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# AUDIT REPORT

ON THE ANNUAL ACCOUNT FOR THE YEAR 2015-2016 OF

**DELHI DEVELOPMENT AUTHORITY**

**Separate Audit Report**  
**on the Accounts**  
**For the year 2015-16**



**Delhi Development Authority**

**Separate Audit Report of the Comptroller and Auditor General of India on the Accounts of the Delhi Development Authority for the year ended 31 March 2016**

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We have audited the attached Balance Sheet of Delhi Development Authority as at 31<sup>st</sup> March 2016 and the Income and Expenditure for the year ended on the date under Section 19 (2) of the Comptroller and Auditor General (Duties, Powers and Conditions of Services) Act 1971 read with the provisions of Section 25 (2) of the Delhi Development Act, 1957. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. This Separate Audit Report contains the comments of the Comptroller and Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards, disclosure norms etc. Audit observations on financial transactions with regard to compliance with the Law, Rules and Regulations (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any, are reported through Inspection Reports/CAG's Audit reports separately.

3. We have conducted our audit in accordance with applicable rules and the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. Our audit includes examination, on a test basis, evidence supporting the amounts and disclosure in the financial statement. Our audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

4. Based on our audit, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) DDA has prepared the accounts in the format as indicated below:
  - Receipt and Payment Account, Income and Expenditure Account and Balance Sheet in respect of General Development Account prepared under Common Format of Accounts prescribed by the Government of India, Ministry of Finance.
  - Receipt and Payment Account, Income and Expenditure Account and Balance Sheet in respect of Nazul-I prepared under DDA (Budget & Accounts) Rules, 1982.
  - Receipt and Payment Account in respect of Nazul-II prepared under DDA (Budget & Accounts) Rules, 1982.
- (iii) In our opinion, proper books of accounts and other relevant records have been maintained by DDA as required under Section 25 (1) of the Delhi Development Act, 1957 in so far as it appears from our examination of such books subject to the following observations:

## A. Balance Sheet

### 1 Reserves and Surplus (Schedule-A)

#### 1.1 Surplus in Revenue Account: ₹ 9899.43 crore

A reference is invited to C&AG's comment no. A. 1.1 on the financial statements of DDA for the year ended 2014-15 on transfer of funds from EWS House Reserve Fund to Surplus in Revenue Account. As per the fund based accounting, amount transferred should have been adjusted in EWS Reserve Fund instead of adding the same to 'Surplus in Revenue Account' as the amount pertained to EWS houses. In the year 2015-16 also, an amount of ₹ 125.78 crore (EWS expenditure ₹ 171.64 crore -- interest on EWS investments ₹ 45.86 crore) was transferred from 'EWS Houses Reserve Fund' to 'Surplus in Revenue' account. This has resulted in overstatement of 'Surplus in Revenue' account by an amount of ₹ 125.78 crore and understatement of 'EWS Reserve Fund' to the same extent.

### 2 Earmarked/ Endowment Funds (Schedule-B)

#### 2.1 Post Retirement Medical Scheme (PRMS) Fund: ₹ 550.69 crore

A reference is invited to C&AG's comment no. A.2.3 on the financial statements of DDA for the year 2014-15 on this issue wherein it was mentioned that an amount of ₹ 30 crore was used from Pension Fund Trust to meet the obligation of PRMS. In the year 2015-16, closing balance of PRMS fund has been arrived at after including ₹ 60.91 crore as receipt from Pension Fund Trust i.e. ₹ 30.91 crore in current year (2015-16) and ₹ 30.00 crore in previous year (2014-15). However, Audit observed that no amount was received from Pension Fund Trust in 2015-16 and amount of ₹ 30 crore which was received in 2014-15 was also repaid during the current year. Thus, at the end of year, no amount was payable to Pension Fund Trust by PRMS fund.

This has resulted in overstatement of closing balance of PRMS fund by ₹ 60.91 crore and understatement of current liabilities of General Development Account (GDA) towards Pension Fund Trust (Sch-C) to the same extent.

#### 2.2 Shortfall in investment of Earmarked Funds

A reference is invited to C&AG's comment no. A. 2.4 on the financial statements of DDA for the year 2014-15 depicting shortfall against earmarked funds. In the year 2015-16 also, against the total funds of ₹ 7,405.28 crore available as on 31 March 2015 in General Provident Fund, Urban Development Fund, Leave Encashment fund, Post Retirement Medical Scheme Fund, Civil work maintenance Fund and Electrical work maintenance Fund, the actual investment made was ₹ 7,030.08 crore only as detailed below:

(Amount in ₹ crore)

Sl. No.	Name of the Fund	Closing Balance as per Schedule 'B' of Balance Sheet	Amount invested as per Schedule 'E' of Balance Sheet	Shortfall in investment
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1.	General Provident Fund	1535.60	1487.33	48.27
2.	Urban Development Fund	4373.14	4351.18	21.96
3.	Leave Encashment Fund	510.04	459.17	50.87
4.	Post Retirement Medical Fund	550.69	466.87	83.82
5.	Civil work maintenance Fund	395.90	265.53	130.37
6.	Electrical work maintenance Fund	39.91	0	39.91
	<b>TOTAL</b>	<b>7,405.28</b>	<b>7,030.08</b>	<b>375.20</b>

Thus, during the current financial year i.e. 2015-16, there was total shortfall of ₹ 375.20 crore in investment against above referred Funds.

**3 Current Liabilities & Provisions (Schedule-C) ₹ 1596.51 crore**

**3.1 Sundry creditors for land: ₹ 298.96 crore**

- a) This does not include liability towards interest of ₹ 11.10 crore (₹ 1.84 crore up to December 1991+ ₹ 9.26<sup>1</sup> crore from January 1992 to March 2016) on outstanding principal amount of ₹ 3.82 crore payable to Ministry of Rehabilitation (MOR) towards purchase of 690.881 acres of land.

This has resulted in understatement of current liabilities by ₹ 11.10 crore, prior period expenses by ₹ 10.72 crore and current year expenses by ₹ 0.38 crore.

- b) A reference is invited to C&AG's comment no. A 3.2 on the financial statements of DDA for the year 2014-15 wherein need for change in policy no. 11(B) of DDA was highlighted. As per this policy, the liability towards cost of land is booked in General Development Account (GDA) on completion of construction of the respective housing schemes. This policy of DDA is not in accordance with the accrual concept of accounting since liability should be booked as soon as it arises.

As on 31 March 2016 also, GDA had twenty (20) running schemes for which land has already been received from Nazul-II and utilized by GDA in execution of housing schemes. Thus, as per accrual concept of accounting, liability towards cost of land should have been created in books of GDA. Non provision of above liability has resulted in understatement of sundry creditors to the extent of cost of land. Scheme wise cost of land payable to Nazul-II in respect of the housing scheme running as on 31 March 2016 sought in Audit was not provided by DDA, in absence of which Audit could not quantify the liability.

**3.2 Payable to Pension Fund Trust ₹ 283.81 crore**

This does not include ₹ 39.30 crore payable to Pension Fund Trust which has been included under the head sundry creditors for expenses.

<sup>1</sup> Worked out at 10 percent per annum in absence of availability of actual rate of interest to be levied.

This has resulted in understatement of balance amount payable to Pension Fund Trust by ₹ 39.30 crore and overstatement of sundry creditors for expenses to the same extent.

- 4 Current Assets (Schedule-F): ₹ 13676.14 crore  
 Inventories: ₹ 7123.70 crore  
 4.1 Work-in-progress (Houses under construction) ₹ 2759.67 crore  
 a) This does not include ₹ 35.64 crore towards net progressive expenditure incurred against the following schemes detailed as below :-

(Amount in ₹ crore)

Sl. No.	Name of housing scheme	Cumulative expenditure up to 31/03/16	Advance outstanding as on 31/03/16	Net Expenditure (3-4)	Overhead @ 15 per cent on net expenditure	WIP to be shown on 31/03/16 (5+6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>A) Expenditure of ₹ 35.64 crore incurred on construction of houses but not shown as Work-in-progress</b>						
1.	Construction of (C/o) 1675 DUs at Jailor Wala Bagh, Ashok Vihar	20.40	17.57	2.83	0.42	3.25
2.	C/o 1240 HIG (MS) Houses in sector, 19 Dwarka phase-II	54.02	45.90	8.12	1.22	9.34
3.	C/o 352 MS 2-BHK apartments adjoining Pocket-3, sector 19B, Dwarka, Ph-II	25.85	12.75	13.10	1.96	15.06
4.	C/o 1568 DUs/ 600 Cat-II and 968 EWS composite houses in pkt-5, sec-14, Dwarka Phase-II	23.78	22.42	1.36	0.20	1.56
5.	C/o 500 2-BHK, 340 3-BHK and 325 EWS houses	38.76	36.94	1.82	0.27	2.09
6.	C/o 625 2-BHK, 350 3-BHK and 376 EWS houses	37.51	35.43	2.08	0.31	2.39
7.	C/o 225 3-BHK and 420 2BHK and 250 EWS houses	29.73	28.03	1.70	0.25	1.95
<b>Total</b>		<b>230.05</b>	<b>199.04</b>	<b>31.01</b>	<b>4.63</b>	<b>35.64</b>

- b) This also included ₹ 24.97 crore incurred on scheme of construction of 2500/2252 SFS Houses at Vasant Kunj D-6 which were already treated as complete during the year 2012-13 and finished stock against this scheme had already been booked at the same time.

As a result of 'a' & 'b' above, work in progress (Houses under construction) was understated by ₹ 10.67 crore (₹ 35.64 crore – ₹ 24.97 crore) and deficit for current year was overstated to the same extent.

#### 4.2 Work-in-progress (Commercial Estate-under construction) ₹ 27.30 crore

This included ₹ 10.96 crore towards net progressive expenditure incurred up to 31/03/2016 on construction of community halls/centers in following zone of DDA detailed as under-

(Amount in ₹ crore)

Sl. No	Name of the Zone	Name of the scheme	Expenditure incurred up to 31/03/2016	15% overhead charges on the expenditure	Total expenditure including overhead charges
1	East	C/o Community Hall in PKT-10B, Jasola	0.66	0.10	0.76
2	East	C/o Community Hall parking cum park, DDA housing KGCO	1.84	0.28	2.12
3	Dwarka	C/o Community centre at Plot-1, Sec-17, Dwarka	2.81	0.42	3.23
4	Dwarka	C/o Community hall at village Kakrola	2.07	0.31	2.38
5	South	C/o Community hall near the Khand village	2.15	0.32	2.47
		<b>Total</b>	<b>9.53</b>	<b>1.43</b>	<b>10.96</b>

As the community halls/ centers are not being constructed with the purpose of resale, the same should have been shown as Capital work-in-progress in a separate schedule below the fixed assets. This has resulted in overstatement of commercial stock-under construction by ₹ 10.96 crore and understatement of Capital Work-in-progress to the same extent.

#### 4.3 Finished Stock

##### a) Raw land, land under construction and developed land: ₹ 128.38 crore

As per the Accounting Policy No.6(c), DDA is valuing stock of land held for sale at disposal rates based on average tender/auction rate less estimated cost of completion. The policy to value developed land at disposal rate is inconsistent with the AS-2 which states that inventory should be valued at cost or net realizable value whichever is lower.

In this regard it was seen that DDA has valued 690.881 acres of land at ₹ 128.38 crore which was purchased from Ministry of Rehabilitation (MOR)<sup>2</sup> for ₹ 20.32 crore only. Thus, due to accounting policy inconsistent with AS-2, DDA has booked profit of ₹ 108.06 crore (₹ 128.38 crore - ₹ 20.32 crore) in financial year 2001-02 without actually selling the land. This has resulted in overstatement of stock of land as well as overstatement of 'Reserve and Surplus' by an amount of ₹ 108.06 crore.

<sup>2</sup> Renamed as Department of Rehabilitation under Ministry of Home Affairs

**b) Houses - built up:****₹ 3205.21 crore**

- i) A reference is invited to C&AG's comment no. A. 4.2 (a) of Separate Audit Report on the accounts of DDA for the year 2014-15 as per which finished stock of built-up houses was overstated due to following Accounting Policy No.6(c). As per this policy, DDA is valuing inventory of finished units of built up houses at standard cost i.e. at which units were expected to be sold including land premium less estimated cost of completion. The policy to value built up units of houses at standard cost (net realizable value) is inconsistent with the AS-2 which states that inventory should be valued at cost or net realizable value whichever is lower. Further, as per AS-2, standard cost can be used if the results are approximate to the actual cost. In this regard, it was seen that standard cost in the case of DDA for the year 2015-16 was around 48 percent more than the actual cost which cannot be construed as near approximation as can be seen from the following table-

**(Amount ₹ in crore)**

Sl No	Particulars	Land cost (1)	Construction cost (2)	Provision for misc work (3)	Total cost (1)+(2)-(3)
01	Standard cost considered by DDA for valuation of finished stock added in 2015-16	94.08	374.76	19.02	449.82
02	Actual cost incurred by DDA for construction of finished stock added in 2015-16	94.08	208.64	0	302.72
<b>Over valuation of new addition to the finished stock (1-2)</b>					<b>147.10</b>

From the above, it can be seen that the valuation of finished stock in the year 2015-16 was also higher by ₹ 147.10 crore which was not in compliance with the AS-2. Thus, due to inconsistent accounting policy with AS-2, DDA has booked profit of ₹ 147.10 crore without selling the flats in actual. This has resulted in overstatement of finished stock of built-up houses and understatement of deficit for the current year by an amount of ₹ 147.10 crore.

- ii) Finished stock of Built up houses and shops did not include ₹ 8.87 crore in respect of scheme of construction of 112 LIG houses and 16 shops at Ashok Nagar, Faiz road, New Delhi that had already been completed in the financial year 2014-15. This has resulted in understatement of finished stock of houses and shops by ₹ 8.87 crore and overstatement of work-in-progress (Houses under construction) to the same extent.
- c) A reference is invited to the C&AG's comment no. A. 4.2 (b) of Separate Audit Report on the accounts of DDA for the year 2014-15 where it was mentioned that expenditure incurred on construction of EWS houses was not shown under WIP and Finished Stock of EWS Houses separately in Schedule 'F'. In the year 2015-16 also, DDA has incurred an expenditure of ₹ 171.64 crore on construction of EWS houses out of EWS Fund created specifically for the purpose. However, the



assets created by utilizing EWS funds (WIP and Finished Stock of EWS houses) have not been shown separately in the Schedule-F of Balance Sheet of the DDA whereas investment against EWS Fund which is another current asset are being shown separately.

