

MUNICIPAL CORPORATION LUDHIANA (MCL)

NOTES TO BALANCE SHEET FOR THE YEAR ENDED 2024-2025

A) BASIS OF PREPARATION

Preparation of statement of revenue, expenditure and Changes in Fund Balance and Balance Sheet requires reliance to be placed on certain assumptions and information provided by the corporation and sub heads have been reclassified accordingly. Reliance was also placed on the various records, registers and data made available from various zones and departments. Few Heads/ Sub Heads have been regrouped/ re classified in current year compare to the previous year. The following are the methodologies and assumptions adopted for the preparation of the same:

1) INCOMES/REVENUES AND EXPENDITURE:

- Information on income as presented is as per the actual amount received from all the zones/departments of MCL. This income has been reconciled with annual income and expenditure statements as prepared by MCL.
- The income from Property Tax, Water & Sewerage and other Income heads are being accounted for on receipt basis.
- Octroi & Electricity Income is a Bill Adjustment Entry.
- Actual Electricity bill paid is booked under Expense Head.
- Expenses have been booked in Books on the basis of actual Vouchers/ Invoices.

2) FIXED ASSETS:

- Fixed Assets figures represent brought forward value from previous financial year and additions if any made during the year 2024-2025. The information for the additions during the year is taken from bills provided.
- MCL over the years had acquired some plots of land which are stated in the balance sheet at its total cost of acquisition. However, one to one identification is not yet done due to non-availability of data.
- Furniture and Fixtures have been included in a group of assets and not department wise to the extent data available. There may be certain assets which have not been included in the above head.
- Capital work in progress – CWIP represents capital assets which are in the process of construction / completion. We have not reviewed the bills for the financial year 2024-2025 to arrive at the closing WIP as on 31st march 2025 in absence of specific data from concerned departments.
- Depreciation: Depreciation has not been provided in the financial year 2024-2025 in absence of complete information (Actual date of commencement & completion of projects) in respect of capital work in progress.



3) CURENT ASSETS:-

i) Cash & Bank Balances :- Bank balances are subject to confirmation as they have remained un-reconciled for many years. The reconciliation differences comprise of both identifiable and unidentifiable entries. Huge difference are appearing in the ledger bank balances and actual bank balances of cash particular account. List of operating bank accounts in the year 2024-2025 have been obtained but a consolidated cash book /bank book is being prepared by the accounts branch for recording transactions of all such accounts and therefore bank wise balance at the year end is not identifiable from the cash /bank book maintained at the accounts branch. (List Attached)

ii) Debtors Receivable :- Debtors balances outstanding are subject to reconciliation with the billing section, no details provided by the billing section in respect of closing balances of last financial year. This may be due to unreconciled entries as well as write offs made on account of incorrect demands, year end rebates to the balances of last financial year for which no information has been provided to us. In the absence of information required no provisioning is being made for bad & doubtful debts.

iii) Inventories : - Stock-in-hand is not made to stand in the books of accounts as no information was provided for the stock of following:

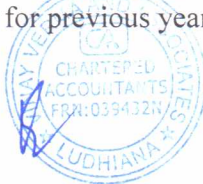
- (i) Electric Materials
- (ii) Printing & Stationery
- (iii) Construction Materials for repair of Roads etc.
- (iv) Sanitation Material
- (v) Other Store & spares

iv) Loans & Advances:-Temporary advances are made to stand in the favour of Executive Engineers/ SDO of various department as per the cash /bank book and the same are required to be adjusted with the payments for which such advance was made to stand in the books. Temporary Advance balances are subject to reconciliation but the registers maintained are not kept updated.

4) GRANTS RECEIVED :- Grants have been received from Central /State Government and offices directly in various Bank Accounts

5) LONG TERM LIABILITY:-

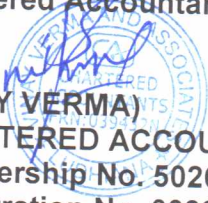
Loans term borrowings from GLADA, HUDCO and INDIAN BANK have been reflected as part of Secured Loans. GLADA outstanding balance is subject to reconciliation. As explained to us, in case of HUDCO Loans under different schemes, deductions are directly made by Local Govt., Punjab from GST Share and letter for deduction of the loan instalment is obtained to mark the deduction and record the payment in the cash/bank book maintained. HUDCO and INDIAN BANK closing balances have been reconciled, after passing adjustment entries for previous years, in the current year books.



