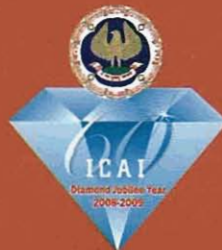


Status Paper on Accounting Reforms in Local Bodies in India and Role of Chartered Accountants



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)
NEW DELHI

Status Paper on
**Accounting Reforms in Local
Bodies in India
and
Role of Chartered Accountants**



**Committee on Accounting Standards for Local Bodies
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
NEW DELHI**

FOREWORD

The Indian economy is on the move and passing through a transformation phase. In this dynamic environment, the objectives of accountability and transparency have gained a lot of importance. It has also become imperative that Local Bodies such as Municipal Corporations, Municipalities and Panchayats etc. should be made accountable for their actions. To achieve the aforesaid objectives and to improve the quality of financial reporting in the Country, sincere efforts are being made by some of the Local Bodies to shift from cash basis of accounting to accrual basis of accounting.

It is heartening to note that the Committee on Accounting Standards for Local Bodies (CASLB) has made an attempt to bring out this Status Paper which incorporates the status of adoption of accounting reforms in the Local Bodies in India.

This status paper also chalks out the role that Chartered Accountants can play in implementation of the accounting reforms in Local Bodies. I wish to place my appreciation to the Members, Officials and Secretariat of the Committee on Accounting Standards for Local Bodies for bringing out this Status Paper.

I firmly believe that this Status Paper would find a warm acceptance among the members and other interested readers.

New Delhi
31 December, 2009

CA. Uttam Prakash Agarwal
President

Status paper on Accounting Reforms in Local Bodies in India and Role of Chartered Accountants

GENESIS OF ACCOUNTING REFORMS

- Mumbai and Chennai Municipal Corporations initiated the Double Entry Accrual Based Accounting System in 1981-1991. Similar reforms were initiated in the State of Gujarat during the period 1990-1995. These reforms initiatives were made under the guidance and support of World Bank Projects.
- Recognising the need of transparency and accountability in the Local Bodies, the 73rd and 74th Constitutional Amendments incorporated provisions with respect to transforming the Local Bodies and consequently these constitutional amendments paved the way for initiating the accounting reforms in Urban Local Bodies and Panchayati Raj Institutions in India.
- The financing of urban infrastructure in urban local bodies remained major concern of the policy makers for considerable time. The programme for development of urban infrastructure financing system through debt market in India by using the Housing Guarantee (HG) funds for contemplating the issuing of debt instruments to finance urban infrastructure projects was not possible without reforming the accounting practices. The USAID through Financial Institutions Reform and Expansion programme (FIRE-D) provided the HG funds of US \$ 125 million for a period of 30 years to develop an urban infrastructure finance system. HUDCO and IL&FS acted as the financial intermediaries to channel funds along with a

matching amount of locally raised funds to municipalities or private sector entities to finance selected commercially viable urban infrastructure projects relating to water supply, sewerage, solid waste management and area development. The double entry accrual accounting was one of the prerequisite for financing these infrastructure projects.

- In January, 1999, the State of Tamil Nadu approved a measure to begin with pilot testing of Double Entry Accrual Based Accounting System in two municipal corporations and 10 municipalities. With the pilot project successfully in progress, the State inaugurated this new system in its remaining three municipal corporations and 92 municipalities on April 1, 2000. Tamil Nadu is the first state in India to initiate such extensive accounting reforms on a state-wide scale. The cities of Jaipur and Anand also initiated accounting reform process in 1999. In the year 2001, the State of Maharashtra with the support of World Bank – Technical Assistance (WB-TA) set on roll the process of accounting reforms in local bodies.
- In order to leverage this accounting reforms process, the Institute of Chartered Accountants of India felt the need of local bodies and brought a publication '*Technical Guide on Accounting and Financial Reporting by Urban Local Bodies in India*' in 2000. This publication provides a broad framework for reforming the accounting systems so as to provide the guidance for switching to double entry accrual system in these bodies.
- The Eleventh Finance Commission in the year 2001 recommended the introduction of Double Entry Accrual Accounting System.
- The Honourable Supreme Court of India recognising the defects of single cash based accounting system in urban local bodies delivered the judgement in case of Almitra Patel vs. Union of India in 2001 directing the Government to develop guidelines for moving towards full cost based accrual accounting system in urban local bodies.

PARADIGM SHIFT IN ACCOUNTING REFORMS

- Shifting trend of population indicates that in next 12 years the urban/semi-urban population of India would be around 50% of the total population. Keeping in view these trends in urban population; the planned improvement of urban infrastructure needs to be developed. The pace of development should also need to be aligned with the growth of urban population. The Government of India and State Governments have initiated number of programmes for reforming urban sector. The Double Entry Accrual Accounting in Local Bodies is one of the important component of the urban reforms process.
- The Union Budget of 2002-2003 started a project by setting up Urban Reforms Incentive Fund (URIF). This fund had provision of 10% of total budget for introduction of Double Entry System of Accounting in Urban Local Bodies.
- The Task force of Comptroller & Auditor General made a report in 2002 recommended the accounting reforms in local bodies. The recommendations were: (i) uniform formats for financial statements and budget (ii) formats for determining the cost of important utilities and services like water supply etc. and showing this information by way of disclosure to the accounts (iii) significant accounting policies to be followed by ULBs as per model accounting policies need to be disclosed in a separate schedule forming part of the accounts and (iv) initiate steps for smooth switch over to the double entry accrual system of accounting.
- Municipal Corporation of Delhi is the first local body reduce in the country to switch to the accrual-based, double-entry accounting system in 2003. The ICAI-Accounting Research Foundation assisted the MCD in accounting, financial and management reforms.
- The Model Municipal Law (MML) in 2003 vide Chapter XII (**Appendix – I**) incorporated the provisions relating to Accounts

and Audit requiring *inter alia* to prepare Income & Expenditure Account and Balance Sheet and also to prepare Municipal Accounting Manuals. The salient feature of MML are: (i) State Government to prepare municipal accounting manual (ii) capital and revenue heads to be separated in municipal accounts (iii) separate accounting heads proposed for water supply, roads etc. (iv) municipalities to prepare annual balance sheets (v) annual subsidy and environmental status reports (vi) provision for appointment of chartered accountants as auditors (vii) comprehensive debt initiation policy by state government (viii) provision for appointment of a municipal accounts committee and (ix) enabling access to capital markets and financial institutions for capital investments.

o **Status of State-wise Implementation of MML**

- **The MML has been implemented in the States/ UTs of Bihar, Kerala, Nagaland, Sikkim, West Bengal and Andaman and Nicobar Islands. The draft based on MML submitted to Government in the States of Rajasthan and Uttranchal.**
- **The review process of MML has begun in the States/UTs of Andhra Pradesh, Chhattisgarh, Delhi, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Punjab and Tripura.**
- **The MML is under consideration in the States of Arunachal Pradesh, Chandigarh, Tamil Nadu and Uttar Pradesh.**

Source: Urban Finance, National Institute of Urban Affairs, Vol. 10, No. 2, April–June, 2007.

