest Balances with Banks/Treasury (including in designated bank accounts)	389,179,180					
	<i>Operating Receipts</i>						
110	Tax Revenue	391,126,935		210	Establishment Expenses	497,084,364	
120	Assigned Revenues & Compensations	359,545,830		220	Administrative Expenses	181,309,988	
130	Rental Income From Municipal Properties	78,661,901		230	Operations & Maintenance	318,459,335	
140	Fees & User Charges	167,096,291		240	Interest & Finance Charges	-	
150	Sale & Hire Charges	5,772,599		250	Programme Expenses	4,665,286	
260	Revenue Grants, Contribution and Subsidies	171,495,564		260	Revenue Grants, Contribution and Subsidies	124,647,319	
170	Income from investments	66,115		290	Transfer to activity fund	-	
171	Interest Earned	4,306,231			Other collections on behalf of State & Central Government	-	
180	Other Incomes	10,404,856			<b>Provisions written off</b>	-	
185	Prior Period Items						
431	Sundry debtors						
	<i>Non-Operating Receipts</i>						
230	Operations & Maintenance				<i>Non-Operating Payments</i>		
460	Loans Received	9,144,194		350	Other payables	2,526,555	
340	Deposits received	69,847,721		440	Prepaid Expenses	-	
312	Reserve Funds	791,548,040		312	Reserve funds	-	
320	Grants, Contribution for Specific Purposes	1,154,596,416		330	Secured Loans	8,093,403	
350	Other Liabilities	164,850,036		340	Refund of Deposits	70,548,415	
412	capital work in progress	812,292,898		320	Grants, Contribution for Specific Purposes	808,999,341	
420	Realization of Investment-General fund	53,259,370		410	Acquisition/Purchase of fixed assets	873,520,010	
	Realization of Investment-Other Fund			412	Capital work-in-progress	782,061,082	
	Deposit works			420	Investment-General fund	-	
	Revenue Collected in Advance				Investment-Other Fund	-	
	Loans & Advances to Employees (recovery)				Loans and Advances	13,730,992	
	Other loans & Advances (recovery)				Deposits with External Agencies	-	
331	Unsecured loan	38,400		430	Stock in hand	-	
431	sundry debtors	103,060,147		431	sundry debtors	103,385,147	
410	<b>Fixed asset</b>	-			Other Liabilities	159,225,851	
310	municipal fund	-		470	Other Assets	-	
					Closing Balance#	788,035,625	
					Cash Balance including Imprest Balances with Banks/Treasury (including in designated bank accounts)		
	<b>TOTAL</b>	4,736,292,712			<b>TOTAL</b>	4,736,292,712	



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**Nagar Nigam Bhilai**  
**STATEMENT OF CASH FLOW**  
As at 31st March 2015

Particulars	Previous Year (Rs.)	Current Year (Rs.)
<b>[A] Cash Flows from operating activities</b>		
Gross Surplus/ (deficit) over expenditure	-	-344,279,135
Add: Adjustments for		
Depreciation	-	406,589,154
Interest & finance expenses	-	-
Less: Adjustments for		
Profit on disposal of assets	-	-
Dividend income	-	-
Investment income	-	-
Adjusted income over expenditure before effecting changes in current assets and current liabilities and extra ordinary items	-	62,310,019
Changes in current assets and current liabilities		
(Increase)/ decrease in Sundry debtors	-	-325,000
(Increase)/ decrease in Stock in hand	-	-
(Increase)/ decrease in prepaid expenses	-	-
(Increase)/ decrease in other current assets	-	-
(Decrease)/ increase in Deposits received	-	-700,694
(Decrease)/ increase in Deposits Works	-	-
(Decrease)/ increase in other current Liabilities	-	5,624,184
(Decrease)/ increase in provisions	-	-
Extra ordinary items {please specify}	-	-
<b>Net cash generated from/ (used in) operating activities [A]</b>	-	<b>66,908,510</b>
<b>[B] Cash flows from investing activities</b>		
(Purchase) of Fixed Assets	-	-873,520,010
(Purchase) of Capital Work In Progress	-	-782,061,082
(Increase)/Decrease in Special funds/grants	-	-
(Increase)/Decrease in Earmarked funds	-	-
(Purchase) of Investments	-	-
Add:		
Receipt of Grant	-	1,137,145,115
Proceeds from disposal of Fixed Assets	-	812,292,898
Proceeds from disposal of investments	-	-
Investment Income Received	-	8,551,800
Interest Income Received	-	-
<b>Net cash generated from/(used in ) investing activities</b>	-	<b>302,408,721</b>
<b>[C] Cash flows from financing activities</b>		
Add:		
Increase / (Decrease) in Loans	-	-
Less:		
Interest & Finance charge	-	-
Loans repaid during the year	-	-42,666
Loans & advances to employees	-	-13,730,992
Loans to other Finance expenses	-	-
<b>Net cash generated from (used in) financing activities [C]</b>	-	<b>-13,773,658</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	-	<b>355,543,573</b>
<b>Cash and cash equivalents at beginning of period</b>	-	<b>389,179,180</b>
<b>Cash and cash equivalents at end of period</b>	-	<b>744,722,753</b>
Cash and cash equivalents at the end of the year comprises of the following account balances at the end of year:		
Cash Balances	-	176,896,243
Bank Balances	-	611,139,382
Scheduled co-operative banks	-	-
Balances with Post offices	-	-
Balances with other banks	-	-
<b>Total of the breakup of cash and cash equivalents</b>	-	<b>788,035,625</b>



