

SUBJECT NO 500

Sub:- WDA - Accounts - Accounting Policies - Certain suggestions given by Accountant General, Andhra Pradesh, Hyderabad - Implementation - Reg.

AGENDA NOTE

As per the suggestions of Accountant General, Andhra Pradesh, Hyderabad the Accounting Policies and Notes on Accounts are to be enclosed to the Annual Accounts. The following accounting policies and notes on accounts are proposed to be adopted.

1. Fixed Assets are stated at cost of Acquisition/Purchases.
2. The Accounts have been prepared on the basis of historical cost. Income and expenditure are recognised on accrual basis except hire purchase instalments which are accounted for on Cash basis.
3. The accounts of the Organisation have been prepared on the basis of going concern.
4. Investments are stated at cost. Earnings on investments are accounted on accrual basis. (Presently on Cash basis).
5. Payment of retirement benefits, if any are made on Cash basis as the provisions of the payment of Gratuity Act, 1972 are applicable to the Organisation. Similarly leave encashment liability if any is accounted for on actual payment basis.
6. Full disclosure is made in the accounts in connection with any contingent liability (court decrees etc.,) provisions for the same is made when such liability accrues.
7. Prior period adjustments having impact on the financial affairs of the Organisation are disclosed.
8. Capital expenditure of Rs.25,000/- and less may be written off.

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9. Depreciation reserve shall be provided for the whole year irrespective of date of commissioning. In respect of Asset sold during the year depreciation will not be provided for the whole of the year. In respect of purchases, depreciation shall be provided for the whole of the year.
10. Till 1995-96 value of books were capitalised. From 1996-97 their value is charged of as Revenue expenditure in view of provisions of G.F.R./APFC.
11. Depreciation to be provided on written down value.
12. Valuation of investments shall be made at cost.

NOTES ON ACCOUNTS :

1. Cost of buildings does not include the cost of land on which the building were constructed, since the cost of such lands has already been included in the cost of saleable area of the particular layout.
2. According to Revised Policy, Books costing 49.629 including additions during the year for which written down value as on 31.3.97 is 38.940 is written off in 1997-98 accounts.

Hence, the matter is placed before WDA Board with a request to approve the policies as proposed.

WUDA RESOLUTION NO.500:

Dated 21-2-2000

Resolved to approve the accounting polices as proposed since the same has been suggested by Accountant General, A.P., Hyderabad.

K. Ganga
CHAIRMAN