FORMALISATION OF ACCOUNTING REFORMS PROCESS

- The Institute of Chartered Accountants of India (ICAI) in the year 2005 constituted a Committee on Accounting Standards for Local Bodies (CASLB) to formulate the Accounting Standards for Bodies. The Committee has been established with the primary responsibility to conceive and suggest areas in which Accounting Standards for Local Bodies (ASLBs) need to be developed, formulate ASLBs, integrate the ASLBs to the extent possible, with the International Public Sector Accounting Standards issued by the International Public Sector Accounting Standards Board, provide implementation guidance on ASLBs, review and revise the ASLBs, assist Local Bodies in adoption of accrual system of accounting, and propagate the ASLBs among the stakeholders in preparation and presentation of financial statements.

The Committee on Accounting Standards for Local Bodies (CASLB) has already published the *'Preface to the Accounting Standards for Local Bodies'* in March 2007. The CASLB has till now formulated two Accounting Standards for Local Bodies namely Accounting Standard for Local Bodies (ASLB) 3, *'Revenue from Exchange Transactions'* and Accounting Standard for Local Bodies (ASLB) 4, *'Borrowing Costs'* and also brought out the Booklet on *'Accrual Accounting for Local Bodies: Elected Representatives & Stakeholders'* for the benefits of Stakeholders and Representatives of the Local Bodies in particular and other Stakeholders in general. All the publications are available on the Institute's website i.e., www.icai.org. The status of the projects of the Committee for the year 2009-2010 is at **Appendix – II**.

- The National Municipal Accounting Manual by the C&AG and the Ministry of Urban Development, Government of India in the year 2005 suggesting the modalities for implementing the double entry accrual system. This manual was prepared by a firm of Chartered Accountants who were appointed for

the task. A pilot project for implementation of the draft manual in five Local Bodies was also successfully undertaken with the aid of Chartered Accountants.

- The Ministry of Urban Development, Government of India has constituted the Technical Committee on Budget and Accounting Standards for Urban Local Bodies on October 03, 2006 with the main objective to recommend the Accounting Standards for Urban Local Bodies, formulated by Committee on Accounting Standards for Local Bodies of the Institute of Chartered Accountants of India, to the State Governments for notification.
- The Urban Local Government Disclosure Bill, 2006, aimed at the need for bringing transparency and accountability in functioning of Urban Bodies, has also a bearing on the reform process in general and double entry accrual system in particular. This public disclosure law requires the municipalities to publish various information about its functioning on periodic basis. Such information includes but is not limited to statutorily audited annual statements of performance covering operating and financial parameters, and service levels for various services being rendered by the municipalities.
- The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) is a reform linked incentive scheme for providing assistance to state governments and urban local bodies in selected 63 cities, comprising all cities with over one million population, state capitals and few other cities of religious and tourist importance for the purpose of reforming urban governance, facilitating urban infrastructure and providing basic services to urban poor. This is the single largest initiative of the Central Government in urban sector with an outlay of Rs. 50,000 crores and after adding the contribution of states and municipalities the funding would be about Rs. 1,26,000 crores over a period of seven years. This mission was launched by Government of India in December, 2005 with the culmination of a process of neo-liberal urban reforms that has been going on since late 1990s. Its predecessors

include Urban Reforms Incentive Fund (URIF) and Model Municipal Law (MML) both of which were formulated on the basis of a set policy postulates developed by the World Bank, the Asian Development Bank, the USAID and the UNDP. The Status of shifting to Double Entry Accounting System in the 63 cities and approved cost of Urban Infrastructure Projects are given in **Appendix – III**.

- o The Centre's urban renewal mission is already going places. It would now involve 28 more municipalities, with population over 5 lakh. When launched in 2005, the flagship scheme envisaged 'coverage' of 65 cities with population of over 10 lakh, state capitals and tourist and pilgrimage centres. The plan essentially is for investment support for stepped-up public transport, sewage disposal and water supply etc. For instance, what's on the agenda is to provide funding-shared equally between the Centre and the respective State for modern, low-floor buses in 118 towns and urban centres with population over 2 lakh.
- The Guidelines on Tax free bonds by local bodies are also linked to adoption of modern, accrual-based double entry system of accounting in urban local bodies and audit of escrow account and the project account by a firm of Chartered Accountants appointed by the concerned State Urban Development Departments from the panel of Chartered Accountants approved by the C&AG.
- The Ministry of Urban Development, Government of India released the 'National Municipal Accounts Training Manuals' for Elected Representatives and Staff of municipal bodies in 2008 providing guidelines for understating the double entry accrual system of accounting.
- Formulation of simplified Accounting system in Panchayati Raj Institutions by C&AG in January 2007 which would work as start up and basic ingredient for smooth transitioning to accrual accounting in the Panchayati Raj Institutions. Present

Status with regard to formulation of Chart of Accounts of Panchayati Raj Institutions developed by C&AG is at **Appendix – IV**.

- The Ministry of Panchayati Raj, Government of India has constituted the Technical Committee on Budget and Accounting Standards for Panchayati Raj Institutions on May 07, 2008 with the main objective to recommend the Accounting Standards for Panchayati Raj Institutions, formulated by Committee on Accounting standards for Local Bodies of the Institute of Chartered Accountants of India, to the State Governments for notification. The Technical Committee on Budget and Accounting Standards for Panchayati Raj Institutions has constituted a Sub-committee consisting of members representing Office of the Comptroller & Auditor General of India, Ministry of Panchayati Raj, Government of India, State Governments, Controller General of Accounts and National Informatics Centre for developing simplified budget and accounting system and formats for PRIs.
- ‘National Municipal Assets Valuation Methodology Manual’ has been brought out by the Ministry of Urban Development, Government of India in January 2009 suggesting detailed step-by-step guidance to the municipalities for valuing their fixed assets as envisaged in National Municipal Accounting Manual.