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## NAGAR PALIK NIGAM BHILAI

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

#### Background:

Urban Local Bodies (ULB) were maintaining its financial statements on cash based single entry system, and accordingly there was a limitation on the flow of information and several objectives of financial and accounting controls were not met.

With a view to bring more transparency in the process and the need for better financial recording and control systems is imperative for modern-day ULBs to function as effective and efficient institutions of public service delivery. Presently, ULBs are following the single entry cash based system of accounting, which leaves a lot to be desired for in this day of need for heightened transparency and accountability in ULB decision making.

The Financial Statements are compiled with schedules and the Significant Policies and Notes on Accounts adopting the formats as per the National Municipal Accounting Manuals and in compliance with the Accounting Standards of the Institute of Chartered Accountants of India, to the extent applicable, feasible and relevant to the Corporation. We have prepared the Books of accounts as per books & other relevant records made available to us by the concerned ULB and attached Financial Statements to the best of our knowledge & information available to us. We being Financial Consultants have prepared & presented this financial statement after making the entries in Tally software on accrual basis.

#### A. Significant Accounting Policies :

##### (a) Fixed Assets

- Fixed Assets are stated at cost of acquisition inclusive of duties taxes, incidental expenses, erection / commissioning expenses and technical know-how fees etc. upto the date the asset is put to use, less accumulated depreciation and impairment losses, if any. Further, costs of improvement are considered in the fixed assets, if such improvement results into increase in the efficiency and original estimated life of the assets.
- Machinery spares which can be used only in connection with an item of fixed asset and whose use as per technical assessment is expected to be irregular, are capitalised and depreciated over the residual useful lives of the respective assets.
- The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external / internal factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net realizable value and 'Value in use' of the respective assets. The estimated future cash flows considered for determining the value in use are discounted to their present value at the weighted average cost of capital.
- Assets awaiting disposal are valued at lower of written down value and net realisable value and disclosed separately.
- An increase in net book value arising on revaluation is credited to a separate reserve account under the Municipal fund as 'Revaluation Reserve Account'. A decrease in net book value arising on revaluation of fixed assets is charged to Income and Expenditure accounts.
- Expenditure in the nature of repairs and maintenance incurred to maintain the asset and sustain its functioning or the benefit of which is for less than a year, is charged off as Revenue Expenditure.
- Assets recorded in the register but not physically available is written off after a period of five years.
- Lands that are acquired free of cost from the government or provided by individuals or institutions under endowment for specific purposes are priced at a nominal value of Re 1 as a symbolic cost. Where the ownership of the lands has not been transferred in favour of the ULB, but the land is in the permissive possession of the ULB, such lands is included in the Register of Land at nominal value. Cost of developing such vested lands, if any, is booked under the subhead 'land'.
- Parks and Playgrounds is capitalized under two categories: (i) Land pertaining to Parks and Playgrounds including the cost of development of land that is booked under 'Land', and (ii) other amenities to Parks and Playgrounds is capitalized under the sub-head 'Parks and Playgrounds'. However, any building /structures/ plant and machinery etc. constructed/ installed in the Parks and Playgrounds and used for other purposes is booked under the appropriate heads/ sub-heads of assets
- If and when revaluation of asset is carried out, the value assigned upon revaluation of a class of assets does not result in the net book value of that class being greater than the recoverable amount of the assets of that class. Revaluation reserve is reduced by transfer of equivalent amount of depreciation charged on the revalued portion of the cost of the fixed assets.
- Statues and Heritage Assets - Statues and valuable works of art are valued at the original cost and no depreciation is charged thereon. In case, however, the original cost is not available or the items have been gifted to the ULB by some other person/ authorities, a nominal value of Re 1 is taken. Heritage buildings declared through Gazette Notification is booked under this head and is valued at book value/cost of the material date. No depreciation is charged on such buildings. In case of capital improvements after the building has been so notified, depreciation at the normal rate of buildings is charged. Wherever, the book value /cost is not available or the items have been gifted to the ULB by some other person/ authorities, the value is taken at Re 1. Material date in this case would be the date of Gazette Notification.
- 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 is used by ULB over a period of time to derive economic benefits from it. In case it is not so, the entire amount



## NAGAR PALIK NIGAM BHILAI

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

is charged to revenue, in the year in which it is incurred. The intangible assets acquired are depreciated over a period of five years or useful life, whichever is earlier.