Finished stock as well as work-in-progress in respect of 'EWS Houses Reserve Fund' constituted a major portion in the total Work-in-progress and Finished Stock of built up houses. However, Schedule-F of Balance Sheet of DDA does not separately indicate the value of assets created by utilizing the EWS fund.

#### 4.4 Sundry Debtors

₹ 308.58 crore

The DDA has shown an amount of ₹ 308.58 crore as Sundry Debtors in the Balance Sheet of General Development Account as at 31 March 2016. Review of Authority's financial statements revealed that there is neither a system of obtaining confirmation of balances from debtors nor providing adequate provision for bad and doubtful debtors. Further, the Authority has not been maintaining party-wise and age-wise breakup of debtors; as such Audit is unable to draw an assurance on correctness of balances depicted in respect of sundry debtors in the balance sheet ended as at 31 March 2016.

As per convention of conservatism, necessary provision for bad and doubtful debts should be made. DDA stated that reconciliation of debtors was going on. However, documents in support of status of reconciliation were not furnished to audit.

#### 4.5 Advances to contractors:

₹ 512.99 crore

- a) This does not include amount of ₹ 163.80 crore given to contractors as mobilization advances but booked as expenditure in respect of following housing scheme detailed as below-

(Amount ₹ in crore)

Sl No	Name of scheme	Name of contractor	Date of advance	Amount of advance
1.	C/o 1675 DUs at Jailor Wala Bagh Ashok Vihar, New Delhi	M/s Brij Gopal Construction Co.	18/09/2014	8.79
2.	-Do-	-Do-	23/02/2016	8.79
3.	C/o 1240 HIG (MS) Houses in sector, 19 Dwarka phase-II	M/s Simplex Infrastructures	10/02/2015	30.90
4.	-Do-	-Do-	16/10/2015	15.00
5.	C/o Integrated complex of 273 MS one room tenements at Manglapuri	M/s Bahl Builder	November 2015	1.70
6.	C/o 352 MS 2-BHK apartments adjoining Pkt-3, sec-19B, Dwarka	M/s Varindera Construction	-	12.75
7.	C/o 1568 DUs / 600 Cat-II & 968 EWS composite houses in pkt-5,	M/s B.G. Shirke Construction	19/02/2016	22.42

	sec-14, Dwarka Ph-II	Technology Pvt		
8.	C/o 625 2-BHK, 350 3BHK and 376 EWS Houses earmarked in Pkt-3 at sector A-I to A-4, Narela	-Do-	21/09/2015	35.43
9.	C/o 420 2-BHK Houses in Pkt- 6 at sec-A-1 to A-4, Narela	-Do-	03/09/2015	11.61
10.	-Do-	-Do-	06/02/2016	2.32
11.	C/o 225 3BHK and 250 EWS Houses earmarked in Pocket-3 at sector A-1 to A-4, Narela	-Do-	02/09/2015	7.83
12.	-Do-	-Do-	06/02/2016	6.26
<b>Total advance booked as expenditure</b>				<b>163.80</b>

- b) This also included an amount of ₹ 53.22 crore given to contractors as mobilization advance which was booked twice as detailed below:

Advance of ₹ 53.22 crore shown twice i.e. in North as well as Rohini Zone				
1.	C/o 325 2BHK, 170 3BHK & 194 EWS houses sec A1 to A4, Narela	M/s B.G. Shirke Const Tech.	28/08/2015	20.95
2.	C/o 520 2BHK, 250 3BHK & 294 EWS houses sec A1 to A4 Narela	-Do-	28/08/2015	32.27
<b>Total of advance shown twice</b>				<b>53.22</b>

As a result of 'a' & 'b' above, advance to the extent of ₹ 110.58 crore (₹ 163.80 crore – ₹ 53.22 crore) were understated and expenditure for current year and previous year was overstated to the extent of ₹ 70.89 crore (₹ 110.58 crore – ₹ 39.69 crore) and ₹ 39.69 crore respectively. Consequently, deficit for the current year was overstated to the extent of ₹ 70.89 crore and Reserve and Surplus was understated by ₹ 110.58 crore (₹ 70.89 crore + ₹ 39.69 crore).

#### 4.6 Interest accrued on Advances to Contractors ₹ 50.56 crore

- a) This does not include interest of ₹ 8.74 crore accrued on mobilization advance given to various contractors detailed as below :

(Amount in ₹ crore)					
Sl No	Name of scheme	Name of contractor	Date of advance	Amount of advance	Accrued interest up to 31/03/2016
1.	C/o 1675 DUs at Jailor Wala Bagh Ashok Vihar	M/s Brij Gopal	18/09/2014	8.79	1.35
2.	-Do-	-Do-	23/02/2016	8.79	0.09
3.	C/o 1240 HIG (MS) Houses in sec-19 Dwarka	M/s Simplex Infrastructure	10/02/2015	30.90	3.51
4.	-Do-	-Do-	16/10/2015	15.00	0.69

5.	C/o 625 2-BHK, 350 3BHK & 376 EWS in Pkt-3 at sec A1 to A4 Narela	-Do-	21/09/2015	35.43	1.86
6.	C/o 420 2-BHK Houses Pocket- 6 at sector A-1 to A-4, Narela	M/s B.G. Shirke Const Technology	03/09/2015	11.62	0.67
7.	-Do-	-Do-	06/02/2016	2.32	0.03
9.	C/o 225 3BHK and 250 EWS Houses in Pkt-3 at sec A-1 to A-4, Narela	-Do-	03/09/2015	7.83	0.45
10.	-Do-	-Do-	06/02/2016	6.26	0.09
<b>Total interest not booked by DDA</b>				<b>126.94</b>	<b>8.74</b>

- b) This also included interest of ₹ 4.79 crore which was wrongly booked twice in Rohini as well as in North Zone of DDA.

As a result of 'a' & 'b' above, there was understatement of income and overstatement of deficit for the current year by ₹ 3.95 crore (₹ 8.74 crore – ₹ 4.79 crore).

## B. Income and Expenditure Account

1. **Expenditure:** ₹ 2591.10 crore  
1.1 **Development & Construction Expenses** ₹ 1604.55 crore  
a) **Specified Housing Schemes-EWS Houses** ₹ 171.64 crore

A reference is invited to C&AG's comment no. B. 1 (under the head Expenditure) of Separate Audit Report on the accounts of DDA for the year 2014-15 wherein it was mentioned that DDA has been maintaining a specific Reserve Fund for construction of EWS houses i.e. 'EWS Houses Reserve Fund'. Thus the expenditure incurred or income earned in connection with construction of EWS houses should be adjusted in the Reserve Fund and should not be routed through the Income & Expenditure Account. However, during the current year also ₹ 171.64 crore incurred towards construction of EWS houses has been debited to Income and Expenditure Account. Further, an amount of ₹ 171.64 crore has also been credited to Income and Expenditure Account as income through increase in WIP of EWS houses. This has resulted in overstatement of expenditure by ₹ 171.64 crore as well as overstatement of income by ₹ 171.64 crore.

- b) **Expenditure on other housing schemes** ₹ 1428.95 crore

This included ₹ 24.97 crore towards expenditure in respect of scheme of construction of 2500/2252 SFS houses at Vasant Kunj D-6. This scheme was treated as completed by DDA during the year 2012-13 and income on stock of constructed houses, as per DDA's accounting policy number 6 (c), had also been accounted for in the same year without making provision for balance estimated cost of completion. Since this was an omission, as per AS-5 relating to prior period items, this should have been routed through prior period. This has resulted

in overstatement of expenditure for the current year to the extent of ₹ 24.97 crore and understatement of prior period expenditure to the same extent. Consequently the deficit for the current year was overstated by ₹ 24.97 crore

**1.2 Establishment and Administration Expenses (Schedule-K): ₹ 777.20 crore**

- (i) Establishment and Administration Expenses included ₹ 813.66 crore towards provision for employers contribution to Pension Fund whereas, for the year 2015-16, Actuary recommended provision of ₹ 676.64 crore only. Thus during the year 2015-16, excess provision of ₹ 137.02 crore (₹ 813.66 crore - ₹ 676.64 crore) towards pension contribution has been made by DDA.
- (ii) Establishment and Administration Expenses included (-) ₹ 129.12 crore towards provision for employer contribution to Gratuity Fund whereas, for the year 2015-16, Actuary recommended provision of (-) ₹ 24.32 crore only. Thus during the year 2015-16, excess write back of ₹ 104.80 crore (₹ 129.12 crore - ₹ 24.32 crore) towards gratuity contribution has been made by DDA.

This has resulted in overstatement of Establishment and Administration expenses as well as deficit for the current financial year by ₹ 32.22 (₹ 137.02 crore - ₹ 104.80 crore). This was also contradictory to statement made in Notes to Accounts (Note no. 3) that contribution towards pension and gratuity trust have been recorded as per the actuarial valuation reports as on 31 March 2016.

**1.3 Depreciation (Schedule D) ₹ 12.88 crore**

The above included depreciation of ₹ 1.91 crore on 'Community hall' calculated at the rate of 5 per cent per annum whereas as per Income Tax Act depreciation at the rate of 10 per cent per annum was to be charged which worked out to ₹ 3.81 crore. This has resulted in understatement of depreciation by ₹ 1.90 crore as well as deficit for the year to the same extent.

**C. Receipt & Payment Account**

**1. Payment**

**1.1 Administration & Establishment Expenses ₹ 1415.85 crore**

During the year 2015-16, DDA has shown gross cash payment of ₹ 1415.85 crore towards Administration and Establishment expenses whereas in actual gross cash payment made towards Administration & Establishment Expenses worked out to ₹ 575.80 crore only. In this regard, it was seen that provision of ₹ 840.05 crore made towards Pension, Gratuity, Leave encashment and PRMS has been shown as cash paid during the year, however, no cash payment had been made by DDA. This has resulted in overstatement of cash payment towards Administration and Establishment expenses by ₹ 840.05 crore.

**1.2 Purchase of fixed assets ₹ -4.97 crore**

During the year 2015-16, on payment side an amount of ₹ -4.97 crore has been shown as paid towards purchase of fixed assets. This amount was worked out by

deducting ₹ 8.50 crore received towards recovery of T&P<sup>3</sup> charges from amount of Rs. 3.53 crore paid for purchase of fixed assets. This has resulted in understatement of payments towards purchase of fixed assets by ₹ 8.50 crore (₹ -4.97 crore - ₹ 3.53 crore) and receipt of T&P charges by same amount.

#### **D. Significant Accounting Policies (Schedule-N)**

##### **1. Earmarked Funds (Urban Development Fund)**

A reference is invited to C&AG's comment no. C.2 of Separate Audit Report on the accounts of DDA for the year 2014-15 wherein it was mentioned that as per Accounting Policy No 15 (a), interest on loans given from the UDF Account is recognized and credited to the Fund Account on actual receipt basis. Since accounts of the DDA are prepared on accrual basis and the interest in case of other funds is also being accounted for on accrual basis, therefore, the interest in UDF, which is certain to be realized as loans are given to Government agencies, should have been accounted for on accrual basis to maintain the uniformity. However, DDA continued to follow this policy even during 2015-16.

##### **2. Revenue Recognition (Accounting policy-7)**

A reference is invited to C&AG's comment no. C.3 on the financial statements of DDA for the year 2014-15 wherein it was mentioned that as per accounting policy 7(c), the rental income is recognized on accrual basis and as per accounting policy 7(d), ground rent income and service charges are being accounted for as income on cash basis. Since the final accounts are being prepared on accrual basis, the ground rent and service charges may also be accounted for on accrual basis and provision may be made for the portion of income whose realization is doubtful. Adoption of cash basis as well as accrual basis for accounting of income is inconsistent with the Generally Accepted Accounting Principles and Practices. Further in case of Nazul-I, DDA has been accounting for ground rent on accrual basis. Therefore, in case of GDA also, ground rent should be accounted for on accrual basis. The policy needs to be suitably modified. However, DDA did not modify these policies even during 2015-16.

#### **E. Notes to the Accounts (Schedule-O)**

##### **Contingent liability not acknowledged as debts-Note No 2 (a): ₹ 2325.65 crore**

Above include an amount of ₹ 1808.98 crore only in respect of a case filed by M/s Emaar MGF Construction Pvt. Limited against DDA whereas as per the claim statement furnished to Audit by DDA the total amount works out to ₹ 2321.54 crore. Thus, there was understatement of contingent liabilities to the extent of ₹ 512.56 crore (₹ 2321.54 crore - ₹ 1808.98 crore).

#### **F. Nazul-II Accounts**

##### **Non- preparation of Income & Expenditure A/c and Balance sheet-**

<sup>3</sup> Tools and Plant charges for plant and machineries issued to various contractors

Nazul-II relates to large scale acquisition, development and disposal activities of land. In respect of Nazul-II accounts, DDA had prepared Receipt & Payment Account only, resultantly important Assets and Liabilities of Nazul-II accounts have not been depicted in the financial statements some instances of which are given below:

1. Investments amounting to ₹ 11,594.40 crore;
2. Accrued interest amounting to ₹ 460.70 crore;
3. Fixed deposit of ₹ 1.61 crore kept as security with Food Corporation of India (FCI) in UCO bank during November 2015 for construction of fly over cum ROB at FCI Narela;
4. Double payment to the extent of ₹ 40.50 crore during 2010-11 to 2015-16 towards court orders, of which it had recovered an amount of ₹ 3.52 crore only and balance amount of ₹ 36.98 crore was yet to be realised from Delhi Government;
5. Based on the reconciliation of 366 awards, DDA found that an amount of ₹ 640.00 crore was lying undisbursed with various LACs which has not been reflected in annual accounts due to non preparation of Nazul II accounts.

For better presentation of the financial statements and to ensure that all the assets and liabilities are properly depicted in the financial statements, Audit is of the firm opinion, as has been commented upon in previous years also, that Balance Sheet and Income and Expenditure Account should be prepared by DDA for Nazul-II as well. At present DDA has been showing investments in respect of Nazul-II in the annexure attached to the Balance Sheet. However, mere presentation of investments in annexure had not sufficed the purpose. DDA should, therefore, prepare the Balance Sheet of Nazul-II for proper accounting of its all the assets, liabilities, accrued income as well as outstanding expenses so that a fair picture of accounts could be presented to the readers of accounts.

#### **G. Pension Fund Trust Accounts**

##### **Balance Sheet (Assets)**

**Receivable from PRMS Fund** ₹ 60.91 crore

This has been arrived without adjusting ₹ 60.91 crore received from PRMS funds during the year 2015-16. After adjusting the said amount, the amount receivable from PRMS fund would workout to ₹ nil. This has resulted in overstatement of Receivable from PRMS fund by ₹ 60.91 crore and understatement of Receivable from GDA to the same extent.