ROLE OF CHARTERED ACCOUNTANTS IN LOCAL BODIES

The Accounting Reforms are underway in the local bodies and in this emerging area; the role of Chartered Accountants is as under:

Conversion of Accounts to Accrual Based Double Entry Accounting System

- Assessment of existing system and requirements including review of legislative framework with reference to existing

laws for smooth transitions into Double Entry Accrual Accounting System.

- Review of existing State Accounts Manual.
- Business process re-engineering with reference to Accrual System of Accounting.
- Categorisation, grouping and sub-grouping of assets and liabilities.
- Design of Chart of Accounts with Accounting Codes.
- Determination and valuation of fixed assets including infrastructure assets, current assets, investments, long-term liabilities, current liabilities and net worth as on opening balance sheet date.
- Preparing formats of financial statements and voucher format in the Accrual system.
- Design of Double Entry Accounting System on accrual basis for Local Bodies.
- Preparation of opening balance sheet.
- Selection of appropriate accounting policies and drafting of disclosures of accounting policies.
- Implementation of Double Entry Accounting System on accrual basis.
- Preparation of financial statements for the transition period.
- Training of finance and accounts personnel and training of trainers.

Auditing and Assurance Services

- Assignment such as Internal Audit, Statutory Audit, and Special Audit of Local Bodies as provided in Model Municipal Law and Audit of Escrow Account and the Project Account under tax free municipal bonds guidelines (**current status of tax free bonds approved for issue is at Appendix – V**).

Management Consultancy Services

- Providing assistance as domain expert to the agencies designated by the Government for computerization of records and computerization of Accounting System.
- Consultant in e-governance; implementation of IT based Management Information System and enterprises resource planning style system implementation.
- IT reforms including computerised accounting system introduction and implementation.
- Advising the Local Bodies in Statutory compliances, preparation of Detailed Project Feasibility Reports required to be submitted to the funding Agencies/programmes such as World Bank, Asian Development Bank, USAID – FIRE – D, UNDP and JNNURM for enabling them to access capital market and financial institutions for the capital investment.
- Consultant in drawing up reforms road-map, timelines and implementation targets.
- Assisting in change management.
- Design and implementation of Budgetary Control System (Accrual Based Budget) in the line with the Accrual Accounting System and linkage among Budgetary System and Financial Management Information System and Decision-making System.

- Revenue system assessment and financial analysis of revenue and expenditure exploring potential for raising debt capital for projects, assessing financial viability of investment plans, preparation of financial projections and revenue mobilisation plans of Local Bodies, undertaking detailed revenue potential assessments, cost determination, control and reduction analysis, facilitating public private partnership in new the projects and assist in bid process management, negotiations etc.

Appendix – I

Model Municipal Law Chapter XII – Accounts & Audit

- | | |
|---|---|
| Maintenance of accounts. | 88. The Chief Municipal Officer shall prepare and maintain accounts of receipts and expenditures of the Municipality in such Form, and in such manner, as may be prescribed. |
| Preparation of Municipal Accounting Manual. | 89. The State Government shall prepare and maintain a Manual to be called the Municipal Accounting Manual containing details of all financial matters and procedures relating thereto in respect of the Municipality. |
| Financial statement. | 90. (1) The Chief Municipal Officer shall, within four months of the close of a year, cause to be prepared a financial statement containing an income and expenditure account and a receipts and payments account for the preceding year in respect of the accounts of the Municipality.

(2) The Form of the financial statement, and the manner in which the financial statement shall be prepared, shall be such as may be prescribed. |
| Balance sheet. | 91. (1) The Chief Municipal Officer shall, within four months of the close of a year, cause to be prepared a balance sheet of the assets and the liabilities of the Municipality for the preceding year. |

(2) The Form of the balance sheet, and the manner in which the balance sheet shall be prepared, shall be such as may be prescribed.

Submission of financial statement and balance sheet to Auditor.

92. The financial statement prepared under section 90 and the balance sheet of the assets and the liabilities prepared under section 91 shall be placed by the Chief Municipal Officer before the Empowered Standing Committee which, after examination of the same, shall adopt and remit them to the Auditor as may be appointed in this behalf by the State Government.

Power of Auditor.

93. (1) The municipal accounts as contained in the financial statement, including the accounts of special funds, if any, and the balance sheet shall be examined and audited by an Auditor appointed by the State Government from the panel of professional chartered accountants prepared in that behalf by the State Government.

(2) The Chief Municipal Officer shall submit such further accounts to the Auditor as may be required by him.

(3) The Auditor so appointed may –

(a) require, by a notice, in writing, the production before him, or before any officer subordinate to him, of any document which he considers necessary for the proper conduct of the audit,

(b) require, by a notice, in writing, any person accountable for, or having the

custody or control of, any document, cash or article, to appear in person before him or before any officer subordinate to him,

- (c) require any person so appearing before him, or before any officer subordinate to him, to make or sign a declaration with respect to such document, cash or article or to answer any question or prepare and submit any statement, and
- (d) cause physical verification of any stock of articles in course of examination of accounts.

(4) The Auditor, or the officer subordinate to him, may report any item of accounts contrary to the provisions of this Act to the Empowered Standing Committee.

(5) The Empowered Standing Committee shall consider the report of the Auditor as early as possible and shall, if necessary, take prompt action thereon, and shall also, if necessary, surcharge the amount of any illegal payment on the person making or authorizing it, and charge against any person responsible therefor the amount of any deficiency or loss incurred by the negligence or misconduct of such person or any amount which ought to have been, but is not, brought into account by such person, and shall, in every such case, certify the amount due from such person :Provided that any person aggrieved by an order of payment of certified sums may appeal to the State Government whose decision on such appeal shall be final.

(6) Any person who wilfully neglects, or refuses to comply with, the requisition made by an Auditor, or the officer subordinate to him, shall, on conviction by a court, be punishable with fine which may extend to* rupees in respect of each item included in the requisition.

- Audit report. 94. (1) As soon as practicable after the completion of audit of the accounts of the Municipality, but not later than the thirtieth day of September each year, the Auditor shall prepare a report of the accounts audited and examined and shall send such report to the Chief Municipal Officer.
- (2) The Auditor shall include in such report a statement showing –
- (a) every payment which appears to the Auditor to be contrary to law,
 - (b) the account of any deficiency or loss, which appears to have been caused by gross negligence or misconduct of any person,
 - (c) the account of any sum received which ought to have been, but has not been, brought into account by any person, and
 - (d) any other material impropriety or irregularity in the accounts.
- Placing of audited accounts before Municipality. 95. (1) The Chief Municipal Officer shall place the audited financial statement, the balance sheet and the report of the Auditor and his comments thereon before

* Each State Government may specify an amount in this regard.

the Empowered Standing Committee which, after the examination thereof, shall place them before the Municipality with its comments, if any.