(b) **Depreciation**

- Depreciation on Fixed Assets is provided on Straight Line Method at the rates prescribed for Urban Local Bodies in the National Municipal Assets Valuation Methodology Manual issued by Central Government of India and arrived at on the basis of their useful life of the respective assets, lives.
- Depreciation includes the amount amortised in respect of leasehold land over the respective lease period.
- In case of impairment, if any, depreciation is provided on the revised carrying value of the asset over its remaining useful life.
- All assets costing less than Rs 5,000 (Rupees Five thousands) is expensed/charged to Income & Expenditure Account in the year of purchase.
- Depreciation is provided at full rates for assets, which are purchased / constructed before October 1 of an Accounting Year. Depreciation is provided at half the rates for assets, 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.

(c) **Deposits**

- The Earnest Money Deposit and Security Deposit received if forfeited is recognized as income when the right for claiming refund of deposit has expired.
- 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.

(d) **Provisions**

- A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

(e) **Investments**

- Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.
- Profit/loss, if any, arising on disposal of investment (net of selling expense such as commission, brokerage, etc.) from the Municipal Fund is recognized in the year when such disposal takes place.
- 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.

(f) **Special Funds**

- Special Funds is treated as a liability.
- Income on investments made from Special Fund is recognized and credited to Special Fund, whenever accrued. Profit/loss, if any, arising on disposal of investments made from the Special Fund is recognised and credited/debited to Special Fund Account.
- 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.
- 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. 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.

(g) **Income from the following are booked as and when they become accrue and due for collection**

- Property and Other Related Taxes e.g. Integrated tax, sanitation including surcharge
- Water Tax, Water Supply Charges, Meter Rent, Sewerage charge and Disposal charges
- Notice Fee, Warrant Fee and Other Fees
- Solid Waste management fee and charges
- Rents from municipal properties
- Trade License Fees





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### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

- Advertisement fee
  - Rent of equipment provided to the contractors
  - Notice Fee, Warrant Fee and Other Fees
  - Interest on investments is recognized as and when due. At period ends, interest is accrued proportionately.
  - Any Other income, in respect of which demand is ascertainable
- (h) **Income from the following are booked on actual receipt basis**
- Connection Charges for Water Supply, Water Tanker Charges and Road Damage Recovery Charges, Penalties
  - One time Trade License Fees
  - Profession Tax on Organisations / entities
  - Property Transfer Charges
  - Revenue in respect of collection charges or share in collection made by ULB or by any other agency on behalf of State Government is recognized on actual receipt from the state government.
  - Revenue in respect of Hospital fees, maternity homes fees, diagnostic centre fees and dispensaries fees, Hospital training fees, Rent and/or hire charges in respect of ambulance, hearse, suction unit, vehicle and road roller, Sale of waste and scrap where applicable is recognized on actual receipt.
  - Interest element and Penalties, if any in demand is reckoned only on receipt.
  - Dividend on investments is recognized on actual receipt.
  - Other Incomes, which are of an uncertain nature or for which the amount is not ascertainable or where demand is not raised in regular course of operations
- (i) **Prior Period Income/Other Adjustments**
- Refunds, remissions of taxes for the current year is adjusted against the income and if pertain to previous years then it is treated as prior period item.
  - Write-offs of taxes is adjusted against the provisions made and to that extent recoverable gets reduced.
  - Demands raised with retrospective effect are treated as prior period income to the extent it pertains to earlier years.
  - Demand raised arising out of change in self-assessment of properties is treated as 'Change in Demand' and is accounted for as income relating to previous year to the extent it pertains to earlier years.
  - 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.
  - Refunds, remissions of all kind of incomes for the current year is adjusted against the income and if pertain to previous years then it is treated as prior period item.
  - Write-offs of Other Incomes is adjusted against the provisions made and to that, extent recoverable is reduced.
  - Any subsequent collection or recovery of all kinds of receivables which were already written off is recognized as a 'Prior Period Income'.
  - Any additional provision for demand outstanding (net on overall basis) 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 ULB.
  - All 'Assigned Revenues' like compensation in lieu of octroi, state finance commission, stamp duty, Surcharge on transfer of Immovable properties, is accounted during the year on actual receipt basis. However, at year-end, if the sanction orders for release of funds were issued and funds actually remitted, such amount will be accrued as income for the year.
- (j) **Revenue Grant**
- General purpose Grants, mainly from the state government are of a revenue nature and is recognized as incomes on actual receipt basis.
  - Grants received or receivable in respect of specific revenue expenditure is recognized as income in the accounting year in which the corresponding revenue expenditure is charged.
- (k) **Capital Grant**
- Grants received towards capital expenditure (these are generally from State Government) is accounted on actual receipt basis as a liability. The amount utilized is transferred to the Capital Account.
  - 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 ULB is treated as a liability till such time it is used for the intended purpose.
  - Grants in the form of non-monetary assets 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.
  - Income on investments made from 'Specific Grants received in advance' is recognised 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 also recognised and credited/debited to the Specific Grant.
- (l) **Inventory**
- Expenditure in respect of material, equipment, etc., procured is recognised on accrual basis, i.e., on admission of bill by the ULB in relation to materials, equipment, etc., delivered. The cost of inventories includes the purchase price including the expenditure incurred to bring the inventories to its present location and condition i.e. freight inward, duties and taxes, etc.
  - The stock as at the close of the year is valued at cost following the valuation method - FIFO 'First in first out'.