## H. Management Letter

Deficiencies, which have not been included in the Separate Audit Report, have been brought to the notice of the Vice- Chairman, DDA through a Management Letter issued separately for remedial/corrective action.

- (iv) Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and Income & Expenditure Account/Receipt & Payment Account dealt with by this report are in agreement with the books of accounts.
- (v) In our opinion and to the best of our information and according to the explanation given to us, the said financial statement read together with the accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure to this Audit Report gives a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) In so far as it relates to the Balance Sheet, of the state of affairs of Delhi Development Authority as at 31 March 2016; and
  - b) In so far as it relates to the Income & Expenditure Account of the deficit for the year ended on that date.

Sd/-

Date:  
Place: New Delhi

(Manish Kumar)  
Director General of Audit  
Economic & Service Ministries

Separate Audit Report of the CAG on the Accounts of DDA for the year 2015-16

During certification of account of DDA for the year 2015-16, the following shortcomings were also noticed:

**1. Adequacy of Internal Audit System:**

The Internal Audit of Delhi Development Authority (DDA) had been conducted by its own Internal Audit Wing headed by Director (Internal Audit). It was observed that DDA has 140 annual audit units, 53 biennial audit units and 21 triennial audit units. Of these, the internal audit could cover only 88 annual audit units, 20 biennial units and 4 triennial units. Thus, it can be seen that there were arrears in all the categories of units indicating that the internal audit structure was not commensurate to the size of the organization. Further, it was observed that there was substantial pendency of old outstanding internal audit paras. The number of outstanding paras of the end of financial year 2013-14, 2014-15 and 2015-16 were 14317, 16105 and 16915 respectively. During the last three years, only 888 paras have been settled by the DDA. This indicates that more efforts need to be made to settle the outstanding paras

**2. Adequacy of Internal control system:**

- i. Internal control system is inadequate and not commensurate with the size and nature of the activities of DDA which is clear from various deficiencies noticed in the accounting system such as non-reconciliation of debtors, non-adjustment of excess debits/credits given by the bank, overstatement of receipts as well as payment under New Pension Scheme, non-cancellation of stale cheques etc.
- ii. DDA compiles the annual accounts on the basis of information received from its 17 Centralized Accounting Units (CAUs). Each of these CAUs maintains accounts of several Divisions (Primary units which execute various works) under its jurisdictions. DDA basically follows the CPWD pattern of preparation of monthly accounts at CAU level and from those monthly accounts, which are purely on cash basis; Receipt and Payment account is prepared. Audit observed that monthly accounts rendered by the CAUs were posted in the Classified and Consolidated abstracts. These statements are prepared at headquarters level on monthly basis and at the end of the year, final accounts are prepared by passing adjustment entries (by Account Main section and Consultant staff) to convert the cash basis accounts into accrual basis accounts. Thus, DDA does not record its transaction on accrual basis as



and when these take place. Further, DDA is dependent upon outside agency for finalization of its Accounts. Keeping in view above observations, the size and nature of business, the Authority may consider implementing an ERP System, which will help in streamlining financial and accounting systems. Further, accounting system needs to be improved and personnel in accounts department need to be trained in double entry system and accrual basis of accounting.

### **3. System of Physical Verification of Fixed Assets:**

As per rule 192 (1) of General Financial Rules (GFR), fixed assets should be verified at least once in a year and discrepancies, if any, should be recorded in the corresponding register. Discrepancies, if any, should be promptly investigated and brought to account. However, it was seen that item wise physical verification of fixed assets is not being done in DDA resulting in violation of provisions of GFR.

In absence of item-wise physical verification of fixed assets recording of all fixed assets cannot be ensured, for instance, Staff Quarters at pocket C-1, Lawrence road valuing ₹ 1.60 crore has not been included in fixed assets. These flats remained unaccounted for in fixed assets due to not conducting of item wise physically verification of fixed assets. Thus, for reflecting correct picture of fixed assets in accounts, item wise physical verification of fixed assets may be got conducted every year.

In absence of item-wise physical verification report of fixed assets, audit was unable to draw an assurance as to the authenticity and existence of fixed assets valuing ₹ 218.83 crore shown in the Balance Sheet ended as at 31 March, 2016.

### **4. System of Physical Verification of inventories:**

As per rule 192 of General Financial Rule (GFR), physical verification of all the goods and material should be taken at least once in a year and discrepancies, if any, should be recorded in the stock register for appropriate action by competent authority. However, it was seen that item wise physical verification is not being done in DDA resulting in violation of provisions of GFR.

In absence of item-wise physical verification of goods and material, the quantity and value of inventories had not been reported correctly in the financial statement of DDA. For instance, opening stock of inventories as on 01/04/2015 did not include 252 flats, 13 garages and 140 shops. The value of these flats garages was ₹ 41.34 crore and value of shops was ₹ 34.01 crore resulting into understatement of closing inventory of houses and shops as on 31/03/2015. These flats and shops remained

unaccounted for due to non conducting of item-wise physical verification of inventories. Thus, for reflecting correct picture of inventories in account, items wise physical verification of inventories may be got conducted every year. In the absence of item wise physical verification report of inventory, audit is unable to draw an assurance as to the correctness and existence of inventories valuing ₹ 7,123.70 crore shown in the Balance Sheet ended as at 31 March 2016.

**5. Regularity in payment of statutory dues**

Audit has observed that there were disputed dues of income tax, service tax, labour cess and property tax, being pursued by DDA in various courts of law. These have been disclosed by DDA in its financial statements. Based on test check of records relating to payment of income tax, service tax and labour cess, it was observed that statutory liabilities were being discharged by DDA on regular basis.

Dated: 25/11/2016  
Place: New Delhi

Sd/  
(Manish Kumar)  
Director General of Audit  
Economic & Service Ministries

**FINAL ACCOUNTS**  
**For the year 2015-16**



**Delhi Development Authority**

FINAL ACCOUNTS  
GENERAL DEVELOPMENT ACCOUNT  
ANNUAL ACCOUNTS  
2015-16



Delhi Development Authority

**DELHI DEVELOPMENT AUTHORITY  
GENERAL DEVELOPMENT ACCOUNT  
BALANCE SHEET AS AT 31ST MARCH, 2016**

(Amount in Rs. Crore)

Particulars	Schedule	As at 31.03.2016	As at 31.3.2015
<b>CORPUS/CAPITAL FUND AND LIABILITIES</b>			
Corpus/Capital Fund-			
Reserves & Surplus	A	11,912.67	11,525.07
Earmarked/Endowment Funds	B	7,407.53	6,210.01
Current Liabilities & Provisions	C	1,596.51	1,734.51
<b>TOTAL</b>		<b>20,916.71</b>	<b>19,469.59</b>
<b>ASSETS</b>			
Earmarked/Endowment Funds	B	0.00	6.56
Fixed Assets	D	208.81	218.80
Investment of Earmarked/Endowment Funds	E	7,031.76	5,595.94
Current Assets, Loans & Advances	F	13,676.14	13,648.29
<b>TOTAL</b>		<b>20,916.71</b>	<b>19,469.59</b>
Significant Accounting Policies	N		
Notes To Accounts	O		

Sd/-  
Sr. Accounts Officer

Sd/-  
Dy. Chief Accounts Officer (A/Cs)

Sd/-  
Chief Accounts Officer

Dated : 14.06.2016  
Place : New Delhi

**DELHI DEVELOPMENT AUTHORITY**  
**GENERAL DEVELOPMENT ACCOUNT**  
**INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016**

(Amount in Rs. Crore)

Particulars	SCHEDULE	For the year ended 31.3.2016		For the year ended 31.3.2015	
<b>INCOME</b>					
Income from Sales/Services	G		1,163.77		1,017.71
Income from Investments	H		330.90		487.93
Other Income	I		195.00		266.13
Increase/(Decrease) in Stock & Works	J		866.89		2,030.60
<b>Total</b>			<b>2,556.67</b>		<b>3,802.57</b>
<b>EXPENDITURE</b>					
Development & Construction Expenses					
- Land and related works		0.81		3.95	
- Specified housing scheme - EWS Houses		171.64		748.55	
- Other Housing Schemes		1,428.95		1,238.02	
- Commercial Estate		3.15	1,604.55	3.32	1,893.84
Maintenance of properties			196.21		164.39
Establishment & Administration	K		777.20		269.28
Interest on Registration Money			0.28		0.09
Depreciation	D		12.88		10.79
<b>Total</b>			<b>2,691.10</b>		<b>2,437.37</b>
Excess of Income over Expenditure before prior period Items & Extra ordinary Items			-34.43		1,355.20
Prior Period Items & Extraordinary Items	L		321.52		156.15
<b>Excess of income over expenditure for the year</b>			<b>287.09</b>		<b>1,621.35</b>
Significant Accounting Policies	N				
Notes to Accounts	O				

Sd/-  
Sr. Accounts Officer

Sd/-  
Dy. Chief Accounts Officer (A/Cs)

Sd/-  
Chief Accounts Officer

Dated : 14.08.2016  
Place : New Delhi

DELHI DEVELOPMENT AUTHORITY  
GENERAL DEVELOPMENT ACCOUNT  
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2016

(Amount in Rs. Crore)

Particulars	As at 31.03.2016		As at 31.3.2015	
<b>SCHEDULE-A</b>				
<b>RESERVES &amp; SURPLUS</b>				
<b>Surplus in Revenue Account</b>				
Opening Balance	10,486.56		8,239.92	
Less: Amount Trfd. to EWS Houses Reserve Fund	1,000.00		-	
Add: Amount Trfd. from EWS Houses Reserve Fund	125.78		725.26	
Add: Excess of Income over Expenditure for the year	287.09	9,899.43	1,521.38	10,486.54
<b>Specific Reserves</b>				
<b>EWS Houses Reserve Fund</b>				
Opening Balance	130.56		855.82	
Add: Amount Trfd. From Surplus in Revenue Account	1,000.00		-	
Less: Trfd. from Surplus in Revenue Account:				
Expenditure on EWS Houses	171.64		-	
Income from Interest earned of EWS Funds In	45.86		725.26	
	125.78	1,004.78		130.56
<b>Contingency Reserve Fund:</b>				
Opening Balance	904.10		839.45	
Add: Interest earned on Reserve Fund	80.69		-	
Add: Prior Period	19.76	1,004.55	64.84	904.09
<b>Reserve for House fire risk</b>				
Opening Balance	3.88		3.87	
Add: House Risk Premia recovered during the year	0.03	3.91	0.02	3.89
<b>TOTAL</b>		<b>11,912.67</b>		<b>11,525.07</b>

DELHI DEVELOPMENT AUTHORITY  
GENERAL DEVELOPMENT ACCOUNT  
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2016

(Amount in Rs. Crore)

PARTICULARS	As at 31.03.2016	As at 31.3.2015
<b>SCHEDULE- B</b>		
<b>EARMARKED / ENDOWMENT FUNDS</b>		
<b>URBAN DEVELOPMENT FUND</b>		
Opening Balance	3,784.10	3,297.82
<b>Add: Additions to the Funds</b>		
Conversion charges received during the year	241.86	222.08
Interest Earned on Investments & Saving Bank Interest	343.15	308.22
Add: Prior period	19.17	-
Recovery of Loan from the Fund	3.10	-
Amount received from Gratuity Fund trust	-	8.32
Other Interest	0.50	-
	-	-
<b>Less: Utilization / Expenditure towards objectives of Funds</b>		
Disbursement during the year(Grant given)	-	4.74
Expenditure incurred on the Projects	18.75	47.50
	-	-
<b>Less: Receipt from Others</b>		
Receipt from General Provident Fund	-	0.10
<b>Closing Balance (Credit)</b>	<b>4,373.14</b>	<b>3,784.10</b>
<b>GENERAL PROVIDENT FUND</b>		
Opening Balance	1,432.58	1,309.21
<b>Add: Additions to the Funds</b>		
Contribution received (net) during the year including Interest on Contribution	279.17	281.19
Interest Earned on Investments	112.84	118.83
<b>Add: Amount received during the year</b>		
Pension Fund Trust	52.42	67.57
Urban Development Fund	-	0.10
TANGEDCO	-	0.01
	-	-
<b>Less: Utilization / Expenditure towards objectives of Funds</b>		
Disbursement during the year	845.81	320.52
Premium on Purchase of Investment(net of discount)	0.66	2.76
Received from Gratuity Fund Trust	-23.97	13.52
Paid to Post Retirement Fund	21.87	-
Misc. Expenditure	0.00	0.01
	-	-
<b>Less: Receipt from Others</b>		
Interest receivable from PSIDC	-	0.17
Received from Leave Encashment Fund	-2.96	7.40
<b>Closing Balance (Credit)</b>	<b>1,535.60</b>	<b>1,432.54</b>
<b>PERSONAL ACCIDENT INSURANCE POLICY FUND</b>		
Opening Balance	0.52	0.42
<b>Add: Additions to the Funds</b>		
Contribution received during the year	0.13	0.16
	-	-
	-	-
<b>Less: Utilization / Expenditure towards objectives of Funds</b>		
Disbursement during the year	0.09	0.06
	-	-
<b>Closing Balance (Credit)</b>	<b>0.56</b>	<b>0.52</b>
<b>BENEVOLENT FUND</b>		
Opening Balance	-6.56	-5.71
<b>Add: Additions to the Funds</b>		
Contribution received from employees	0.75	0.84
Contribution received from BGDA	7.26	-
	-	-
<b>Less: Utilization / Expenditure towards objectives of Funds</b>		
Disbursement during the year	1.45	1.68
	-	-
<b>Closing Balance (Debit)</b>	<b>-0.00</b>	<b>-6.56</b>