(2) The Chief Municipal Officer shall remedy any defect that has been pointed out by the Auditor in his report.

Submission of audited accounts.

96. (1) The Chief Municipal Officer shall, after adoption of the financial statement and the balance sheet and the report of the Auditor by the Municipality, forward the same to the State Government together with a report of the action taken thereon by the Municipality and shall also send copies thereof to the Auditor.

(2) If there is any difference of opinion between the Auditor and the Municipality or if the Municipality does not remedy the defects or the irregularities mentioned in the report of the Auditor within a reasonable period, the Auditor shall refer the matter to the State Government whose decision thereon shall be final and binding.

Power of State Government to enforce order upon audit report.

97. If any order made by the State Government under this chapter is not complied with, it shall be lawful for the State Government to take such steps as it thinks fit to secure the compliance of the order and to direct that all expenses therefor shall be defrayed from the Municipal Fund.

Special audit.

98. In addition to the audit of annual accounts, the State Government or the Municipality

may, if it thinks fit, appoint an Auditor to conduct special audit pertaining to a specified item or series of items requiring thorough examination, and the procedure relating to audit shall apply *mutatis mutandis* to such special audit.

Internal audit. 99. The State Government or the Municipality may provide for internal audit of the day to day accounts of the Municipality in the manner prescribed.

Municipal Accounts Committee. 100. (1) The Municipality shall, at its first meeting in each year or as soon as may be at any meeting subsequent thereto, constitute a Municipal Accounts Committee.

(2) The Municipal Accounts Committee shall consist of -

(a) such number of members, not being less than ... and not more than ... , as the Municipality may determine, to be elected by the Councillors, not being the members of the Empowered Standing Committee, from amongst themselves, and

(b) such number of persons, not being Councillors, or officers or other employees of the Municipality and not exceeding two in number, having knowledge and experience in financial matters, as may be nominated by the Municipality.

* Each State Government may specify the numbers of members having regard to the members of Councillors.

(3) The members of the Municipal Accounts Committee shall elect from amongst themselves one member to be its Chairperson.

(4) Subject to the other provisions of this Act, the members of the Municipal Accounts Committee shall hold office until a new Municipal Accounts Committee is constituted.

(5) The manner of submission of resignation by the Chairperson or any other member, and the manner of filling up of a casual vacancy in the office of a member, of the Municipal Accounts Committee shall be such as may be prescribed.

(6) Subject to the provisions of this Act and the rules and the regulations made thereunder, it shall be the duty of the Municipal Accounts Committee -

- (a) to examine the accounts of the Municipality showing the appropriation of sums granted by the Municipality for its expenditure and the annual financial accounts of the Municipality,
- (b) to examine and scrutinize the report on the accounts of the Municipality by the Auditor appointed under section 92 and to satisfy itself that the moneys shown in the accounts as having been disbursed were available for, and applicable to, the services or purposes to which they were applied or charged and that the

expenditure was incurred in accordance with the authority governing such expenditure,

- (c) to submit report to the Municipality every year and from time to time on such examination and scrutiny,
- (d) to consider the report of the Auditor appointed under section 98 in cases where the State Government or the Municipality requires him to conduct a special audit of any receipt or expenditure of the Municipality or to examine the accounts of stores and stocks of the Municipality or to check the inventory of the properties of the Municipality including its land holdings and buildings, and
- (e) to discharge such other functions as may be prescribed.

(7) The Municipal Accounts Committee may call for any book or document if, in its opinion, such book or document is necessary for its work and may send for such officers of the Municipality as it may consider necessary for explaining any matter in connection with its work.

(8) The manner of transaction of business of the Municipal Accounts Committee shall be such as may be determined by regulations :

Provided that the persons nominated under clause (b) of sub-section (2) shall not have the right to vote at the meeting of the Municipal Accounts Committee.

Appendix – II

Committee on Accounting Standards for Local Bodies

The status of the various projects as on October 31, 2009:

S. No.	Project	Preliminary Draft by	Limited Exposure Draft by	Public Exposure Draft by	Council Approval by
1.	Proposed Accounting Standard for Local Bodies (ASLB) 1, ' <i>Presentation of Financial Statements</i> '	Draft received	First quarter of the Council year 2009-2010	Second quarter of the Council year 2009-2010	Third quarter of the Council year 2009-2010
2.	Proposed Accounting Standard for Local Bodies (ASLB) 5, ' <i>Property, Plant and Equipment</i> '	Draft received	Limited exposure already made	Public Exposure already made	Third quarter of the Council year 2009-2010
3.	Proposed Accounting Standard for Local Bodies (ASLB) 6, ' <i>Events After the Reporting Date</i> '	Draft received	Limited exposure already made	Public Exposure already made	Third quarter of the Council year 2009-2010

4.	Proposed Accounting Standard for Local Bodies on ' <i>Revenue form Non-Exchange Transactions</i> '	Draft received	First quarter of the Council year 2009-2010	Second quarter of the Council year 2009-2010	Third quarter of the Council year 2009-2010
5.	Proposed Accounting Standard for Local Bodies on ' <i>Construction Contracts</i> '	Draft received	First quarter of the Council year 2009-2010	Second quarter of the Council year 2009-2010	Third quarter of the Council year 2009-2010
6.	Proposed Accounting Standards for Local Bodies on ' <i>Provisions, Contingent Liabilities and Contingent Assets</i> '	Draft received	Second quarter of the Council year 2009-2010	Second quarter of the Council year 2009-2010	Third quarter of the Council year 2009-2010
7.	Proposed Accounting Standards for Local Bodies on ' <i>Segment Reporting</i> '	First quarter of the Council year 2009-2010	Second quarter of the Council year 2009-2010	Second quarter of the Council year 2009-2010	Third quarter of the Council year 2009-2010
8.	Framework for Preparation and Presentation of Financial Statements	Draft received	Limited exposure already made	Second quarter of the Council year 2009-2010	Third quarter of the Council year 2009-2010

9.	Proposed Accounting Standards for Local Bodies on ' <i>Cash Flow Statement</i> '	Second quarter of the Council year 2009-2010	Third quarter of the Council year 2009-2010	First quarter of the Council year 2010-2011	Second quarter of the Council year 2010-2011
10.	Proposed Accounting Standards for Local Bodies on ' <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> '	Second quarter of the Council year 2009-2010	Third quarter of the Council year 2009-2010	First quarter of the Council year 2010-2011	Second quarter of the Council year 2010-2011
11.	Translation of the Booklet on ' <i>Accrual Accounting for Local Bodies: Elected Representatives & Stakeholders</i> ' into other four regional languages	The Booklet is likely to be published in the First & Second Quarter of the Council year 2009-2010. The Hindi version of the booklet has been published recently and Kannada, Tamil & Punjabi versions are under process.			
12.	Awareness Workshops on ' <i>Accrual Accounting in Local Bodies</i> '	One Awareness Workshop each in the Eastern, Southern and Central regions.			
13.	Implementation Guidance / FAQs on Accounting Standards for Local Bodies	This Implementation Guidance / FAQs on Accounting Standards for Local Bodies is to be developed in the Council year 2010-2011.			