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### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

- Value of store material disposed off/ sold is recognized on actual receipt basis. Inventories of consumable supplies such as stationery, fuel is treated as expenditure and charged to revenue at the time of purchase.
- (m) **Retirement Benefits**
  - Contribution payable to defined contribution scheme (Like Provident Fund) is charged to the Income and Expenditure account for the year.
  - Leave encashment is recognized on actual payment basis.
  - Pension is recognized on actual payment basis where Actuarial valuation is not adopted.
  - Bonus, ex-gratia, overtime allowance, other allowances and reimbursements to the employees is recognized as an expense as and when they are accrued.
  - Contribution due towards Pension and other retirement benefit funds is recognised as an expense and a liability. State Government defines the rate of contribution.
- (n) **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.
  - The expenditure for the current period includes the proportionate value of the benefits and/or services arising in the current period even if the payment therefore has been made in the previous period.
  - Interest expenditure on loan is recognized on accrual basis.
- (o) **Borrowing Costs**
  - Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### B. Notes to Accounts

The figures mentioned in the balance sheet are subject to verification & confirmation from the respective documents & departments of the corporation.

#### Creation of Municipal General Fund

Preparation of Opening Balance Sheet as on 01.04.2008 /2011 was the starting point for conversion of the accounting system of municipality from cash to accrual basis and from single to double entry system, which required municipality to determine the value as on that date, of all the assets and liabilities belonging to the municipality. Under the accounting system followed by the municipality so far, no formal ledger was maintained and consequently no balances of assets and liabilities were carried over. Moreover, no concept of Equity/Propriety/Municipal Fund was there in existence. But for opening balance sheet purpose municipality identified assets and liabilities as on 01.04.2008 / 2011 and excess or otherwise of opening balances of assets over opening balances of liabilities was recognized as Municipal General Fund as per relevant accounting guidelines provided in NMAM

#### Cash at Bank

Cash balance represents the physical cash as per the cash books maintained in the Corporation and the cash in transit i.e. cheques issued by the Secretariats Office but not accounted at the Corporation level.

The Bank Balances as appearing in the balance sheet are subject to reconciliation in the cases where Bank statements / confirmations are not available. Also Interest on FDRs are not accounted for as the information's not made available to us.

Bank Reconciliation Statement (BRS) has been prepared for all the bank accounts of the ULB as on 31<sup>ST</sup> MARCH 2015 for which banks passbook / statements were made available to us. Necessary adjustments on account of unadjusted items, if any, will be carried out in the financial statement of subsequent periods.

#### Contingent Liabilities

As per the information provided by the ULB and on the basis of documents reviewed by us in the preparation of the Opening Balance Sheet we did not come across any such information which needs to be disclosed as a contingent liability.

#### Other Liabilities (Sundry Creditors)

This represents amounts payable (including Accounts Payables) towards expenses as well as statutory dues remitted after the Balance Sheet date.

#### Fixed Assets

- The cost of the assets transferred received as a gift has been considered as Rs. 1/-.
- The Assets considered in the financials are mainly the assets in active use provided by the Accounting Units and current year additions.



## NAGAR PALIK NIGAM BHILAI

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

- Accumulated Depreciation has been provided on the Opening Assets Balance.
- Where cost of acquisition is available but the date of addition is not available, these have been considered as current year addition and in case where only the tear of addition is available, addition has been considered as being made on 1<sup>st</sup> April of that year and appropriately depreciated.
- Fixed Assets includes assets which have been leased out on 99 years lease by the Corporation.

#### Stock in Hand (Inventories)

Inventories represent stock of materials lying with the Nigam as at the end of the financial year.

#### Tax Revenue

This schedule represents collection of tax levied by the ULB. Income is accounted for on accrual basis for the year.