<b>LEAVE ENCASHMENT FUND</b>		
Opening Balance	463.03	466.23
<b>Add: Additions to the Funds</b>	-	-
Interest Earned on Investment	20.00	15.00
Contribution	-	-
- Current Year	-40.20441067	-9.59
- Prior period	6.442134118	30.83
Receipt for General Provident Fund	-2.06	7.40
Received from Pension Fund	108.51	-
	-	-
<b>Less: Utilization / Expenditure towards objectives of Funds</b>		
Disbursement during the year	10.22	46.52
Premium on Purchase of Investment(net of discount)	0.27	-
Expenditure on purchase of Investments	-	0.01
Other interest paid	0.50	-
Paid for Gratuity Fund Trust	3.88	0.95
	-	-
<b>Closing Balance (Credit)</b>	<b>510.04</b>	<b>463.05</b>
<b>POST RETIREMENT MEDICAL FUND</b>		
Opening Balance		
<b>Add: Additions to the Funds</b>	280.00	250.00
Contribution during the year	185.72	4.15
Contribution for the Prior Period	30.00	-
Interest Earned on Investment	0	0
for the current period	20.16	11.77
for the Prior period	0.02	-
Amount received from Pension Fund Trust	39.91	30.00
Amount received from GPF	21.87	-
	-	-
<b>Less: Utilization / Expenditure towards objectives of Funds</b>		
Disbursement during the year	28.70	15.00
Premium on Purchase of investment(net of discount)	1.30	0.92
<b>Closing Balance (Credit)</b>	<b>550.59</b>	<b>280.01</b>
<b>STAFF BENEFIT FUND</b>		
<b>Add: Additions to the Funds</b>		
Contribution during the year	1.50	-
Interest Earned on Investment	0.02	-
	-	-
<b>Less: Utilization / Expenditure towards objectives of Funds</b>		
Disbursement during the year	0.14	-
Misc. exp	0.00	-
<b>Closing Balance (Credit)</b>	<b>1.38</b>	<b>-</b>
<b>CIVIL Works Maintenance Fund - Housing Scheme, 2010 onward</b>		
Contribution received from Allottees	375.37	249.79
Interest on Investment	20.53	-
	<b>395.90</b>	<b>249.79</b>
<b>Electrical work Maintenance Fund- Housing Scheme, 2014 onward</b>		
Contribution received from Allottees	39.91	-
<b>Closing Balance (Credit)</b>	<b>39.91</b>	<b>-</b>
<b>YAMUNA POLLUTION PENALTY FUND</b>		
<b>Add: Additions to the Funds</b>		
Contribution during the year	0.30	-
<b>Less: Utilization / Expenditure towards objectives of Funds</b>		
Disbursement during the year	-	-
<b>Closing Balance (Credit)</b>	<b>0.30</b>	<b>-</b>
<b>TOTAL BALANCE (Credit)</b>	<b>7,407.53</b>	<b>6,210.01</b>
<b>TOTAL BALANCE (Debit)</b>	<b>-0.00</b>	<b>-5.56</b>
<b>NET BALANCE</b>	<b>7,407.53</b>	<b>6,203.45</b>

**DELHI DEVELOPMENT AUTHORITY  
GENERAL DEVELOPMENT ACCOUNT  
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2016**

(Amount in Rs. Crore)

Particulars	As at 31.03.2016	As at 31.3.2015
<b>SCHEDULE - C</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A. CURRENT LIABILITIES:</b>		
Sundry Creditors:		
- For Expenses	173.20	273.12
- For Land	298.96	493.90
Advances from Allottees - MOR Land	0.62	0.62
Interest accrued on Deposits	4.48	0.01
Deposits & Retentions	192.56	166.11
Earnest Money Deposits/ Registration Money :		
Commercial Schemes	4.72	4.97
Housing Schemes	21.61	67.08
Advances from Allottees of various DDA Housing Schemes	437.01	368.33
Suspense Account	21.35	13.98
Payable to Gratuity Fund Trust	-	179.37
Payable to Pension Fund Trust	283.81	-
Payable to Nazul-II	130.00	130.00
Statutory Liabilities	10.73	20.22
Other Liabilities	17.46	16.80
<b>TOTAL</b>	<b>1,596.51</b>	<b>1,734.51</b>

DELHI DEVELOPMENT AUTHORITY											SCHEDULE - D
GENERAL DEVELOPMENT ACCOUNT											
STATEMENT OF FIXED ASSETS AS AT 31st MARCH 2016											(Amount in Rs. Crores)
PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	GROSS COST AS AT 01.04.2015	ADDITION	SALE/ADJUSTMENT	TOTAL AS AT 31.03.2016	UPTO 31.03.2015	DEPRECIATION FOR THE YEAR	SALE/ADJUSTMENT	UPTO 31.03.2016	WDV AS AT 31.03.2016	WDV AS AT 31.03.2016	
LAND	24.72	-	-	24.72	-	-	-	-	24.72	24.72	
OFFICE BUILDINGS, STORES & GODOWNS	43.88	-	-	43.88	29.49	1.45	-	30.94	13.04	14.49	
1 LET OUT PROPERTIES	44.85	-	-	44.85	34.49	1.02	-	35.51	8.14	10.15	
2 COMMUNITY HALL/PICNIC HUTS/TOURIST COMPLEX	44.08	-	-	44.08	5.15	1.96	-	7.14	36.94	36.93	
STAFF QUARTERS	132.37	-	-	132.37	14.71	5.88	-	20.69	111.77	117.65	
MOTOR VEHICLES	7.57	-	0.31	7.26	4.81	0.41	0.26	4.96	2.30	2.78	
OFFICE FURNITURE & FITTINGS	10.31	1.72	-	12.03	4.38	0.74	-	5.12	6.92	5.94	
OTHER OFFICE EQUIPMENTS	4.29	-	-	4.29	2.86	0.21	-	3.10	1.19	1.40	
ELECTRICAL INSTALLATIONS & EQUIPMENTS	8.52	-	-	8.52	6.83	0.25	-	7.08	1.43	1.58	
P.LANT & MACHINERY & OTHER EQUIPMENTS	0.40	-	-	0.40	0.36	0.01	-	0.37	0.04	0.04	
PRINTING PRESS EQUIPMENTS	1.42	-	-	1.42	0.98	0.07	-	1.05	0.38	0.44	
COMPUTERS	25.24	1.17	-	26.41	24.60	0.86	-	25.46	0.84	0.63	
TOTAL	347.65	2.89	0.31	350.13	128.69	12.89	0.26	141.32	208.81	218.83	
Previous Year	194.72	152.83	-	347.55	117.92	10.77	-	128.70	218.80		

Bifurcation of land and cost of construction in respect of point 1,2 above, is not possible as components are clubbed

**DELHI DEVELOPMENT AUTHORITY**  
**GENERAL DEVELOPMENT ACCOUNT**  
**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2016**

(Amount in Rs. Crore)

Particulars	As at 31.03.2016		As at 31.3.2015	
<b>SCHEDULE- E</b>				
<b>INVESTMENTS OF EARMARKED/ ENDOWMENT FUNDS</b>				
<b>a) Government Securities</b>				
<b>(i) Central Govt. Securities</b>				
Post Retirement Medical Fund	40.00		10.00	
Leave Encashment Fund	118.00		10.00	
General Provident Fund	496.08	654.08	385.58	405.58
<b>(ii) State Govt. Securities</b>				
Post Retirement Medical Fund	47.50		47.50	
Leave Encashment Fund	10.00		10.00	
General Provident Fund	272.00	329.50	264.45	321.96
<b>b) Debentures &amp; Bonds</b>				
General Provident Fund	426.10		452.20	
Leave Encashment fund	106.35		30.00	
Post retirement medical fund	65.85	598.30	40.00	522.20
<b>c) Deposits with Insurance Companies</b>				
Leave Encashment fund	115.32		93.47	
Post Retirement Medical Fund	65.99	182.31	51.90	145.37
<b>d) MUTUAL FUNDS</b>				
General Provident Fund	81.00		31.00	
Leave Encashment fund	79.00		13.00	
Post Retirement Medical Fund	30.50	190.50	25.00	69.00
<b>e) In Fixed Deposits</b>				
Post Retirement Medical Fund	-		14.00	
Urban Development Fund	4,045.00		3,600.72	
Staff Benefit Fund	1.30		-	
Civil work maintenance fund	245.00		-	
General Provident Fund	45.37	4,336.67	171.87	3,786.59
<b>f) In Saving Bank Accounts</b>				
Urban Development Fund	119.05		18.27	
General Provident Fund	133.87		62.54	
Leave Encashment fund	22.32		20.69	
Staff Benefit Fund	0.07		-	
Yamuna Pollution Penalty Fund	0.30		-	
Post Retirement Medical Fund	214.39	489.80	12.88	114.38
<b>g) Interest Accrued on Investments</b>				
Urban Development Fund	187.13		165.06	
Leave Encashment Fund	7.18		15.81	
Post Retirement Medical Fund	2.64		10.95	
Civil work maintenance fund	20.53		-	
Staff Benefit Fund	0.01		-	
General Provident Fund	33.11	250.60	39.23	230.85
<b>Total</b>		<b>7,031.76</b>		<b>5,595.94</b>

DELHI DEVELOPMENT AUTHORITY  
GENERAL DEVELOPMENT ACCOUNT  
SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2016

(Amount in Rs. Crore)

Particulars	As at 31.03.2016		As at 31.3.2015	
<b>SCHEDULE- F</b>				
<b>A. CURRENT ASSETS</b>				
<b>1. Inventories -</b>				
Stores	8.88		9.11	
Stock in Trade :				
Land - Raw Land	19.07		19.07	
<b>Work in Progress</b>				
Land - Under Development	1.32		1.32	
Houses - Under Construction	2,759.67		1,453.99	
Commercial Estate - Under Construction	27.30		23.71	
<b>Finished Stock :</b>				
Developed Land	107.99		107.99	
Houses - Built Up	3,205.21		3,519.93	
Commercial Estate - Built Up	500.89		503.44	
Commonwealth Games Assets- Flats, Furniture, Fittings (Net of recoveries from allottees towards furniture, etc.)	493.37	7,123.70	482.65	8,221.21
<b>2. Sundry Debtors*</b>		308.58		567.43
<b>3. Cash &amp; Bank Balances -</b>				
Cash in hand	0.13		0.19	
<b>Bank Balances - with Scheduled Banks -</b>				
In Saving Bank Account	627.57		725.00	
Remittance in Transit	3.40		6.12	
	631.10		731.31	
Less : Balances pertaining to transactions of Nazul I & II	-260.61		-593.67	
	370.49		137.64	
In Deposit Account - General Investment	1,796.53	2,167.02	4,167.52	4,305.16
<b>Bank Balance - with Scheduled Bank - for Farnarked Funds</b>				
Reserve Fund Account - Contingency Reserve	2.98		7.96	
Reserve Fund Account - EWS Houses	0.52	3.50	1.68	8.64
<b>4. Reserve Fund Investment-</b>				
- Fixed Deposits - Contingency Fund	945.00		856.00	
- Fixed Deposits - EWS Houses Reserve Fund	895.00	1,840.00	31.00	887.00
<b>B. LOANS, ADVANCES &amp; OTHER ASSETS</b>				
<b>1. Loans</b>				
(a) Staff	2.35		2.47	
(b) Future Hire Purchase Instalments	449.13		82.90	
Less : Future Interest	-168.93		-18.63	
	280.20	262.55	64.27	66.74
<b>2. Advances recoverable in cash or in kind or for value to be received/adjusted</b>				
Advances to Contractors	512.99		430.54	
Advances- EWS Schemes	125.77		56.61	
Deposit Works	85.33		34.60	
Input VAT recoverable	0.01		0.01	
Vat Refundable	0.09		0.09	
Income Tax Refund Receivable	34.50		31.55	
Recoverable/Adjustable to Pension Fund	-		51.29	
Contribution Adjustable in Future for Gratuity Fund trust	71.95		-	
Deposit with Income Tax Authority	436.84		225.27	
Recoverable from Nazul I	201.48		198.48	
Service Tax Recoverable	13.86		13.86	
Advances with Municipal Tax Authority	195.86		195.85	
Other Miscellaneous Advances/Recoverables	15.06	1,693.94	13.95	1,342.11
<b>3. Interest accrued on General Investments</b>		102.72		156.29
<b>4. Interest accrued on Reserve Fund Investments</b>		102.04		41.43
<b>5. Interest Accrued on Saving Bank Interest</b>		1.63		6.53
<b>6. Interest Accrued on Contractor Advances</b>		50.58		44.76
<b>TOTAL</b>		<b>13,676.14</b>		<b>13,648.29</b>

\*Sundry Debtors are net of allottee balances in credit, adjustable against disposal price on issuance of possession letter

DELHI DEVELOPMENT AUTHORITY  
GENERAL DEVELOPMENT ACCOUNT  
SCHEDULES FORMING PART OF INCOME & EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in Rs. Crore)

Particulars	For the year ended 31.3.2016		For the year ended 31.3.2015	
<b>SCHEDULE - G</b>				
<b>INCOME FROM SALES / SERVICES</b>				
Premium from Sale of Land		0.20		0.10
Sale of Houses		1,019.63		478.02
Sale of CWG Flats				448.24
Sale of Shops		40.13		2.32
License Fee		57.85		65.73
Interest on Hire Purchase Instalments		45.96		23.29
<b>Total</b>		<b>1,163.78</b>		<b>1,017.70</b>
<b>SCHEDULE - H</b>				
<b>INCOME FROM INVESTMENTS &amp; SAVING BANK A/Cs</b>				
Income from General Investments		279.19		443.04
Saving Bank Interest-GDA		5.86		21.59
Income from Earmarked & Reserve Fund				
EWS Houses Reserve Fund		45.86		23.30
CIVIL Works Maintenance Fund - Housing Scheme, 2010 onward	20.53			-
Urban Development Fund	362.33		308.23	-
General Provident Fund	112.84		118.83	-
Leave Encashment Fund	20.09		16.66	-
Post Retirement Medical Fund	20.16		11.77	-
Staff Benefit Fund	0.02		-	-
Contingency Reserve Fund	109.45		64.64	-
<b>Total</b>		<b>636.42</b>		<b>519.12</b>
Less : Transfer to Earmarked Fund & Reserve Fund Accounts	636.42			519.12
<b>Total</b>		<b>330.90</b>		<b>487.93</b>
<b>SCHEDULE - I</b>				
<b>OTHER INCOME</b>				
Ground Rent		2.06		6.45
Service Charges		0.90		1.77
Building Plan Fee		4.34		3.81
Other Housing Receipts		18.13		2.80
Other Revenue		171.57		251.50
<b>Total</b>		<b>195.00</b>		<b>266.13</b>
<b>SCHEDULE - J</b>				
<b>INCREASE IN STOCK &amp; WORKS</b>				
<b>Closing - Stock &amp; Works</b>				
Stores	8.88		9.11	
Stock in Trade				
Land - Raw Land	19.07		19.07	
Work in Progress -				
Land - Under Development	1.32		1.32	
Houses - Under Construction	2,759.67		1,453.99	
Commercial Estate - Under Construction	27.30		23.71	
Finished Stock -				
Developed Land	107.99		107.99	
Houses - Built Up	3,205.21		3,619.93	
Commercial Estate - Built Up	500.89		503.44	
CWG Flats	483.37	7,123.70	482.65	6,221.21
<b>Opening - Stock &amp; Works</b>				
Stores	9.11		5.21	
Stock in Trade				
Land - Raw Land	19.07		19.07	
Work in Progress -				
Land - Under Development	1.32		1.32	
Houses - Under Construction	1,453.99		1,885.61	
Add: Prior Period Items	-50.56	1,403.43	1,885.61	
Commercial Estate - Under Construction	23.71		19.71	
Finished Stock -				
Developed Land	107.99		107.99	
Houses - Built Up	3,619.93		1,000.57	
Add: Prior Period Items	41.34	3,661.27	1,000.57	
Commercial Estate - Built Up	503.44		494.36	
Add: Prior Period Items	34.01	537.44	494.36	
CWG Flats	482.65		626.58	
Add: Prior Period Items	10.72	493.37	626.58	4,190.36
<b>Increase/(Decrease) in Stock &amp; Works</b>		<b>866.96</b>		<b>2,030.82</b>