Appendix – III

**Status of JNNURM Reforms relating to shifting to Accrual Based Double Entry Accounting and Approved Cost of Urban Infrastructure Projects
(Source www.jnnurm.nic.in)**

S. No.	Name of City	State	Status of Shifting to Accrual Based Accounting System		Approved Cost of Urban Infrastructure Projects (In Lakhs)
			Target Date	Status as on 30-08-09	
1	Hydrabad	AP	2008-2009	Achieved	173,942.51
2	Vijayawada	AP	2007-2008	Achieved	47,712.00
3	Vishakhapatnam	AP	2007-2008	Achieved	115,923.00
4	Itanagar	Arunachal Pradesh	2008-2009		
5	Guwahati	Assam	2008-2009		3,516.71
6	Patna	Bihar	2007-2008		3,695.40
7	Bodhgaya	Bihar	2009-2010		
8	Chandigarh	Chandigarh UT	2008-2009		5,698.60
9	Raipur	Chattsgarh	2007-2008		30,364.00
10	Ahamedabad	Gujrat	2007-2008	Achieved	129,156.52
11	Rajkot	Gujrat	2007-2008	Achieved	27,971.00
12	Surat	Gujrat	2007-2008	Achieved	60,329.37
13	Vadodara	Gujrat	2007-2008		32,313.03

Status paper on Accounting Reforms in Local Bodies in India...

14	Fridabad	Haryana	2009-2010		21,097.70
15	Delhi	Delhi			
16	Shimla	HP	2007-2008	Achieved	2,613.06
17	Srinagar	J&K	2008-2009		28,129.00
18	Jammu	J&K	2008-2009		12,923.00
19	Bangalore	Karnatka	2007-2008	Achieved	153,695.28
20	Mysore	Karnatka	2007-2008	Achieved	27,979.74
21	Chochin	Kerala	2007-2008	Achieved	37,748.00
22	Thiruvanthapuram	Kerala	2007-2008	Achieved	30,257.00
23	Bhopal	MP	2008-2009	Achieved	30,956.00
24	Indore	MP		Achieved	57,285.99
25	Jabalpur	MP	2007-2008		15,602.00
26	Greater Mumbai	Maharashtra	2007-2008	Achieved	353,753.75
27	Nagpur	Maharashtra	2005-2006	Achieved	81,144.49
28	Nanded	Maharashtra	2008-2009		68,704.45
29	Nashik	Maharashtra	2008-2009		56,928.23
30	Pune	Maharashtra	2007-2008		192,355.18
31	Bhubaneshwar	Orrisa	2006-2007	Achieved	50,492.66
32	Puri	Orrisa	2007-2008		
33	Amritsar	Punjab	2007-2008		32,883.00
34	Agartala	Tripura	2008-2009		
35	Dehradun	Uttarakhand	2008-2009		7,002.70
36	Nainital	Uttarakhand	2009-2010		547.00
37	Imphal	Manipur	2008-2009		2,580.71
38	Jaipur	Rajasthan		Achieved	42,980.37
39	Chennai	Tamilnadu	2005-2006	Achieved	105,468.02
40	Coimbatore	Tamilnadu		Achieved	58,738.18
41	Mudurai	Tamilnadu		Achieved	63,710.17
42	Agra	UP	2008-2009		5,245.99

Status paper on Accounting Reforms in Local Bodies in India...

43	Kanpur	UP	2008-2009		51,806.90
44	Allahbad	UP	2007-2008	Achieved	8,969.00
45	Varanasi	UP	2008-2009		15,969.73
46	Mathura	UP	2007-2008		991.60
47	Meeerut	UP	2007-2008		2,259.40
48	Kolkotta	WB	2006-2007	Achieved	118,539.36
49	Asansol	WB	2008-2009	Achieved	21,298.23
50	Aizwal	Mizoram			1,681.80
51	Ajmer-Pushker	Rajasthan			35,515.00
52	Dhanbad	Jharkhand	2009-10		
53	Gangtok	Sikkim			2,392.01
54	Haridwar	UP			
55	Jamshedpur	Jharkhand			
56	Kohima	Nagaland			2,525.60
57	Lucknow	UP	2008-2009		66,776.37
58	Ludhiana	Punjab			
59	Panaji	Goa	2009-2010		
60	Puducherry	Pondichery	2009-2010		20,340.00
61	Ranchi	Jharkhand	2009-2010		
62	Shillong	Meghalya			
63	Ujjan	MP		Achieved	
TOTAL APPROVED COST					25,20,508.81

Appendix – IV

Chart of Accounts for PRIs: Present Status

**PART I
PANCHAYAT FUND**

Revenue Section

RECEIPTS

Tax Receipts

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
0028	Taxes on Professions, Trades, Callings and Employment	101	Profession Tax		
		102	Trade Tax		
0029	Land Revenue	101	Land Revenue		
		102	Land Tax		
		103	Taxes on Plantations		
0030	Duty on transfer of immovable property	101	Duty on transfer by sale		
		102	Duty on transfer by gift		
		103	Duty on transfer by mortgage		
		104	Duty on transfer by lease		
0035	Taxes on Buildings/Property	101	Taxes on Residential Buildings/Property		
		102	Taxes on Non-residential Buildings/Property		

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
0041	Taxes on Vehicles	101	Taxes on bi-cycles, carts and other vehicles		
0042	Taxes on Goods and Passengers	101	Tolls on Roads		
		102	Taxes on entry of goods into local area		
		103	Taxes on Passengers/ Pilgrims		
0045	Taxes and Duties on Commodities and Services	101	Entertainment Tax		
		102	Advertisement Tax		
		103	Receipts under other Acts		
		104	Forest Development Tax		

Non-Tax Receipts

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
0049	Interest Receipts	101	Interest realised on investment of cash balances		
		102	Interest on bank accounts		
		103	Interest on loans and advances		
0059	Public Works*	101	Rent from non-residential buildings		
		102	Premium realised from non-residential buildings		
		103	Licence fees from residential buildings		
0071	Contributions and Recoveries towards Pension	101	Leave Salary and Pension Subscription and Contributions		

* In states where there is no public works department at the PRI level, these receipts can be booked under 0515 Ponchayat Raj.