6) CURRENT LIABILITY:-

- (i) Municipal Corporation has a sound unpaid liability towards security deposit and other deposits. This also includes unclaimed deposits outstanding since long and which is not identifiable. These deposits comprises of Earnest Money Deposit security deposits received from contractors, retention money deducted from payments made to contractors. These are subject to reconciliation but as per explanation given to us no Schedule or sub-ledger is kept/maintained person/contractor wise. In absence of control ledger-exact statement of liabilities cannot be drawn.
- ii) GPF / CPF/ LIC/ GIS Payable represents the amount deducted from salaries and remaining payable as of March 31, 2025. The same are however subject to reconciliation with the actual balance in the GPF Module maintained separately independent of the accounting software.
- iii) Contractor Liabilities: Due of contractors / suppliers as on 31.03.2025 are subject to confirmation from respective external parties.
- iv) Calculation error: Calculation error like summation error, etc in estimation are observed in majority of the construction file and accordingly rounded off.
- v) Gratuity and Superannuation:- Dues on account of gratuity and superannuation benefit are accounted for on cash basis. No actuarial valuation has been done to ascertain the liability.
- vi) No details available for Other Payables reflecting under Current Liabilities.

For VINAY VERMA AND ASSOCIATES
Chartered Accountants


(VINAY VERMA)
CHARTERED ACCOUNTANT
Membership No. 502656
Registration No. 0039432N
Place:- LUDHIANA
Date: - 30-07-2025