DELHI DEVELOPMENT AUTHORITY  
GENERAL DEVELOPMENT ACCOUNT  
SCHEDULES FORMING PART OF INCOME & EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	(Amount in Rs. Crore)	
	For the year ended 31.3.2016	For the year ended 31.3.2015
<b>SCHEDULE - K</b>		
<b>ESTABLISHMENT</b>		
Pay & Allowances	450.99	469.95
Travel & Conveyance	5.22	8.32
Medical Expenses	29.76	26.21
Exgratia	0.90	7.00
<b>ADMINISTRATION</b>		
Fees & Honorarium	2.39	1.31
Staff Welfare	1.58	2.48
Entertainment	0.32	0.32
Employer Contribution to Gratuity Fund	-129.12	19.96
Employer Contribution to Pension Fund	813.68	54.72
Contribution to Post Retirement Medical Fund	195.72	4.15
Contribution to Leave Encashment Fund	-40.20	-9.59
Contribution to New Pension Scheme	2.72	2.35
Contribution to Staff Benefit Fund	1.50	-
Law Charges	5.44	4.72
Vehicle Running & Maintenance	4.28	3.66
Repairs & Maintenance - Others	3.06	4.26
Printing, Stationery & Advertisement	19.00	34.21
Rates & Taxes	6.44	0.33
Telephones	2.58	2.45
Loss on Sale of Fixed assets	0.02	-
Other Miscellaneous Expenses	21.40	20.40
<b>Total</b>	<b>1,397.62</b>	<b>563.42</b>
Less: Recoveries from Works & Other Accounts -		
Works	5.15	0.18
Delhi Master Plan	1.34	1.39
Nazul I	8.24	8.07
Nazul II	605.68	385.51
	<b>620.41</b>	<b>395.15</b>
	<b>777.21</b>	<b>268.26</b>
<b>SCHEDULE - L</b>		
<b>PRIOR PERIOD &amp; EXTRAORDINARY ITEMS</b>		
<b>PRIOR PERIOD ITEMS:</b>		
<b>PRIOR PERIOD INCOME</b>		
1) Houses - Built Up		45.87
2) Work In Progress	41.34	
- Houses under Construction		257.89
- Commercial Estate - Under Construction		2.44
3) Commercial - Built Up	34.01	1.27
4) Contribution to Gratuity Fund Trust		0.58
Less: Share of NAZUL I		-0.01
Share of NAZUL II		-0.29
5) Change in Value for CWG Flats	10.72	-
6) Others	105.21	1.30
Less: Transferred to Reserve & earmarked fund	-38.93	152.35
Less: PRIOR PERIOD EXPENSE		
1) Work In Progress		
- Houses - Under Construction	50.66	1.31
2) Contribution to Leave Encashment Fund	6.44	30.82
Less: Share of NAZUL I	-0.02	0.23
Less: Share of NAZUL II	-2.51	15.79
3) Contribution to Pension	27.47	189.59
Less: Share of NAZUL I	-0.08	1.50
Less: Share of NAZUL II	-10.72	102.30
4) Contribution to PRMS	30.00	
Less: Share of NAZUL I	-0.08	
Less: Share of NAZUL II	-11.70	
5) contribution to staff benevolent fund	6.56	
Less: Share of Delhi Admn	-0.02	
Less: Share of NAZUL I	-0.09	
Less: Share of NAZUL II	-3.56	
6) Development & Construction Expenses	270.28	
7) Interest on Hire Purchase		37.90
8) License Fee		0.78
9) Others	8.88	0.32
		<b>150.90</b>
		<b>158.16</b>
<b>EXTRAORDINARY ITEMS</b>		
		<b>168.15</b>
<b>TOTAL</b>	<b>321.52</b>	<b>168.15</b>

**DELHI DEVELOPMENT AUTHORITY**  
**STATEMENT SHOWING CLOSING BALANCE OF CASH & BANK AS ON 31.03.2016**

SCHEDULE M

(Amount in Rs. Crore)

DEPARTMENT	CASH IN HAND	CHEQUES ISSUED BUT NOT DEBITED IN BANK A/C TILL 31.03.2016 - UNCASHED CHEQUES	CHEQUES RECEIVED AND ACCOUNTED BY AUTHORITY BUT CREDIT NOT GIVEN BY BANK TILL 31.03.2016	DEBIT GIVEN BY BANK BUT NOT ACCOUNTED FOR IN CASH BOOK AS ON 31.03.2016	CREDIT GIVEN BY BANK BUT NOT ACCOUNTED FOR IN CASH BOOK AS ON 31.03.2016	BALANCE AS PER CASH BOOK AS ON 31.03.2016	BALANCE AS PER BANK STATEMENT AS ON 31.03.2016
	1	2	3	4	5	6	7
CAU EAST ZONE	0.01	11.86	0.29	0.25	0.04	29.34	40.70
CAU DWARKA	0.00	12.85	0.16	0.18	0.07	42.48	54.07
CAU ROHINI	0.09	12.26	0.39	0.30	0.13	13.14	24.90
CAU NORTH ZONE	0.01	59.81	1.96	0.10	0.48	26.79	105.81
CAU SOUTH ZONE	0.01	11.34	0.00	0.00	0.24	26.48	47.95
CAU CWG	0.00	1.78	0.37	0.00	0.00	4.67	5.58
CAU FLYOVER	0.00	6.75	-	0.00	-	4.33	4.95
A.O. SPORTS	0.05	3.24	0.49	0.00	0.00	35.66	36.45
PAO ENGG	0.00	3.04	-	0.00	-	4.65	7.69
SMC	0.01	1.87	-	-	-	1.86	3.73
BHRAJI CANA	-	-	-	-	-	0.00	0.00
HRD INSTITUTE	-	-	-	-	-	0.00	0.00
CAU MPR	0.00	4.26	-	0.30	-	4.01	8.27
JTTIPCC	0.00	0.00	-	0.00	-	0.33	0.32
AO (MEDICAL)	-	0.55	-	0.00	-	0.96	1.51
Cash (Housing)	-	0.03	0.01	0.04	0.00	16.58	16.57
Staff benefit fund	-	-	-	-	-	0.07	0.07
Cash (Main)	-	1.97	60.96	20.72	6.60	418.74	345.65
<b>Marked Funds</b>	-	-	-	-	-	-	-
General Provident Fund	-	2.16	0.34	1.40	0.51	133.67	134.80
Urban Development Fund	-	-	1.11	0.61	0.31	118.53	116.86
Contingency Fund	-	-	-	-	-	2.98	2.98
LWS Fund	-	-	-	-	-	0.52	0.52
Gratuity	-	0.12	-	0.01	-	31.89	32.00
Pension	-	0.28	-	0.02	0.00	154.07	154.18
PRMS	-	-	-	-	-	214.39	214.39
Yamunan Pollution Penalty A/C	-	-	-	-	-	0.30	0.30
Leave Encashment fund	-	-	-	-	-	22.42	22.32
<b>Total</b>	<b>0.12</b>	<b>157.80</b>	<b>65.63</b>	<b>23.60</b>	<b>8.06</b>	<b>1,306.84</b>	<b>1,333.19</b>
REMITTANCE IN TRANSIT	-	-	-	-	-	3.40	-

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COLUMN 2 - CASH IN HAND	0.12
COLUMN 7 - BANK BALANCE AS PER C/BOOK	1,306.84
COLUMN 7 - REMITTANCE IN TRANSIT	3.40
<b>TOTAL</b>	<b>1,310.36</b>
LESS:	
BALANCE OF TRANSACTIONS OF NAZUL I	1.76
BALANCE OF TRANSACTIONS OF NAZUL II	259.54
BALANCE OF TRANSACTIONS OF PENSION	154.07
BALANCE OF TRANSACTIONS OF GRATUITY	31.89
BALANCE PERTAINS TO GOA	<b>863.80</b>



**DELHI DEVELOPMENT AUTHORITY  
GENERAL DEVELOPMENT ACCOUNT  
RECEIPTS & PAYMENT ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016**

(Amount in Rs. Crore)

RECEIPTS				PAYMENT			
Head of Account	2016-16	2014-15		Head of Account	2016-16	2014-15	
<b>Opening Balance</b>							
Cash in Hand	0.19	0.09		<b>Administration &amp; Establishment</b>	1,415.85	875.19	
Balance in Saving Accounts	849.00	715.85		Less: Amt. Recovered from works	5.15	0.18	
Remittance in Transit	6.12	5.93		<b>TOTAL</b>	<b>1,410.70</b>	<b>876.01</b>	
	<b>855.30</b>	<b>721.67</b>					
Less: Balance of transactions pertaining to -				Less: Share cost transferred to			
NAZUL-I	1.83	0.05		Nazul A/c.-I	8.51	9.80	
NAZUL-II	591.84	506.83		Nazul A/c.-II	634.18	503.32	
Pension Fund	-	-		Delhi Master Plan	1.36	1.39	
Gratuity Fund	-	-		Common Wealth Games Project	-	-	
	<b>261.63</b>	<b>214.78</b>		Total share cost transferred	<b>644.04</b>	<b>514.51</b>	
Fixed Deposits - General Investment	3,443.24	3,704.87	3,630.03	Balance under GDA	<b>766.68</b>	<b>361.50</b>	
<b>Revenue from Work and Development Schemes</b>							
Premia from disposal of land	0.20	0.10		Expenditure on Works & Development Schemes	149.51	165.50	
Premia from disposal of houses and shops including hire purchase instalments	1,482.48	556.40	556.50	Expenditure on construction of Houses & Shops	1,925.68	1,053.60	
License Fee		96.82	49.06	Interest on Registration, Money & Refunds	0.51	0.09	
Ground Rent		2.06	6.45	Stores	-	0.00	
Interest on General Investment		394.76	521.30	Miscellaneous expenses	0.17	0.04	
Other Revenues		158.58	235.58		0	0	
Recovery of deplt. Charges		-	8.90	Purchase of Fixed Assets	4.97	1.79	
							0

RECEIPTS				PAYMENT			
Head of Account	2015-16		2014-15	Head of Account	2015-16		2014-15
<u>Urban Development Fund</u>				<u>Urban Development Fund</u>			
Encashment of Investment	3,700.72		3,334.00	Investment	4,145.00		3,602.72
Recoupment of Expenditure from Nazul	-		-	Refunds	1.16		1.18
Conversion Charges	224.01		217.74	Grants & Loans to other Departments	-		4.74
Interest on Investment	340.12		304.67	Amount paid to Gratuity Fund	-		-
UDF loan recovery	3.10		8.32	Amount Given For Construction of Flyover	18.75	4,164.81	47.50
Amount received from BGDA	-		7.50				3,658.14
Interest on UDF Loan Recovery	-	4,267.95	-				
			3,872.23				
<u>General Provident Fund</u>				<u>General Provident Fund</u>			
Provident Fund Contribution	205.38		207.74	Provident Fund Disbursements	270.41		244.44
Encashment of GPF Investment	248.00		197.53	Deposit Link Insurance Premium on purchase of Investments	1.12		1.85
Discount on purchase of Investments	-		-	Misc. Expenditure	-		-
Interest on contribution	73.78		73.29	Interest on Provident Fund	73.79		73.29
Interest on GPF Investment	123.75		142.85	Payment to Gratuity Fund Trust	55.70		-
	-		-	Payment to Pension Fund Trust	44.50		-
	-		-	Investment made	288.91		233.82
Deputationists	0.00	650.91	0.16	Deputationists	0.70	715.12	1.09
			621.56				554.48
<u>New Pension Scheme</u>				<u>New Pension Scheme</u>			
Employee Contribution Received towards NPS	3.24		5.63	Payment to NSDL	5.04		5.35
	-		-	Authority share	2.70		-
Employers Contribution Received towards NPS	2.70	5.94		Interest on CPF	-		0.17
				Service Charge	0.03	8.67	
<u>Personal Accident Insurance Policy</u>				<u>Personal Accident Insurance Policy</u>			
Contribution from Employees	0.09		0.10	Premium to LIC	0.04		-

Head of Account	RECEIPTS				Head of Account	PAYMENT			
	2015-16		2014-15			2015-16		2014-15	
Compensation recd. From Insurance Co.	0.05	0.13	0.05	0.16	Compensations paid	0.09	0.13	0.05	0.05
<u>Common Wealth Games Reserve Fund</u>					<u>Common Wealth Games Reserve Fund</u>				
Interest Received on Investment			0.03	0.03	Expenditure	0			
<u>EWS Houses Reserve Fund</u>					<u>EWS Houses Reserve Fund</u>				
Encashment of Investment	31.00		466.00		Investment	35.00		514.00	
Interest Received on Investment	2.94		48.55		Expenditure		35.00	360.78	874.78
Grant received		33.94		514.55	<u>Benevolent Fund</u>				
<u>Benevolent Fund</u>					Disbursements		1.45		1.68
Employee Contribution received towards BF		0.75	0.84	0.84	<u>Contingency Reserve Fund</u>				
<u>Contingency Reserve Fund</u>					Investment	945.00		855.00	855.00
Encashment of Investment	858.00		776.00		<u>Staff Benefit Fund</u>				
Interest Received	82.76	938.76	79.35	855.35	Investment		1.40		
<u>Staff Benefit Fund</u>					disbursements		0.14		
Encashment of Investment	0.10				<u>Post Retirement Medical Fund Investment</u>				
Interest Received	0.00	0.10			Investments made	78.84		111.45	
<u>Post Retirement Medical Fund Investment</u>									
Encashment of Investment	29.00								
Contribution to Post Retirement Medical Investment pending transfer			4.15						
Amount received from Pension Fund Trust			30.00		Disbursements			15.00	