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
	and Other Retirement Benefit				
0202	Education, Sports, Arts and Culture	101	Pre-primary, Primary and Secondary Education	41	Fees
				42	Fines
		102	Sports and Youth Services		
		103	Public Libraries		
0210	Medical and Public Health	101	Receipts from Patients	51	Accommodation
				52	Supply of Medicines
				53	Cost of Tests
				54	Supply of Blood
		102	Sale of Serum/Vaccine		
		103	Fees and Fines		
0211	Family Welfare	101	Sale of Contraceptives		
0215	Water Supply and Sanitation	101	Water Supply	41	Fees
				42	Fines
				43	Service fees
		102	Sewerage and Sanitation	41	Fees
				42	Fines
				43	Service fees
0216	Rural Housing	112	Schemes XYZ		
0401	Crop Husbandry	101	Sale of Seeds		
		102	Receipts from Agricultural Farm		
		103	Sale of Manures and Fertilizers		
		104	Receipts from Commercial Crops		

Status paper on Accounting Reforms in Local Bodies in India...

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
0403	Animal Husbandry	101	Receipts from Cattle & Buffalo Development	45	Sale of Milk
		102	Receipts from Poultry Development	46	Sale of Animals
		103	Receipts from Piggery Development		
		104	Receipts from Fodder & Feed Development		
0405	Fisheries	101	Licence fees, Fines etc		
		102	Sale of Fish, Fish seeds etc		
		103	Service fees		
0406	Forestry and Wild Life	101	Sale of timber and other forest produce		
		102	Receipts from forest plantations		
		103	Receipts from firewood plantations		
		104	Sale of grazing rights		
0515	Panchayat Raj	101	Licence fees		
		102	Fees for use of quarry		
		103	Rent for use of land vested in Zilla Parishad/Panchayat Samiti/Village Panchayat		
		104	Receipts from Community Development Projects		
		105	Other Rates and Fees*		
		106	Other Registration charges		
		107	Other Service Fees		
		108	Other Fines		

* When rates are in the nature of tax, this is to be accounted for under the appropriate tax receipts heads.

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
0702	Minor Irrigation	101	Lift Irrigation charges		
		102	Receipts from tube-wells		
0801	Power	101	Rural Electrification		

Grants-in-Aid & Contribution

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
1601	Grants-in-aid/ Assistance from Central Government	101	Scheme XYZ		
		102	Scheme ABC		
1602	Grants-in-aid/ Assistance from State Government	101	Scheme MNO		
		102	Scheme JKL		
1604	Compensation and Assignments from State Governemnt and other PRIs	101	Miscellaneous Compensation and Assignments	61	Share of Compensation and Assignment from State Government
				62	Share of Compensation and Assignments from Zilla Parishad
				63	Share of Compensation and Assignment from Panchayat Samiti
1608	Contributions/ Donations from private agencies				

EXPENDITURE

	MAJOR HEAD	MINOR HEAD		OBJECT HEAD	
2049	Interest Payment	102	Interest on loan from Zilla Parishad		
		103	Interest on loans from Panchayat Samiti		
		104	Interest on loans from other organization/ Financial Institution		
		105	Interest on loans from Central Government	55	Details of the loan
				56	Details of the loan
		106	Interest on loans from State Government	55	Details of the loan
				56	Details of the loan
107	Interest on Savings Funds				
2059	Public Works^δ	102	Office Buildings	65	Work charged establishment expenditure
				66	Other maintenance expenditure
		103	Other Buildings		
2071	Pension and other retirement benefits	102	Pensionary charges		
		103	Contribution to Pension and Gratuity		
		104	Contribution to Provident Fund		
2203	Technical Education	102	Technical Schools, Craft Centres etc.		
		103	Scholarship		

δ This head may not be operated in states where constructions and maintenance expenditure is booked under the respective functional heads.

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
2204	Sports and Youth Services	102	Physical Education	71	Assistance to Primary Schools
				72	Assistance to Secondary Schools
				73	Assistance to Non-Govt. Schools
2205	Art and Culture	102	Fine arts education		
				103	Promotion of Arts and Culture
				104	Public Libraries
2206	Pre-Primary Education	102	Mid-day meal		
				103	Scholarships and Incentives
				104	Extra-curricular Activities
				105	Teachers' training
				106	Supply of books and study materials to students
				107	Other assistance to students
				120	Assistance to Voluntary Organisations
2207	Primary Education	102	Mid-day meal		
				103	Scholarships and Incentives
				104	Extra-curricular Activities

Status paper on Accounting Reforms in Local Bodies in India...

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
		105	Teachers' training		
		106	Supply of books and study materials to students		
		107	Other assistance to students		
		120	Assistance to Voluntary Organisations		
2208	Secondary Education	103	Scholarships and Incentives		
		104	Extra-curricular Activities		
		105	Teachers' training		
		106	Supply of books and study materials to students		
		107	Other assistance to students		
		120	Assistance to Voluntary Organisations		
2209	Adult Education	102	Rural Functional Literacy Programme		
		112	Scheme XYZ		
2210	Medical and Public	102	District Hospital		
		103	Community Health Centre		
		104	Primary Health Centre		
		105	Health Sub Centre		
		106	Medical Relief Camps		
		112	National Anti-Malarial Programme		
		113	Trachoma & Blindness Control Programme		
		114	National Aids Control Programme		
		115	Scheme XYZ		

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
2211	Family Welfare	102	Family Welfare Camps		
		103	Immunisation of infants and pre-school children		
		112	Scheme XYZ		
2215	Water supply and sanitation	102	Maintenance of water supply line, tube well etc		
		103	Sanitation		
		112	Scheme XYZ		
2216	Housing	102	Provision of House Sites to the Landless		
		112	Indira Awas Yojana		
		113	Scheme XYZ		
2225	Welfare of Scheduled Castes	102	Scholarships to students in Primary Schools		
		103	Scholarships to students in Secondary Schools		
		104	Scholarships to students in other institutions		
		105	Maintenance of Hostels for SC students		
		106	Assistance for self employment		
		112	Scheme XYZ		
		113	Scheme ABC		
2226	Welfare of Scheduled Tribes	102	Scholarships to students in Primary Schools		
		103	Scholarships to students in Secondary Schools		
		104	Scholarships to		

Status paper on Accounting Reforms in Local Bodies in India...

