

Significant Accounting Policies and Notes to the Account for FY 2017-2018

1. Fixed Assets

i. Recognition

- a. All Fixed Assets are carried at cost less accumulated depreciation.
- b. Any Fixed Assets, which has been acquired free of cost or in respect of which no payment has been made, is recorded at nominal value of Rs. 1/-.

ii. Depreciation

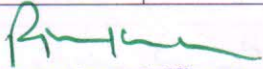
- a. Depreciation is provided on Straight Line Method.

2. Grants

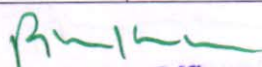
- a. General Grants, which are of revenue nature, are recognised as income on actual receipt
- b. Grants, which are re-imburement of specific revenue expenditure is recognised as income in the accounting period in which the corresponding revenue expenditure is charged to the Income and Expenditure Account.
- c. Grant received towards capital expenditure is treated as a liability till such time the fixed asset is constructed or acquired. On construction/acquisition of fixed assets, the grant corresponding to the value of the asset so constructed/acquired is treated as a capital receipt and transferred to capital contribution.

Details of Grant as on 31/03/2018:-

Name of Grant	Opening Balance	Debit	Credit	Closing Balance
32010 - Central Government	56,104,297	80,162,159	81,001,366	56,943,504
32010-03 13Finance Commission Grant	215,533	215,533		
32010-04- SJSRY	1,229,708		1,946,585	3,176,293
32010-08 Sawach Bharat Mission	20,028		271,699	291,727
32010-09-13th Finance Commission Grant	20,148,086	14,530,743	215,533	5,832,876
32010-10-14th Finance Commission Grant	34,077,472	46,302,053	39,897,549	27,672,968
32010-11 NULM	413,470			413,470
32010 P.M.A.Y Grant (Central)		19,113,830	38,670,000	19,556,170
32020 - State Government	232,134,004	266,945,365	88,289,856	53,478,495
32020-01- Salary Grant	450,890		2,700,000	3,150,890
32020-04- Revenue Deficit Grant	6,075,481			6,075,481
32020-05- Other Specific Purpose Grants	60,100			60,100
32020-07 Urban Water Supply		56,033	1,023,846	967,813
32020-08 Sewerage & Darainage	805,026	2,094,467	1,294,163	4,722
32020-10 ABDEAS	36,168		790,000	826,168
32020-11 Civil Amenities	18,771,856	69,119,591	50,353,152	5,417
32020-12 Urban Transport System		9,177,826	22,320,303	13,142,477


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Name of Grant	Opening Balance	Debit	Credit	Closing Balance
32020-13 Grant for Led Light			550,496	550,496
32020-13 NULM (Tool Kit)	4,220,968	2,414,581		1,806,387
32020-14 Swachh Bharat Mission	62,875	485,600	3,448,265	3,025,540
32020-15 Grant for Machinery			500,000	500,000
32020-16 Grant for ULB Establishment			1,857,781	1,857,781
32020-17 Samudayak Souchalaya		3,451,850	3,451,850	
32020-19 Apda Praandhan (010330)	1,440,000			1,440,000
32020-20 Apda Prabandhan (020323)	2,031,800	1,500,000		531,800
32020-21 Public Transport	15,807,505	15,807,505		
32020-22 Apda Prabandhan (060759)	92,047			92,047
32020-23 Honorerariun	96,000			96,000
32020-24 DPR Grant	1,500,000			1,500,000
32020-25 Koushal Vikas	1,464,189			1,464,189
32020-26 Nagrik Suvidha (340679)	50,418,666	40,583,716		9,834,950
32020-27 Public Toilets	2,020,997			2,020,997
32020-28 PMAY	47,672			47,672
32020-29 Protsahan Rashi	84,000			84,000
32020-30 Salary Grant (070646)	5,595,996	5,595,996		
32020-31 Salary Grant (070679)	6,379	6,379		
32020-32 Salary Grant (030763)	7,693,318	7,693,318		
32020-32 Samudaik Souchalaya and Town	13,506,900	13,506,900		
32020-33 Solid Waste Management	2,975,000	2,975,000		
32020-34 Sweep Work	8,700			8,700
32020-35 Grant (840679)	9,416,182	9,154,973		261,209
32020-36 Grant (030646)	2,357,648	2,357,648		
32020-37 Grant (090646)	72,356			72,356
32020-38 Grant 150679	254,653			254,653
32020-39 Grant 010102	32,633,930	32,633,930		
32020-40 Grant 180646	389,122			389,122
32020-41 Grant 200679	183,585			183,585
32020-42 Grant 060763	390,493	390,493		
32020-43 130679	38,686			38,686
32020-44 Grant 170679	623,294			623,294
32020-45 Grant 040763	131,762			131,762
32020-46 Grant 020763	981,679	981,679		
32020-47 Grant 010646	5,955			5,955
32020-48 Grant 010544	312,484	312,484		
32020-49 Grant 050646	15,072			15,072
32020-50 Grant 060102	141,500			141,500
32020-51 Grant 020646	566,055			566,055
32020-52 Grant 150646	213,942			213,942
32020-53 Grant 030679	61,117			61,117
32020-54 Grant 150759	1,000,000			1,000,000
32020-55 Grant 180679	41,046			41,046
32020-56 Grant 010545	46,629,503	46,629,503		


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- b. In the Year 2017-18, provision on arrear demand has been made @ 25% on Holding tax and water user charges assuming that the arrear demand is outstanding for more than 2 Years.

3. Recognition of Expenditure

A. Depreciation on Fixed Assets :

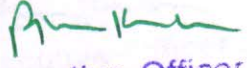
- i. Rate and Manner: Depreciation shall be charged on the fixed assets as per the Straight Line Method (SLM) at the rates prescribed in Annexe – 5 in the JMAM. The Depreciation shall be applied to the Group of assets in a class and not to individual assets.
- ii. Accounting Treatment & Disclosure thereof: Depreciation provided during the year on fixed assets is credited to accumulated depreciation account, the balance whereof is carried over to next year.
- iii. Fully depreciated assets: Assets which have been fully depreciated but still in active use by the municipal council are disclosed in financial statements at gross value along with full accumulated depreciation less Rs.1 thereon.
- iv. Expenses on Salaries, bonus and other allowances are recognised as and when they are due for payment
- v. All revenue expenditures are treated as expenditures in the period in which they are incurred.
- vi. In case of works, expenditures are accrued as soon as the work has been measured and becomes due for payment.
- vii. Provision for expenses are made at the year-end for all bills received up to a cut off date.

4 Investments

- a. All investments are initially recognised at Cost. The cost of investment shall include cost incurred in acquiring the investment and other incidental expenses incurred for its acquisition.
- b. Long-term investments are carried at their cost. However in the event of any permanent diminution in their value as on the date of balance sheet, these are provided for.
- c. Short-term investments are carried at their cost or market value (if quoted) whichever is lower.

5 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles, guidelines of JMAM requires municipal council to make estimates and assumption that affect the reported balance of assets and liabilities and also disclosures relating to contingent liabilities as at the date of financial statements and reported such estimates relied upon includes provisions on tax


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