RECEIPTS				PAYMENT					
Head of Account	2015-16		2014-15		Head of Account	2015-16		2014-15	
Received from NAZUL-II Amount received from NA-II towards sale proceed of 72 CWG flats				100.00	Amount paid to pension fund trust		323.00		
				440.36	Amount paid to gratuity fund trust		98.71		
					Actuary Contribution		840.06		
Contribution to Gratuity Fund Trust Account pending transfer	52.30			-	Payment to Gratuity Fund Trust Account pending adjustment to contribution		-		
Contribution to Pension Fund Trust Account pending transfer	80.78			-	Payment to Nazul-II		-		
Employee Advances Recovery	5.01			1.40	Employee Advances	4.85			2.85
Other Advances		138.09		1.25	Other Advances	-			9.20
Deposits & Retentions		388.88		197.08	Deposits & Retentions	355.04			184.98
Deposit Works		18.79		47.79	Deposit Works	19.52			80.18
					TDS on Income	2.81			4.03
Statutory Deductions/Collections - Taxes, Duties & Cess		230.55		151.22	Statutory Deductions/Collections - Taxes, Duties & Cess	441.88			282.53
Miscellaneous Payments/Adjustments					Miscellaneous Payments/Adjustments				
					Closing Balance (Schedule M)				
					Cash in Hand	0.13			0.19
					Balance in Saving Accounts	1,120.87			849.00
					Remittance in transit	3.40			6.12
						1,124.39			855.30
					Less: Balance of transactions pertaining to -				
					Nazul I	1.28			1.83
					Nazul II	258.34			561.04
						863.78			261.63
					Fixed Deposits - General Investment	2,172.74	3,036.52	3,443.24	3,704.87
		12,581.51		20,947.07		12,581.51			20,947.07

Dated : 14-08-2016  
Place : New Delhi

Sd/-  
Sr. Accounts Officer (A/cs) Main

Sd/-  
Dy. Chief Accounts Officer (A/cs)

Sd/-  
Chief Accounts Officer

**ANNUAL ACCOUNTS - 2015-16  
DELHI DEVELOPMENT AUTHORITY  
SIGNIFICANT ACCOUNTING POLICIES**

**1) BASIS OF PRESENTATION**

The Accounts of the Authority are organized under three broad heads each of which is considered a separate accounting entity. The individual head reflect the governmental resources allocated to them for the purpose of carrying on specific activity in accordance with laws, regulations or other restrictions. Accounts are prepared under three major heads NAZUL-I, NAZUL-II and GENERAL DEVELOPMENT ACCOUNT. Nazul-I relate to the transactions of the old Nazul estates entrusted to the Delhi Improvement Trust under Nazul agreement, 1937 which was taken over by the Delhi Development Authority as successor of the Delhi Improvement Trust. Nazul-II relates to the large scale land acquisitions, development and disposal activities. General Development Account Relates to all the development, constructions and other activities undertaken by the Authority on its own accounts and other activities assigned to the Authority.

**2) BASIS OF PREPARATION OF ACCOUNTS**

All transactions are recorded on receipts and payments basis during the year. The Accounts are converted to income and expenditure basis at the year end by the inclusion of appropriate entries for account receivables, payables, fixed asset, depreciation etc.

**3) FORMAT OF FINANCIAL STATEMENT**

Financial Statements of General Development Account is prepared in the Common Format of Accounts prescribed by the Government of India, Ministry of Finance for Central Autonomous Bodies. Financial Statements of Nazul-I & Nazul-II are prepared in the format of accounts prescribed in the DDA (Budget & Account) Rules, 1982 as they reflect transactions on Government account.

**4) FIXED ASSETS**

- A. Fixed asset are stated at cost less depreciation. In case of self constructed assets, cost includes appropriate portion of administrative and establishment charges.
- B. Fixed Assets include certain buildings constructed on land not belonging to the Authority but being used for the Authority's activities.
- C. Land used for the office building, staff quarters, stores etc. are valued at the disposal rates of land on the date of such transfer.

**5) DEPRECIATION**

Depreciation is provided at the rates prescribed under the Income Tax Act, 1961 and if any asset is put to use for the activities of the Authority for a period of less than one hundred and eighty days in the Financial Year, the deduction w.r.t depreciation in respect of such asset shall be restricted to Fifty per cent of the amount calculated at the percentage prescribed for the respective asset.

**6) VALUATION OF STOCKS & STORES**

- a. Raw Land - At cost. Cost represents cost of acquisition / purchase including compensation and incidental expenditure related to acquisition and taking possession of the land.

- b. Work in Progress - At actual expenditure incurred on development and construction including appropriate charge for overheads.
- c. Finished Stock - Built up Units comprising of Housing Stock at standard cost at which expected to be sold, including land premium, less estimated cost of completion.  
  
Built up units acquired/purchased from external sources at cost or net realizable value whichever is lower.  
  
In case of other stock including developed land held for sale- at disposal rates based on average tender/auction rates, less estimated cost of completion.
- d. Deposit/contract work - At the cost of work done including departmental charges recoverable as per terms of contract.
- e. Stores - At the issue rate determined for recovery from works adjusted for handling expenses related to issuance of material. Material lying with contractor being adjustable against contract work done at predetermined rates, is treated as advance to contractor.

#### 7) REVENUE RECOGNITION

Revenue is recognized on accrual basis, except where otherwise stated due to uncertainty of realization and quantum of revenue.

- a) Premia and sale consideration received on disposal of land, built-up/ constructed units, like houses, offices, shops etc. is recognized using the full accrual method for issuance of Possession Letter.
- b) Interest element in hire purchase installment is recognized as revenue in proportion to the principal portion outstanding.
- c) Rental income is recognized on accrual basis with reference to the period to which the income relates.
- d) Ground rent and service charges are accounted for as on income on cash basis. Ground rent is booked net of share payable to Delhi Administration.
- e) Penal charges, composition fee, damages and interest on delayed payments are recognized on receipt basis.
- f) Interest on investments is recognized on accrual basis.
- g) Interest on Income tax refund is recognized on receipt basis.

#### 8) STORE

Construction stores consumed is charged to respective works at pre determined issued rates. Difference of issue rate and purchase price is adjusted in Miscellaneous Expenditure/ income.

#### 9) INTEREST/COMPENSATION PAYMENT TO ALLOTTEES

- a) Interest on registration money received from registrants of various schemes is provided on accrual basis.

- b) Compensation for delay in completion and allotment of flats to registrants of self-financing scheme is booked on Payment/ adjustment.

#### **10) DEFICIENCY CHARGES**

Deficiency charges payable to Municipal Authorities, Local Bodies or Corporation is accounted for on the basis of charges accepted and paid.

#### **11) RECOVERIES / PAYMENTS TO NAZUL ACCOUNTS**

- A. Recovery of Establishment & General Administrative costs:

Establishment and General Administrative cost are charged to General Development Account and appropriate portion of expenses relatable to Nazul-I and Nazul-II Accounts are allocated and recovered in proportion to the expenditure outlay on schemes, projects or activities under Nazul Accounts.

- B. Land Premia for Schemes on Nazul lands:

Land Premia in respect of Nazul Lands appropriated for various Schemes under General Development Account is booked as expenditure by credit to Nazul Account on completion of construction of the properties at the pre determined rates as prescribed under the Nazul Rules.

- C. License Fee / Service Charges for use of Nazul Properties

License Fee / Service Charges for use of Nazul Properties such as staff Quarters, etc. is booked by credit to Nazul Account at such Government notified rates as per applicable rules.

#### **12 COMPENSATION/ARBITRATION AWARDS**

Payments towards additional compensations awards in respect of land acquired and arbitration awards are booked on payment basis.

#### **13 RECOVERIES AGAINST SPECIFIED LIABILITIES / FUNDS**

Recoveries against specified liabilities/funds like share Money, Fire Risk insurance, etc. are credited to separate Liability/Reserve Accounts created for that purpose and expenditure and pay out there against, are recorded by debit to the Liability/Reserve Account.

#### **14. EMPLOYEE'S SCHEMES AND RETIREMENT BENEFITS**

- a. Employee's contribution towards General Provident Fund Scheme is credited to the General Provident Fund Account and is invested in approved securities as per prescribed guidelines. Interest accrued on the accumulated contribution, payments, advances and interest earned on the investment of the fund are adjusted to the Fund Balance.
- b. Amounts contributed towards Gratuity and Pension has been made on actuarial valuation at the year end basis to meet payment of pension and gratuity to employees after retirement. Separate financial statements of Delhi Development Authority Pension Fund Trust and Delhi Development Authority Gratuity Fund Trust have been drawn up. Investments are made from the respective Trust Fund in approved securities. Payment of pension and gratuity and interest earned on the investments of the funds are adjusted in the respective Trust Fund Accounts.
- c. Liability for Leave encashment is provided on the basis of Actuarial valuation at the year end.



- d. Liability for Post Retirement Medical Benefits is provided on the basis of Actuarial valuation at the year end.

#### **15. EARMARKED FUNDS**

Funds entrusted to the authority or grants or assistance provided to the Authority or amount retained by the authority to be utilized for specific or earmarked purposes are accounted for under distinct heads and the expenditure/utilization of the same are as adjusted to the said account. Investments related to earmarked funds are carried at face value. Various Funds managed by DDA as part of General Development Account are:-

a. Urban Development Fund

The Authority is the custodian of Urban Development Fund controlled by Ministry of Urban Development, Government of India and the fund did not pertain to the authority and any loans / grants from the fund are disbursed as per the directions of the Ministry of Urban Development, Government of India. Charges recovered on conversion of properties from lease-hold to free-hold are credited to this account. Loans and Grants given from the Fund for development projects as per directions of the Competent Authority are charged to the Fund Account. Interest on loans given from the Fund Account is recognized and credited to the Fund Account on receipt.

b. General Provident Fund

Provident Fund Contribution and accretion to the fund is held in this Fund Account.

c. Personal Accident Insurance Policy fund

Recovery made from employees for payment of compensation in case of accidental deaths is held in this account.

d. Benevolent Fund

Recoveries made from employees for payment of compensation on death during service are held in this account.

e. Civil Maintenance Work Fund – Housing Scheme, 2010 onwards

This represents one-time maintenance charges recovered from the allottees of the Housing Scheme, 2010 onwards for future maintenance of the Colonies.

#### **16 SPECIAL RESERVES**

a. EWS Houses Reserve Fund

This represents surplus retained for meeting expenditure on construction of houses to the Economically Weaker Section.

b. Reserve For House Fire Risk

This represents special charges recovered from allottees of properties on hire-purchase basis to cover any loss or damage to the properties.

c. Contingency Reserve Fund

This represents fund retained for meeting any future contingencies

**ANNUAL ACCOUNTS 2015-16**

**DELHI DEVELOPMENT AUTHORITY**

**NOTES TO ACCOUNTS**

1. Unexpired Capital Commitment in respect of major contracts NIL (Previous Year NIL)
2. Contingent Liabilities
  - a. Claims against the DDA, not acknowledged as debts, pending in Courts and Arbitration, to the extent ascertained Rs. 2325.65 crore (Previous Year Rs 2351.90 crore).

Other than above there are about 3890 court cases as on 31.03.2016 (Previous Year 3772 court cases) against the DDA in GDA and 14608 court cases (Previous Year 13268 court cases) in Nazul-I & Nazul-II are pending in the different courts of law, amount for contingent liabilities in this regard are not ascertainable.

- b. The Authority was granted recognition as a "charitable institution" under section 12AA of the Income Tax Act, 1961 vide Registration Certificate dated 12.1.2006 with retrospective effect from assessment year 2003-04, being engaged in the public utility services and entitled to claim exemption under section 11 of the Income Tax Act, 1961. However, in the assessments for the assessment years 2003-04 to 2013-14, the Assessing Officer has not allowed the benefit of exemption under section 11 of the Act and taxed its income even though the Authority meets all the conditions stipulated in the said section.

There is a subsisting demand of Rs. 1880.57 crore in the said assessment years which are disputed in appeals before the Income Tax Appellate Tribunal (for assessment years 2003-04 and 2005-06 to 2010-11) and Commissioner (Appeals) (assessment years 2011-12 to 2013-14). Additionally, special leave petitions were also moved before the Hon'ble Supreme Court for the assessment years 2005-06 to 2009-10 on the issue of time limitation. The petitions have been admitted and are pending disposal.

The Authority has deposited Rs. 436.84 crore with the Income Tax Authority up to 31.03.2016, against the total demand of Rs. 1880.57 crore to meet the requirement of stay order granted by Assessing Officer and Hon'ble Income Tax Appellate Tribunal, Delhi. Further if above tax liability is ultimately confirmed, interest of about Rs. 675 crore and penalty also may entail, as per the provisions of the Income Tax Act, 1961.

Since the demand is under dispute, the Authority has not made any provision in the books of account towards income tax on its income for the year and for the demands aggregating to Rs. 1880.57 crore for the assessment years 2003-04 and 2005-06 to 2013-14.

Further, in the assessments for the assessment years 2003-04 to 2010-11, demands for Rs. 296.83 crore were also raised by disallowing some portions of expenditure which have been set aside in the appellate order of the Commissioner (Appeals). However, the Income Tax Department is in appeal before the Hon'ble Income Tax Appellate Tribunal against the deletions."

- c. There is a demand pending of Rs. 2.50 crore of TDS, interest/ penalty of various financial years on account of short deduction, late payment of TDS and late submission of TDS return, for which DDA is in appeal. Accordingly, no provision regarding the same is considered necessary in the books.
- d. South Delhi Municipal Corporation (SDMC) on its own behalf and on behalf of the East Delhi Municipal Corporation (EDMC) and North Delhi Municipal Corporation (NDMC) had issued a distress warrant dated 10.01.2013 for recovery of Rs. 746.05 crore on account of property tax and interest in respect of 319 properties up to 31.03.2004 and 24 sports complexes up to 31.03.13. Subsequently, NDMC and EDMC also issued separate Distress Warrants dated 22.03.2013 and 25.03.2013 to recover Rs. 272.16 crore and Rs. 110.28 crore, respectively, being their share of dues of the said Rs.746.05 crore. A total sum of Rs. 195.85 crore has been collected by the three Municipal Corporations by attachment of the bank accounts of the Authority. Demands for Rs. 53.75 crore were subsequently raised towards property tax on other properties. Since the Municipal Corporations have not agreed to the above contention of DDA, a writ was filed by the Authority before the Hon'ble Delhi High Court, who has been pleased to set aside all the demands and direct the Municipal Corporations to resolve the ownership issue. As per the Hon'ble Court's directions, the Authority has submitted a bank guarantee amounting to Rs. 50.00 crore with the Registrar of Delhi High Court. The case is pending for decision before the Hon'ble High Court of Delhi. Date of next hearing is fixed for 23.08.2016.

During the year 2014-15 EDMC has raised demand of Rs. 14.53 crore.

Above demands are disputed and not acknowledged as debts by the DDA.