MCL BANK STATUS FOR F.Y. 2024-2025

S.NO	BANK ACCOUNTS STATUS	REMARKS
1	SBI A/C NO. 39343314667 (WTP)	STATEMENT NOT AVAILABLE
2	ICICI BANK ACCOUNT - 001701037645 (NGT)	STATEMENT NOT AVAILABLE
3	ICICI BANK A/C NO. 366001001571 (UNITED FUND OF CM), (VALMIKI BHAVAN)	STATEMENT NOT AVAILABLE
4	HDFC BANK A/C NO 50100482321021(PUEIP-3)	STATEMENT NOT AVAILABLE
5	AXIS A/C NO 916010061299365 (SBM SNA A/C)	STATEMENT NOT AVAILABLE
6	HDFC BANK ACCOUNT 50100038069438	TALLY & RECONCILED
7	HDFC BANK A/C N. 50100049952536 (BSUP BEN. SHARE)	TALLY & RECONCILED
8	HDFC BANK A/C N. 50100072524302 (NIGHT SHELTER)	TALLY & RECONCILED
9	HDFC BANK A/C N. 50100107748621 (PIDB)	TALLY & RECONCILED
10	HDFC BANK A/C N. 50100191340971 (AMRUT)	TALLY & RECONCILED
11	HDFC BANK A/C NO-50200002334727	TALLY & RECONCILED
12	AXIS BANK A/C N. 918020067253090 (E-TENDERING)	TALLY & RECONCILED
13	UCO BANK A/C N. 09270100005379 (D.P.B.)	TALLY & RECONCILED
14	HDFC BANK GENERAL A/C NO-50200001506122 (CURRENT)	TALLY & RECONCILED
15	HDFC BANK A/C N. 50100191341961 (H.F.A. SCHEME)	TALLY & RECONCILED
16	HDFC BANK A/C NO. - 50100055575673	TALLY & RECONCILED
17	IDBI BANK A/C N. 0271104000125215 (SWACHH BHARAT)	TALLY & RECONCILED
18	IDBI BANK A/C N. 0271104000126175 (SWACHH BHARAT)	TALLY & RECONCILED
19	AXIS BANK A/C N. 918010041865892 (BSUP)	UNRECONCILED
20	HDFC A/C 06342320005253	UNRECONCILED
21	HDFC PET REGISTRATION A/C 50100357831379	UNRECONCILED
22	AXIS BANK A/C N. 920010018119507	UNRECONCILED
23	AXIS BANK A/C NO. 921010057110793	UNRECONCILED
24	HDFC BANK A/C N. 50100261350650 (BSUP)	UNRECONCILED
25	AXIS BANK 923010030756158 (SARKAR)	UNRECONCILED
26	AXIS BANK PMF (GST) A/C NO-918010041865973	UNRECONCILED
27	HDFC BANK GENERAL A/C NO-50100191341987 (SAVING)	UNRECONCILED
28	AXIS BANK 917010084856487	UNRECONCILED
29	HDFC BANK A/C. 50200025736922	UNRECONCILED
30	AXIS BANK A/C N. 920010021402968 (NCAP)	UNRECONCILED
31	HDFC BANK A/C 50100287429791 (PUEIP II)	UNRECONCILED
32	HDFC BANK A/C N. 50100258727761 (PUEIP)	UNRECONCILED
33	HDFC A/C 5010007251610	UNRECONCILED
34	AU BANK 2301239252640131 IFSC AUBL0002392	UNRECONCILED
35	HDFC BANK A/C N. 5020008609642 (SLAUGHTER HOUSE)	UNRECONCILED
36	AXIS BANK A/C N. 912010026333680 (SWACHH BHARAT)	UNRECONCILED
37	HDFC BANK A/C N. 50100072524331 (SLAUGHTER HOUSE)	UNRECONCILED
38	HDFC BANK A/C N. 50100072524367 (SUVIDHA CENTER)	UNRECONCILED
39	HDFC BANK A/C N. 50100082251641 (SPORTS)	UNRECONCILED
40	HDFC BANK A/C N. 50100107748315 (SOLID WASTE MGT)	UNRECONCILED
41	YES BANK A/C NO-014294600000424 (SMART CITY)	UNRECONCILED
42	HDFC BANK A/C NO 50100287429904	UNRECONCILED
43	IDBI BANK A/C N. 0271104000121071 (BSUP BEN. SHARE)	UNRECONCILED
44	HDFC A/C 50100287430766 (PUNJAB NIRMAL)	UNRECONCILED
45	ICICI BANK 001701036778	UNRECONCILED
46	HDFC BANK 3112 (50200002403112)	UNRECONCILED
47	HDFC S/B A/C 50100191342007	UNRECONCILED
48	IDBI BANK A/C N. 0271104000117845 (MP LAD)	UNRECONCILED
49	HDFC A/C 50100637877544 (MDF)	UNRECONCILED
50	HDFC BANK 48370 (50100107748370)	UNRECONCILED
51	HDFC PROPERTY TAX ONLINE A/C50200025736718	UNRECONCILED
52	ICICI BANK A/C N. 001701036777 (AMRUT)	UNRECONCILED
53	KOTAK MAHINDRA BANK -1146397306	UNRECONCILED
54	KOTAK MAHINDRA BANK-1146834740(DEFERRED A/C)	UNRECONCILED
55	A GENERAL HDFC A/C 50100562224454	UNRECONCILED
56	KOTAK MAHINDRA BANK(3947126291) SMART CITY GRANTS	UNRECONCILED
57	AXIS BANK ACCOUNT NO 67486	STATEMENT NOT AVAILABLE
58	AXIS BANK A/C N. 921010037763948 (SNA A/C)	STATEMENT NOT AVAILABLE
59	FEDERAL BANK A/C N. 19190100006947 (C.M. FUND) ,(NHAI)	STATEMENT NOT AVAILABLE
60	CAPITAL SMALL FINANCE BANK A/C N. 104207000007	STATEMENT NOT AVAILABLE
61	CAPITAL SMALL FINANCE BANK A/C N. 104207000001	STATEMENT NOT AVAILABLE
62	DCB BANK A/C N. 10711500000134 (SOLID WASTE MGT)	STATEMENT NOT AVAILABLE
63	INDIAN BANK A/C NO -6961433722	STATEMENT NOT AVAILABLE
64	Axis Bank A/c No 923020026455800	STATEMENT NOT AVAILABLE
65	AXIS BANK A/C 924010065546406	STATEMENT NOT AVAILABLE
66	AXIS BANK A/C-964183062	STATEMENT NOT AVAILABLE
67	IDFC Bank A/c 10167540384	STATEMENT NOT AVAILABLE
68	HDFC A/c No 50100600915176	STATEMENT NOT AVAILABLE
69	HDFC 50100562224582 SAVING A/C (O&M)	STATEMENT NOT AVAILABLE
70	HDFC A/C 50100709123922	STATEMENT NOT AVAILABLE
71	HDFC BANK A/C NO-50100092749656	STATEMENT NOT AVAILABLE
72	ONLINE WATER & SEWERAGE A/C	STATEMENT NOT AVAILABLE
73	BUILDING REGULARIZATION RECEIPTS/ PAYMENTS	STATEMENT NOT AVAILABLE
74	ADVANCE & DEPOSITED RECEIPTS/ PAYMENT	STATEMENT NOT AVAILABLE
75	ONLINE POTAL ENTRIES (SEND BY BRANCH)	STATEMENT NOT AVAILABLE
76	POS MACHINE ENTRIES	STATEMENT NOT AVAILABLE