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
			students in other institutions		
		105	Maintenance of Hostels for ST students		
		106	Assistance for self employment		
		112	Scheme XYZ		
		113	Scheme ABC		
2227	Welfare of Other Backward Classes	102	Scholarships to students in Primary Schools		
		103	Scholarships to students in Secondary Schools		
		104	Scholarships to students in other institutions		
		105	Maintenance of Hostels for OBC students		
		106	Assistance for self-employment		
		112	Scheme XYZ		
		113	Scheme ABC		
2231	Welfare of Handicapped	112	Scheme XYZ		
		113	Scheme ABC		
2232	Child Welfare	112	Scheme XYZ		
		113	Scheme ABC		
2233	Women's Welfare	112	Scheme XYZ		
		113	Scheme ABC		
2234	Welfare of Aged, Infirm and Destitute	112	Scheme XYZ		
		113	Scheme ABC		

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
2235	Social Security Pensions	112	Scheme XYZ		
		113	Scheme ABC		
2236	Nutrition	102	Distribution of nutritious food to children		
		103	Distribution of nutritious food to expectant / lactating mothers		
2401	Crop Husbandry	102	Extension and Farmers' Training		
		103	Crop insurance		
		104	Scheme for Small/ Marginal farmers and agricultural labourers		
		105	Horticulture and vegetable crops		
		106	Assistance to farming cooperation		
2402	Soil and Water Conservation	102	Reclamation of Ravines		
		103	Water conservation		
2403	Animal Husbandry	102	Prevention and Control of animal diseases		
		103	Cattle and Buffalo Development		
		104	Other Domestic Animals		
		105	Poultry Development		
		106	Fodder and feed development		
		107	Insurance of livestock and poultry		
2405	Fisheries	112	Scheme XYZ		
		113	Scheme ABC		

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
2406	Forestry and Wild Life	102	Rural Forestry		
2408	Food, Storage and Ware housing	102	Public Distribution System		
		103	Fair Price Shops		
		104	Co-operative Societies		
2501	Special Programmes for Rural Development	112	Swarnajayanti Gram Samridhi Yojana		
		113	TRYSEM		
		114	Drought prone Areas Development Programme		
		115	Desert Development Programme		
		116	Self-employment Programme		
		117	Scheme XYZ		
2505	Rural Employment	112	NREG Scheme	XX	Water conservation, drought proofing, flood control works
				YY	Afforestation
				ZZ	Minor Irrigation [□]
2515	Panchayat Raj	102	Allowances and honorarium of Chairman/Vice Chairman/Councillors/ Members		
		103	Panchayat Establishment	17	Professional Services (Fees for preparation of Annual Accounts)

□ This is only on illustrative list of works. State may operate as per local requirements.

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
				80	Other expenses
				13	Supplies and Materials
				15	Advertising and Publicity (Public TV, Radio)
				16	Minor Works (Maintenance of Burial Grounds, Akharas, Markets and Fairs)
2702	Minor Irrigation	102	Maintenance and repairs of water tanks/ ponds		
		103	Maintenance and repairs of tube wells		
		104	Maintenance and repairs of canals		
2801	Power	102	Maintenance of street lights		
2810	Non-Conventional sources of energy	102	Maintenance of Bio-gas Plants		
		103	Maintenance of solar lights, cookers etc.		
2851	Village and small Industries	102	Small Scale Industries		
		103	Handloom Industries		
		104	Handicraft Industries		
		105	Khadi and Village Industries		
		106	Coir Industries		
		107	Sericulture Industries		
		108	Employment scheme for unemployed educated youths		

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
		109	Food Processing Industries		
3054	Roads and Bridges	102	Maintenance and Repairs		

Capital Section

RECEIPTS

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
4000	Capital Receipts				

EXPENDITURE

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
4059	Capital Outlay on Public Works^δ	102	Construction of Office Buildings		
		103	Construction of Other Buildings		
		104	Acquisition of Land		
4202	Capital Outlay on Education, Sports, Art and Culture	102	Construction of Primary Schools, Pathshalas etc		
		103	Construction of Youth Hostels		
		104	Construction of Sports Stadium		
		105	Construction of Block/Village Library		
4210	Capital Outlay on Medical and Public Health	102	District Hospital		
		103	Community Health Centre		
		104	Primary Health Centre		
		105	Health Sub Centre		
		106	Medical Relief Camps		
		112	National Anti-Malaria Programme		

^δ This head may not be operated in states where construction and maintenance expenditure is booked under the respective functional heads.

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
		113	Trachoma & Blindness Control Programme		
		114	National Aids Control Programme		
		115	Scheme XYZ		
4211	Capital Outlay on Family Welfare	102	Construction of Maternity and Child Welfare Centres		
4215	Capital Outlay on Water Supply and Sanitation	102	Laying of water supply scheme		
		103	Drilling of tube wells / wells		
4225	Capital Outlay on Welfare of Scheduled Castes	112	Scheme XYZ		
		113	Scheme ABC		
4226	Capital Outlay on Schedule Tribes	112	Scheme XYZ		
		113	Scheme ABC		
4227	Capital Outlay on Welfare of Other Backward Classes	112	Scheme XYZ		
		113	Scheme ABC		
4231	Capital Outlay on Welfare of Handicapped	102	Construction of Training Centres for Welfare of Handicapped		
4232	Capital Outlay on Child Welfare	102	Construction of Anganwadi Centres and storage shed		
4233	Capital Outlay on Women's Welfare	102	Construction of Training Centres for Welfare of Women		

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
4234	Capital Outlay on Welfare of Aged, Infirm and Destitute	102	Construction of Rehabilitation Centres for Welfare of the Aged, Infirm and Destitute		
4405	Capital Outlay on Fisheries	102	Construction of Fish Ponds		
4406	Capital Outlay on Forestry and Wild Life	102	Development of plantations and waste land development		
		103	Development of Grazing Lands		
		104	Development of Firewood Plantations		
4408	Capital Outlay on Food Storage and Warehousing	102	Development of Rural Godowns		
		103	Construction of Rural Godowns		
		104	Development of Mandies, Warehouses		
4515	Capital Outlay on Panchayat Raj	102	Panchayat office buildings		
4702	Capital Outlay on Minor Irrigation	102	Capital Outlay on Canals		
		103	Capital Outlay on Tube Wells		
		104	Capital Outlay on Tanks		
		105	Machinery and Equipment		
4801	Capital Outlay on Power Projects	102	Installation of Street Lights		
4810	Capital Outlay on Non-	102	Construction of Bio-Gas Plants		

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
	Conventional Sources of Energy	103	Construction of Solar Energy Projects		
5054	Capital Outlay on Roads and Bridges	102	Construction of Village /District Roads		
		103	Acquisition of land for construction of Roads and Bridges		
		112	PMGSY		
Borrowing Section[□]					
RECEIPTS					
MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
6003	Loans from Non-Government sources	101	Loans from Zilla Parishad		
		102	Loans from Panchayat Samiti		
		103	Loans from other organizations/ Financial Institutions		
6004	Loans from Government sources	101	Loans from Central Govt	01	Details of the loan
				02	Details of the loan
		102	Loans from State Govt	01	Details of the loan
				02	Details of the loan

[□] This represents borrowings by PRIs.