Further pursuant to direction of MOUD, DDA has paid Rs. 26.70 crore to the MCDs on account of property tax & service charges, this amount includes Rs.5.36 crore on DDA build up properties and relates to GDA for the period from 2004 to 2016 & Rs. 21.34 crore on vacant lands of Nazul-II, for the year 2015-16. These amounts are charged in the respective accounts.

- e. No provision has been made towards service tax and labour cess claims under contracts awarded prior to the amendment of the respective statutes, bringing such transactions within the ambit of service tax and labour cess.
- f. The Commissioner Service Tax, Delhi has vide his order dated 30.04.2013 adjudicated and confirmed a demand of service tax of Rs. 949.60 crore on sale of undeveloped and developed Nazul lands and ground rent for the period from 2006-07 to 2011-12 treating the same as "Renting of Immovable Properties" and has also raised a demand for interest of Rs. 553.06 crore and imposed penalty of Rs. 845.95 crore on the same. The Authority has challenged the said order before the Customs, Excise and Service Tax Tribunal.

Further Show Cause notices have been served by Commissioner of Service Tax, Delhi for the period from 1.4.2012 to 31.03.2014 for a demand of Rs. 282.18 crore towards service tax on receipts from disposal of undeveloped and developed Nazul lands and ground rent. The Written Submissions have been made to the Commissioner of Service Tax, Delhi.

The receipts from disposal of Nazul lands represent sale consideration towards transfer of land and ground rent represents land revenue, which in itself is a government levy. Both the receipts are not in the nature of rental income so as to attract service tax levy under the head "renting of immovable properties" and therefore no provision towards

service tax liability is considered necessary in the accounts.

- g. No provision towards labour cess, if any, in respect of Commonwealth Games Village Project has been recognized since the liability, if any, determined is recoverable from the Developer.
  - h. The Office of Joint Labour Commissioner has vide its notice dated 29.04.2013 has demanded an amount to Rs. 25.34 crore pertaining to the period from 1996 to July 2007 towards labour cess for various construction projects in DDA raised on the basis of report submitted by the CAG. DDA has filed written submission against the said demand on which decision is pending before Joint Labour Commissioner. During the year there is no change in the status of the case, accordingly, no provision regarding the same is considered necessary in the books.
  - i. Various contracts relating to the Commonwealth Games are under scrutiny of different Committees/ Authorities and are subject to claims and counter- claims by the Authority and the Contractors/ Developers. However, in the absence of firm determination of any recovery or liability, no effect of the same has been given in these accounts.
3. Separate financial statements of "Delhi Development Authority Pension Fund Trust" and "Delhi Development Authority Gratuity Fund Trust" have been drawn up. Contribution towards these trusts have been recorded as per the Actuarial Valuation Reports as on 31.03.2016.
4. Employee Benefits:
- i) The Authority has got the Actuarial valuation of its Gratuity liability as on 31.03.2016 of Rs. 594.64 crore (Previous Year Rs. 763.03 crore). The contribution towards Gratuity Fund of Rs.(-) 129.12 crore (Previous Year Rs.19.95 crore) for the financial year 2015-16 on the basis of Actuarial Valuation includes the share of Nazul I of Rs. (-)0.35 crore (Previous Year Rs.0.15 crore) and the share of Nazul II of Rs.(-) 49.61 crore (Previous Year Rs.10.23 crore). The shares of Nazul I and Nazul II have been transferred to their respective accounts.
  - ii) The Authority has got the Actuarial Valuation of its Pension liability as on 31.03.2016 of Rs. 5498.75 crore (Previous Year Rs. 4556.96 crore). The contribution towards Pension Fund of Rs.813.66 crore (Previous Year Rs. 54.72 crore) for the financial year 2015-16 on the basis of Actuarial Valuation includes the shares of Nazul I of Rs.2.25 crore (Previous Year Rs.0.41 crore) and Nazul II of Rs. 319.02 crore (Previous Year Rs.28.05 crore). The share of Nazul I and Nazul II have been recovered and transferred to their respective accounts.
  - iii) The Authority has got the Actuarial Valuation of its Leave Encashment liability as on 31.03.2016 of Rs. 401.93 crore (Previous Year Rs.463.03 crore). The contribution towards Leave Encashment Fund of Rs.(-) 40.20 crore (Previous Year Rs. (-) 9.59 crore) for the financial year 2015-16 on the basis of Actuarial Valuation includes the share of Nazul I of Rs. (-)0.11 crore (Previous Year Rs. (-) 0.07 crore) and the share of Nazul II of Rs. (-) 15.69 crore (Previous Year Rs. (-) 4.92 crore). The share of Nazul I and Nazul II have been transferred to their respective accounts.
  - iv) The Authority has got the Actuarial valuation of the liability towards Post Retirement Medical Benefits as on 31.03.2016 Rs. 467.90 crore (Previous Year estimated Rs. 250.00 crore), and accordingly employer contribution is provided Rs.195.72 crore (Previous Year Rs.NIL), which includes the share of Nazul I of Rs. 0.54 crore (Previous Year Rs. 0.03 crore) and the share of Nazul II of Rs. 76.36 crore (Previous Year Rs. 2.13 crore). The shares of Nazul I and Nazul II have been recovered and transferred to their respective accounts.

During the year DDA has provided the Post Retirement Medical Benefits on the basis of Actuarial valuation, as compared to on an estimated basis till last year, impact on the accounts due to such change during the year on account of change in basis is not ascertainable.

5. Creditor for land includes Rs. 3.82 crore (Previous Year Rs. 3.82 crore) payable to the Ministry of Rehabilitation (MOR) towards land purchased under a package deal for Rs. 30 crore. Full possession of the lands is yet to be received from the Ministry. Also, some of the lands are in the possession of other Departments though the ownership rests with the Authority. Entries in the books of account have been passed for the lands, ownership of which was transferred to the Authority.
6. During the year, amount of Rs. 313.50 crore (Previous Year Rs. 313.50 crore) has been given as grant to Delhi Metro Rail Corporation Ltd. out of Nazul II account.
7. Suspense account balance, Credit of Rs. 21.35 crore (Previous Year Credit of Rs. 13.98 crore) is on account of non availability of correct information/ physical challians from the parties in respect of housing and other receipts, which are pending for reconciliation.
8. During the year, Rs. 18.75 crore (Previous Year Rs. 47.50 crore) has been given from Urban Development Fund to Flyover Division for construction of flyovers.
9. Furniture, Furnishing etc. procured through ITDC for the Commonwealth Games have been recognized and the payment disbursed to them. However, the same is pending reconciliation and settlement of accounts with them.
10. Reserve Funds:
  - i) The total amount of the EWS Housing Reserve Fund as at 31.03.2016 is Rs.1004.78 crore. During the year, DDA has appropriated Rs. 1000 crore from Surplus in Revenue Account to EWS Housing Reserve Fund on account of unutilized amount upto 31.03.2015 determined as per provisions of section 11 of Income Tax Act. These funds are invested in accordance with the provisions of the section 11(5) of the Income Tax Act, 1961.
  - ii) The total amount of the Contingency Fund in the year ended 31.03.2016 is Rs. 1004.54, crore. Against this fund investment is Fixed Deposits of Rs. 945 crore, there is bank balance Rs. 2.98 crore and Accrued Interest Rs. 57.74 crore.
11. Earmarked Funds:
  - i) The total amount of the UDF Fund for the year ended 31.03.2016 is Rs.4373.15 crore and against this fund the assets of Rs. 4351.19 crore comprises of Investment of Rs. 4045.00 crore, bank balances of Rs. 119.05 crore, accrued Interest of Rs. 187.14 crore. The difference between assets and liabilities results in under - utilization of fund amounting to Rs. 21.96 crore, which is recoverable from General Development Account Fund, Delhi Development Authority. Shortfall will be made good in the current Financial Year 2016-2017.
  - ii) The total amount of the General Provident Fund for the year ended 31.03.2016 is Rs. 1535.59 crore and against this fund the assets of Rs. 1487.35 crore comprises Investment of Rs. 1320.57 Crore, bank balance of Rs. 133.67 crore, accrued Interest of Rs. 33.11 crore. The difference between assets and liabilities results in under-utilization of fund amounting to Rs. 48.24 crore, which is receivable from General Development Account Fund, Delhi Development Authority.

- iii) The total amount of the Leave Encashment Fund for the year ended 31.03.2016 is Rs. 510.04 crore and against this fund the assets Rs. 459.16 crore comprises Investment of Rs. 429.66 crore, bank balance of Rs. 22.32 crore and Accrued Interest on investment of Rs.7.18 crore. The difference between assets and liabilities results in under-utilization of fund amounting to Rs. 50.83 crore. Shortfall will be made good in the current Financial Year 2016-2017.
  - iv) The total amount of the PRMS Fund for the year ended 31.3.2016 is Rs. 550.68 crore and against this fund the assets is total of Rs. 466.86 crore comprises Investment Rs. 249.83 crore, bank balance of Rs. 214.39 Crore and Accrued interest of Rs. 2.64 Crore. The difference between assets and liabilities results in under-utilization of fund amounting to Rs. 83.82 crore. Shortfall of Rs. 83.82 crore will be made good in current Financial Year 2016-2017.
  - v) During the year 2015-16, DDA has created "DDA Staff Benefit Fund" for the benefit of serving DDA employees, their family members and dependents as defined in DDA Medical Attendance Rules, and contributed Rs.1.50 crore during the year. against this fund the assets is total of Rs. 1.38 crore comprises Investment Rs.1.30 crore, bank balance of Rs. 0.07 crore and Accrued Interest of Rs.0.01 crore.
  - vi) The total amount of the Civil Work Maintenance Fund for the year ended 31.3.2016 is Rs. 395.90 crore and against this fund the assets is total of Rs. 265.53 crore comprises Investment Rs. 245 crore and Accrued Interest of Rs. 20.53 crore. The difference between assets and liabilities results in under-utilization of fund amounting to Rs. 130.36 crore. Shortfall of Rs. 130.37 crore will be made good in current Financial Year 2015-2016.
12. Debtors account and their age wise breakup are under reconciliation.
13. As per accounting policy 11) B of DDA, cost of land is booked at the time of completion of housing scheme. Same is paid to NAZUL II, in the three consecutive equal yearly installments from the year in which scheme is completed.
14. In compliance of directions of Hon'ble National Green Tribunal, DDA has opened a saving Bank account under the name of "DDA-Yamuna Pollution Penalty Account." The amount of penalty/ compensation for dumping any waste in or on the bank of River Yamuna is being deposited in this account and shall be utilized for execution of projects for cleaning River Yamuna - Refer Schedule - B.
15. The opening stock of inventories as on 01.04.2015 does not include 252 flats, 13 garages and 140 shops, the Possession Letters of which are issued in the current year. These stocks have been included in the current financial year through prior period items amounting to Rs. 41.34 crore in case of Built up Houses & Garages and Rs. 34.01 crore in case of Shops.
16. Transactions in respect of Nazul-I (Old Nazul Estate) and Nazul-II (Large Scale Acquisition of Land) being transactions on government account are recorded under separate heads and presented in separate Financial Statements in the format prescribed in the DDA (Budget & Account) Rule, 1982. Net balance of the receipts and payment on the said accounts is reduced from the Cash & Bank Balance of the Authority. Deficit in the Nazul Accounts is funded by the Authority and is reflected as an Advance.
17. i) As per directions of Urban Development, out of 378 Flats of Commonwealth Games 2010 pertaining to Nazul II (being 1/3<sup>rd</sup> share under PPP mode), 155 flats were handed over to Directorate of Estates in the year 2014-15 and 223 flats in the year 2015-16 without charging any cost from them.

- ii) DDA has purchased 333 flats under bailout package, out of which 45 flats are capitalized as Staff Quarters, 74 flats are sold and the balance 214 flats are held as stock with DDA.
18. During the year, Electrical Work Maintenance Fund- Housing Scheme, 2014 onward (refer schedule-B) represents Electrical Maintenance charges recovered from the allottees of the Housing Scheme, 2014 onwards, for future electrical maintenance of the Colonies.
19. Previous year figures have been regrouped/ reclassified wherever necessary to conform to this year's classification.
20. Schedules A to O form an integral part of the Accounts.
21. The consolidated details of Investment and Bank balances of General Development Account, Nazul-I, Nazul-II, Pension fund Trust and Gratuity Fund Trust are furnished in **Schedule-P**.

**Sd/-**  
**Sr. Accounts Officer**

**Sd/-**  
**Dy. Chief Accounts Officer (A/Cs)**

**Sd/-**  
**Chief Accounts Officer**

Dated: 14.06.2016  
Place: New Delhi

Delhi Development Authority																				Schedule-P			
Details of Investments and Bank balances as on 31 March 2018																				(Rs. in crore)			
Head of Account	General Development Account											Naul -I Account	Naul -II Account						Pension Fund Trust	Gratuity Fund Trust	Total		
	UDF	Leave Encashment	GDA General Invest	GPF	Cont. reserve Fund	CWG reserve fund	EWS reserve Fund	Staff Benefit	One time Maintenance	PRMS	Sub Total Of GDA		Cash Bal. Invest.	NA-II General Investment	Eserow (EWS)	HRD	Urban Heritage Fund	Eserow (FAR)				Invest (Sports)	Sub total Naul II
FDs	4,045.00	-	1,786.53	45.37	945.00	-	895.00	1.30	245.00	-	7,973.20	-	11,456.11	57.00	0.22	0.30	3.00	79.38	11,596.01	-	-	-	19,569.21
Govt. Securities	-	118.00	-	496.08	-	-	-	-	-	40.00	654.08	-	-	-	-	-	-	-	-	671.25	144.96	-	1,470.29
State Govt. Securities	-	10.00	-	272.00	-	-	-	-	-	47.50	329.50	-	-	-	-	-	-	-	-	250.97	135.27	-	715.74
Mutual Funds	-	79.00	-	81.00	-	-	-	-	-	30.50	130.50	-	-	-	-	-	-	-	-	42.00	47.00	-	279.50
Money & Market	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.00
Debture & Bonds	-	106.35	-	426.10	-	-	-	-	-	65.85	598.30	-	-	-	-	-	-	-	-	322.75	121.89	-	1,042.94
U/C/other Insurance cos.	-	116.32	-	-	-	-	-	-	-	65.99	182.31	-	-	-	-	-	-	-	-	3,437.56	163.71	-	3,733.58
<b>Total</b>	<b>4,045.00</b>	<b>429.67</b>	<b>1,786.53</b>	<b>1,320.55</b>	<b>945.00</b>	<b>-</b>	<b>895.00</b>	<b>1.30</b>	<b>245.00</b>	<b>245.84</b>	<b>9,927.89</b>	<b>-</b>	<b>11,456.11</b>	<b>57.00</b>	<b>0.22</b>	<b>0.30</b>	<b>3.00</b>	<b>79.38</b>	<b>11,596.01</b>	<b>4,724.53</b>	<b>616.83</b>	<b>-</b>	<b>26,865.26</b>
Saving Banks	119.05	22.32	367.09	133.67	2.98	-	0.52	0.07	-	214.39	860.09	-	259.34	-	-	-	-	-	259.34	154.07	31.89	-	1,305.39
<b>Grand Total</b>	<b>4,164.05</b>	<b>451.99</b>	<b>2,163.62</b>	<b>1,454.22</b>	<b>947.98</b>	<b>-</b>	<b>895.52</b>	<b>-</b>	<b>-</b>	<b>464.23</b>	<b>10,787.98</b>	<b>-</b>	<b>11,715.45</b>	<b>57.00</b>	<b>0.22</b>	<b>0.30</b>	<b>3.00</b>	<b>79.38</b>	<b>11,855.35</b>	<b>4,878.60</b>	<b>648.72</b>	<b>-</b>	<b>28,170.65</b>

