

**MAHARASHTRA INDUSTRIAL DEVELOPMENT CORPORATION**  
**(A Government of Maharashtra Undertaking)**

Circular No. CE(HQ)/ 04 /of 2024

Date: 16 APR 2024

**Sub : Collection of Grampanchayat Tax from the units within industrial areas of MIDC, booking the expenditure (capital/revenue) towards services provided to industrial areas under the GL code**

**Ref :** Circular no.(1) CE (HQ)/23/2019 dtd 12/12/2019  
(2) CE (HQ)/06 of 2020 dtd 12/03/2020

Vide above referred circular under ref. no.1, guidelines are issued w.r.t. GR dtd 13/09/2019 authorizing MIDC to collect the Grampanchayat Taxes such as cleaning, street light and property tax on the land, building and properties of industrial areas coming under the limits of Grampanchayats. Further, 50% of the tax collected shall be retained by MIDC and MIDC will have to provide the services within the industrial areas from the retained amount. The remaining 50% amount will have to be deposited by MIDC in the Bank Account of respective Grampanchayats.

Vide above circular under ref. no.2, guidelines to book the expenditure under GL code 350120 namely "Collection of Taxes on behalf of Grampanchayat" has been created in ERP for booking of receipts of Grampanchayat Tax has been issued. Guidelines has been issued regarding Grampanchayat dues, if any dispute related to dues from Grampanchayat, then firstly dispute will be settled as per prescribed procedure and after that settled amount is to be adjusted from the payable amount of Grampanchayat.


As mentioned in the above circular, MIDC will have to provide the services within industrial area from this retained amount. However, it is observed that there is no adjustment of expenditure of services provided by MIDC to the above GL Code.

Therefore, it is required to book the expenditure under above GL code which is incurred for services provided by the MIDC to the industrial areas within limits of respective Grampanchayat, by following proper accounting procedure. Accordingly, entry is to pass in ERP Accounts by debiting GL 350120 (Collection of Taxes on behalf of Grampanchayat) and crediting concern capital Expenditure GL on priority.

Further, w.e.f. 01/04/2024, expenditure (Revenue/ Capital) which is to incur for industrial areas within limits of respective Grampanchayat are to be credited to GL 350120 (Collection of Taxes on behalf of Grampanchayat), if sufficient funds are available under

said GL. As GST ITC will not be available for expenditure to book under the under GL 350120, expenditure with GST amount shall be booked under the said GL.  
**For any requirements related to MIDC, please call us at +91 98338 32485 or email us at [info@midcconsultants.in](mailto:info@midcconsultants.in)**

Report of the booking of expenditure under GL 350120 shall be submitted to this office and also by e-mail to [eehq@midcindia.org](mailto:eehq@midcindia.org).

  
Chief Engineer (HQ)  
MIDC, Mumbai-93

No. CE (HQ)/P224046 of 2024  
Office of the Chief Engineer (HQ),  
MIDC, Mumbai-93  
Date:- 16 APR 2024

Copy submitted to Chief Executive Officer, MIDC, Mumbai-93 for information please  
Copy for information fwc to

- 1) All Heads of Departments MIDC
- 2) Chief Engineer, MIDC Pune/Nagpur/Aurangabad

Copy for information to-

- 1) All Superintending Engineers, MIDC
- 2) All Executive Engineers, MIDC
- 3) All Deputy Engineers/SPA, MIDC
- 4) Office Order File/Ground File.