EXPENDITURE

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
6003	Loans from Non-Government sources	101	Repayment of Loans from Zilla Parishad		
		102	Repayment of Loans from Panchayat Samiti		
		103	Repayment of Loans from other organizations/Financial Institutions		
6004	Loans from Government sources	101	Repayment of Loans from Central Govt	01	Details of the loan
				02	Details of the loan
		102	Repayment of Loans from State Govt	01	Details of the loan
				02	Details of the loan

Lending Section *

EXPENDITURE

	MAJOR HEAD	MINOR HEAD	OBJECT HEAD		
6202	Loans for Education, Sports, Art and Culture	101	Payment of loans for education purpose		
6401	Loans for Crop Husbandry	101	Payment of loans to cultivators		
7610	Loans to Panchayat Employees etc	101	01	House Building Advance	
			02	Motor Conveyance Advance	
			03	Bi-cycle Advance	

* This represents lending by PRIs.

RECEIPTS

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
6202	Loans for Education, Sports, Art and Culture	101	Payment of loans for education purpose		
6401	Loans for Crop Husbandry	101	Payment of loans to cultivators		
7610	Loans to Panchayat Employees etc	101	Payment of loans to employees	01	House Building Advance
				02	Motor Conveyance Advance
				03	Bi-cycle Advance

PART II EXTRAORDINARY FUND

Savings Fund Section

RECEIPTS

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
8009	<i>Provident Funds and Small Savings</i>	101	General Provident Fund		
		102	Panchayat Employees Provident Fund		
8011	<i>Insurance and Pension Funds</i>	101	Employees Group Insurance Scheme		
		102	Panchayat Employees Pension Fund		

EXPENDITURE

	MAJOR HEAD	MINOR HEAD		OBJECT HEAD	
8009	<i>Provident Funds and Small Savings</i>	101	General Provident Fund		
		102	Panchayat Employees PF		
8011	<i>Insurance and Pension Funds</i>	101	Employees Group Insurance Scheme		

Deposit and Advance Section

RECEIPTS

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
8443	Deposits	101	PRI Deposits	01	Security Deposit
		102	Public Works Deposits	01 02	Deposits by Contractors Deposits of earnest money by successful tenderers
8550	PRI Advances	101	Advances to PRI functionaries for works and supplies		
		102	Advances to agencies for works and supplies		

EXPENDITURE

	MAJOR HEAD	MINOR HEAD		OBJECT HEAD	
8443	Deposits	101	PRI Deposits	01	Security Deposit
		102	Public Works Deposits	01 02	Deposits by Contractors Deposits of earnest money by successful tenderers
8550	PRI Advances	101	Advances to PRI functionaries for works and supplies		
		102	Advances to agencies for works and supplies		

Suspense and Remittance Section

RECEIPTS

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
8650	Material Suspense Account	101	Cement		
		102	Bitumen		
		103	Rods		
		104	Stone chips		
		105	Pipes		
		106	Bricks		
		800	Other materials		
8658	Other Suspense Accounts	101	Tax deducted at source suspense	01	Income Tax
				02	Sales Tax
				03	Profession Tax
		102	Housing Loan Suspense		
		103	Insurance Premium Suspense		
		120	Unclassified transaction		
8673	Cash Balance Investment Account	102	Purchase of bond/ debenture		
		103	Purchase of FDC		
		800	Other forms of cash balance investment		
8782	Cash Remittances between PRIs	101	Remittances between Zilla Parishad and Panchayat Samiti		
		102	Remittances between Zilla Parishad and Village Panchayat		
		103	Remittances between Panchayat Samiti & Village Panchayat		

EXPENDITURE

MAJOR HEAD		MINOR HEAD		OBJECT HEAD	
8650	Material Suspense Account	101	Cement		
		102	Bitumen		
		103	Rods		
		104	Stone chips		
		105	Pipes		
		106	Bricks		
		800	Other materials		
8658	Other Suspense Accounts	101	Tax deducted at source suspense	01	Income Tax
				02	Sales Tax
				03	Profession Tax
		102	Housing Loan Suspense		
		103	Insurance Premium Suspense		
		120	Unclassified transaction		
8673	Cash Balance Investment Account	101	Purchase of bond/ debenture		
		102	Purchase of FDC		
		800	Other forms of cash balance investment		
8782	Cash Remittances between PRIs	101	Remittances between Zilla Parishad and Panchayat Samiti		
		102	Remittances between Zilla Parishad and Village Panchayat		
		103	Remittances between Panchayat Samiti & Village Panchayat		

Appendix – V

Status of Tax free bonds approved by Government till date

S. No.	Name	Amount (Rs. in crore)	Date of Gazette of Notification
1.	Ahmedabad Municipal Corporation	100.00	21.08.01
2.	Hyderabad Municipal Corporation	82.50	04.03.02
3.	Nashik Municipal Corporation	50.00	07.03.03
4.	Visakhapatnam Municipal Corporation	50.00	29.12.03
5.	Hyderabad Metropolitan Water Supply and Sewerage Board	50.00	29.12.03
6.	Ahmedabad Municipal Corporation	58.00	16.03.04
7.	Chennai Metropolitan Water Supply and Sewerage Board	42.00	24.03.04
8.	Karnataka Water & Sanitation Pooled Fund Trust	100.00	20.08.04 (Revalidated during 2005-06)
9.	Chennai Metropolitan Water Supply and Sewerage Board	50.00	23.03.05
10.	Chennai Corporation	44.80	24.03.05
11.	Ahmedabad Municipal Corporation	100.00	24.03.05
12.	Nagpur Municipal Corporation	128.00	4.1.2007
13.	Ahmedabad Municipal Corporation	150.00	8.3.2007 (Revalidated during 2007-08)