

SCHEDULE-8
NOTES FORMING PART OF THE ACCOUNTS

1. Accounting Policies

a) Accounting convention

These accounts are prepared on the basis of accounting. All payments are charged to the relevant expenses account head at the time of making the payment except in case of certain receivables and payables, which are to be specifically mentioned with reasons in the Notes on accounts, may be accounted for on accrual basis.

b) Fixed assets and Depreciation

- i. All fixed assets are carried at cost of construction or acquisition including all direct costs (i.e. purchase price, transportation expenses, and installation charges and other expenses incurred for bringing the fixed assets in working condition)
- ii. No depreciation is charged on Fixed assets in the Project Financial Statement as per the accounting policy of the society.

c) Recognition of Income

Grant in Aid:-

The society is receiving the grant in aid from the Government of India for implementation of the project-Integrated Coastal Management Project. The unspent grant in aid is refundable to the Government of India and Grant utilized has been recognized as income during the year.

Bank interest:-

The interest income earned on the funds kept in the Bank is recognized as income on receipt basis for the NPMU/SPMU/PEA's

d) Contingent Liability:-

There is no contingent liability of the Society as on 31st March 2015

e) Advances:-

The advances to the implementing agencies are being recognized as the advance



- 2. Mobilization Advances:**-Mobilization Advances given by SPMU and NPMU were claimed from the World Bank as eligible payments for reimbursement as per the agreed terms and conditions. As per the Accounting policy the Mobilisation advances is shown under the head current assets and are considered as expenditures once adjusted against the invoices received in case of NPMU and in case of SPMU's and National PEA's Mobilisation Advances are considered as expenditures once adjusted against the invoices received.

Details of Mobilization expenses to be adjusted as on date of the Balance Sheet are as below:-

Components	Amount in Rs.
NPMU	8,77,84,541.00
Gujarat	4,85,58,580.00
Orissa	2,06,19,588.00
West Bengal	90,16,650.00
Total	16,59,79,359.00

- 3. Reporting of expenses pertaining to State Share:** - Expenses reported by State SPMU's was accounted in the FY 2014-2015, as reported without deducting the State Share i.e. 10%. So entries pertaining to the State Share is adjusted.

Details of Entries adjusted during the FY 2014-2015.

Components	Expenses reported FY 2014-2015(Rs.)	Adjusted during F.Y 2014-2015 (10% State Share) (Rs.)
Gujarat SPMU	86,97,34,351.85	8,69,73,435.18
Orissa SPMU	53,41,68,503.25	5,34,16,850.33
West Bengal SPMU	36,45,10,253.76	3,64,51,025.38
Total	176,84,13,108.86	17,68,41,310.89

- 4. Negative balance shown under the head Inter unit transfer under Current Assets:-**

Negative balance shown under the head Inter unit transfer under Current Assets represents expenditure incurred by respective PEA's and SPMU over and above fund transferred by GOI i.e Due to shortage of funds in NPMU respective SPMU's and PEA's incurred expenditure from their own source.

- 5. Negative balance shown under the head Government of India:-**

Negative balance shown under the head Government of India is due to expenditure incurred by respective PEA's and SPMU over and above the amount transferred from GOI and amount spent from their own sources or from Interest income earned.