\* Remittances in transit has been excluded to find out the Saving Account balance of General Investment.

sd/-  
Sr. AO A/c (MAIN)

sd/-  
Dy. CAO(A/Cs)

sd/-  
Chief Accounts Officer



**NAZUL ACCOUNT - I**  
**ANNUAL ACCOUNTS**  
**2015-16**



**Delhi Development Authority**

**DELHI DEVELOPMENT AUTHORITY**  
**ANNUAL ACCOUNTS FOR THE YEAR 2015-16**  
**NAZUL ACCOUNT - I.**  
**BALANCE SHEET AS AT 31st MARCH, 2016**

Amount in Rs Crores

LIABILITIES					ASSETS				
Sr. No.	Head of Account	Schedule	2015-16	2014-15	Sr. No.	Head of Account	Schedule	2015-16	2014-15
I	Accumulated surplus funds payable to govt. under clause 9 of Nazul Agreement 1937	S	21.21	21.77	I	Cash & Bank Balance	M	1.26	1.83
II	<u>Deposits</u>				II	Investment		-	-
	a) Securities		-	0.00	III	Accumulated Expenditure on Land & works		19.94	19.94
	b) Other Charges		-	1.19	IV	Deposits		-	-
	c) Dev. Charges		-	0.00	V	<u>Advances</u>			
III	Amount received from other account		201.48	198.48	a)	Advance to other A/C (BGDA)		-	-
IV	Sundry Creditors	T	0.89	0.51	b)	Other Advances		-	-
V	Excess of Assets over Liabilities as per last Balance sheet		(25.90)	(22.83)	c)	Amount transferred to other A/C		-	-
	Less: Liabilities as per last Balance Sheet				d)	P.L.A.		-	-
VI	Excess of Income over Expenditure during the year - Part I		0.67	0.11	VI	Sundry Debtors			
VII	Amount transferred to Accumulated receipts under Nazul Agreement		(0.79)	(3.17)		Less: Provision for bad & Doubtful debts	Q	80.66	22.50
					VII	Property	R	0.46	0.50
					VIII	Excess of Expenditure over Income (Part II)		95.24	151.29
			<b>197.56</b>	<b>196.06</b>				<b>197.56</b>	<b>196.06</b>

Sd/-  
Sr. AO (A/Cs) Main

Sd/-  
Dy. Chief Accounts Officer (A/Cs)

Sd/-  
Chief Accounts Officer

Dated : 14.06.2016  
Place : New Delhi

DELHI DEVELOPMENT AUTHORITY  
ANNUAL ACCOUNTS FOR THE YEAR 2015-16  
NAZUL ACCOUNT - I  
INCOME & EXPENDITURE FOR THE YEAR ENDING 31st MARCH, 2016

Amount in Rs Crores

Expenditure				Income			
Sr. No.	Head of Account	Expenditure 2015-16	Expenditure 2014-15	Sr. No.	Head of Account	Income 2015-16	Income 2014-15
I	Accumulated expenditure on land & works as on 01.04.2015	19.94	19.94	I	Receipts from disposal of Land-prompts	0.67	0.11
II	Expenditure on Land and Works	-	-	II	Land transferred from L & DO	-	-
III	Excess of Income over Expenditure (Part-I)	0.67	0.11	III	Interest in Investment	-	-
				IV	Accumulated expenditure on land & works as on 31.3.2016	19.94	19.94
	<b>Total</b>	<b>20.61</b>	<b>20.05</b>		<b>Total</b>	<b>20.61</b>	<b>20.05</b>
IV	<u>Cost of Administration</u>			V	Revenue		
	i) Officers	2.12	2.21	a) Ground Rent	2.42	10.93	
	ii) Estt.	3.45	3.82	b) Other Receipt	0.94	0.53	
	iii) Other Charges	0.41	1.53	c) Damages	10.43	1.41	
	iv) Pension Contribution	2.29	-	d) Prior Period Income	52.91	-	
	Add: Prior Period	0.07	1.91	e) Other Nazul Revenue	5.03	7.33	
	v) Gratuity Contribution	(0.35)	0.15	f) Balance write back	1.19	-	
	vi) Leave Encashment Contribution	0.11	-	VII	Excess of Expenditure over income	-	7.03
	Add: Prior Period	0.01	0.16				
	vii) Post Retirement Medical Scheme	0.54	-				
	Add: Prior Period	0.08	0.03				
	viii) New Pension Scheme	0.04	0.04				
	ix) Benevolent Fund	0.07	-				
	Add: Prior Period	0.02	-				
	Res: Estt. Charges recovered from works	(0.96)	(1.85)				
V	Payment of Nazul Revenue to govt.	0.01	0.01				
VI	Depreciation	0.04	0.03				
IX	Misc. Expenditure incurred on maintenance of various schemes	8.89	19.19				
X	Excess of Income over Expenditure (Part II)	56.08	-				
	<b>Total</b>	<b>72.94</b>	<b>27.23</b>		<b>Total</b>	<b>72.94</b>	<b>27.23</b>

Sd/-  
Sr. AO (A/Cs) Main

Sd/-  
Dy. Chief Accounts Officer (A/Cs)

Sd/-  
Chief Accounts Officer

Dated : 14.08.2016  
Place : New Delhi

**DELHI DEVELOPMENT AUTHORITY**  
**ANNUAL ACCOUNTS FOR THE YEAR 2015-16**  
**NAZUL ACCOUNT -I**  
**RECEIPT AND PAYMENT ACCOUNT FOR THE YEAR ENDING 31st MARCH,2016**

Amount in Rs Crores

Receipts				Payment			
Sr. No.	Head of Account	Actual Receipts (2015-16)	Actual Receipts (2014-15)	Sr. No.	Head of Account	Actual Expenditure (2015-16)	Actual Expenditure (2014-15)
I	Revenue from works and Dev. Schemes			I	Share cost of administration	8.51	9.81
	a) Premia	0.67	0.11		Less: Estt. Charges received from works	(0.96)	(1.85)
	b) Ground Rent	2.42	10.94			7.55	7.96
	c) Other Receipts	0.94	0.53				
II	Damages	5.16	1.41	II	Expenditure on works and Dev. Schemes	8.89	19.19
III	Other Nazul Revenue			III	Misc. Expenditure	-	-
	a) Revenue from Agriculture land, Other Land	-	-	IV	Payment of Nazul Revenue	0.01	0.01
	b) Other Revenue	5.05	7.33	V	Interest on Loan	-	-
IV	Delhi Master Plan	-	-	VI	Delhi Master Plan	1.36	1.39
V	New Master Plan for Delhi	-	-	VII	New Master Plan for Delhi	-	-
VI	Land trans. From L&DO Gram Sabha	-	-	VIII	Debt Repayment	-	-
VII	Interest from Investment	-	-	IX	Development and Construction of Lakes around Delhi	-	-
VIII	Development and Construction of Lakes around Delhi	-	-	X	Land transferred from L & D	-	-
IX	Debt Receipts	-	-				
	<b>Total</b>	<b>14.24</b>	<b>20.33</b>		<b>Total</b>	<b>17.81</b>	<b>28.55</b>

Receipts				Payment			
Sr. No.	Head of Account	Actual Receipts (2015-16)	Actual Receipts (2014-15)	Sr. No.	Head of Account	Actual Expenditure (2015-16)	Actual Expenditure (2014-15)
X	DEPOSITS & ADVANCES			XI	DEPOSITS & ADVANCES		
i)	Suspense Account	-	-	i)	Suspense Account	-	-
a)	Investment - cash balance			a)	Investment - cash balance		
	investment accounts	-	-		investment accounts	-	-
b)	Other Suspense items	-	-	b)	Other Suspense items	-	-
ii)	Deposits	-	-	ii)	Deposits	-	-
iii)	Advance(HBA)	-	-	iii)	Advance(HBA)	-	-
iv)	P.L.A.	-	-	iv)	P.L.A.	-	-
v)	Amount received from other accounts(BGDA)	3.00	10.00				
		-	-				
	<b>TOTAL DEPOSITS &amp; ADVANCES</b>	<b>3.00</b>	<b>10.00</b>		<b>TOTAL DEPOSITS &amp; ADVANCES</b>	<b>-</b>	<b>-</b>
	<b>TOTAL RECEIPTS</b>	<b>17.24</b>	<b>30.33</b>		<b>TOTAL PAYMENTS</b>	<b>17.81</b>	<b>28.55</b>
	<b>OPENING BALANCE</b>	<b>1.83</b>	<b>0.05</b>		<b>CLOSING BALANCE</b>	<b>1.26</b>	<b>1.83</b>
	<b>GRAND TOTAL</b>	<b>19.07</b>	<b>30.38</b>		<b>GRAND TOTAL</b>	<b>19.07</b>	<b>30.38</b>

Sd/-  
Sr. AO (A/Cs) Main

Sd/-  
Dy. Chief Accounts Officer (A/Cs)

Sd/-  
Chief Accounts Officer

Dated : 14.06.2016  
Place : New Delhi

DELHI DEVELOPMENT AUTHORITY  
NAZUL ACCOUNT-I

SCHEDULE - Q

STATEMENT OF SUNDRY DEBTORS AS ON 31.03.2016

(Amount in Rs Crores)

Sr. No.	Particulars	2015-16	2014-15
I	Premia (for lease of land payable by the lessee)	0.93	0.93
II	Ground Rent (Payable by the lessee of lease land)	1.28	1.29
III	Other Receipts (Staff Quarters)	1.50	1.50
IV	Damages levied for unauthorised occupation of Nazul land /Properties	76.66	18.49
V	Other Nazul Receipts	0.29	0.29
VI	Land transferred to L&D/Gaon sabha	0.00	0.00
	<b>Total</b>	<b>80.66</b>	<b>22.49</b>

DELHI DEVELOPMENT AUTHORITY  
NAZUL ACCOUNT-I

SCHEDULE-R

STATEMENT OF PROPERTY AS ON 31.03.2016

(Amount in Rs Crores)

Sr. No.	Particulars of Property	Opening Balance	Additions	Total	Depreciation	Closing Balance
I	Motor Vehicles	0.09	-	0.09	0.01	0.08
II	Furniture	0.06	-	0.06	0.01	0.06
III	Other Office equipment	0.04	-	0.04	0.01	0.04
IV	Survey and Drawing instruments	0.00	-	0.00	0.00	0.00
V	Staff Quarters	0.29	-	0.29	0.01	0.27
VI	D/o 128 Acres of Land for Temp. Junk Mkt. at Jhandewalan	0.01	-	0.01	-	0.01
VII	Janta Mkt. Rani Jhansi Rd.	0.00	-	0.00	0.00	0.00
VIII	Providing Parking arrangement at Ajmeri Gate	0.00	-	0.00	0.00	0.00
	<b>Total</b>	<b>0.50</b>	<b>-</b>	<b>0.50</b>	<b>0.04</b>	<b>0.46</b>

DELHI DEVELOPMENT AUTHORITY NAZUL ACCOUNT-I		SCHEDULE-S	
<b>STATEMENT OF FUNDS PAYABLE / PAID TO GOVERNMENT UNDER NAZUL AGREEMENT - 1937</b>			
(Amount in Rs Crores)			
Particulars	2015-16	2014-15	
Transfer of funds upto 31.03.2015	44.29	41.11	
Add: Amount transferred during the year under	0.79	3.18	
<b>(A) BALANCE</b>	<b>45.08</b>	<b>44.29</b>	
Total Expenditure incurred on Old Delhi Master Plan/ Zonal Plan up to 31.03.2015	20.01	18.62	
Add: Expenditure during 2015-16	1.36	1.39	
Less: Receipts on a/c of Sale Proceeds during the year			
<b>Net Expenditure on Delhi Master Plan/Zonal Plan(a)</b>	<b>21.37</b>	<b>20.01</b>	
Total Expenditure incurred on New Delhi Master Plan/ Zonal Plan up to 31.03.2015	2.50	2.50	
Add: Expenditure during 2015-16	-		
Less: Receipts on a/c of Sale Proceeds during the year			
<b>Net Expenditure on Delhi Master Plan/Zonal Plan(b)</b>	<b>2.50</b>	<b>2.50</b>	
<b>(B) TOTAL EXPENDITURE (a+b)</b>	<b>23.87</b>	<b>22.52</b>	
<b>Balance carried forward to Balance Sheet (A-C)</b>	<b>21.21</b>	<b>21.78</b>	



DELHI DEVELOPMENT AUTHORITY  
NAZUL ACCOUNT-I

SCHEDULE-T

STATEMENT OF SUNDRY CREDITORS AS ON 31.03.2016

(Amount in Rs Crores)

Particulars	2015-16	2014-15
Administration Pay & other charges	0.89	0.52
<b>Total</b>	<b>0.89</b>	<b>0.52</b>

**NAZUL ACCOUNT - II**

**ANNUAL ACCOUNTS**

**2015-16**



**Delhi Development Authority**

**ANNUAL ACCOUNTS FOR THE YEAR 2015-16**  
**NAZUL ACCOUNT -II**  
**RECEIPTS AND PAYMENT ACCOUNT FOR THE FINANCIAL YEAR ENDING 31.03.2016**

Amount in Rs Crores

Receipts				Payments			
Sr. No.	Head of Account	Actual Receipts 2015-16	Actual Receipts 2014-15	Sr. No.	Head of Account	Actual Expenditure 2015-16	Actual Expenditure 2014-15
I-C	Receipts from Disposal of Developed Land Premia	219.66	739.56	1-C	Payment to Delhi Admn. (L&B Dept.) for Acquisition of Land	37.41	300.57
					AMOUNT OF COMPENSATION	0.20	
					AMOUNT OF ENHANCED COMPENSATION	145.12	
		-	-		Payment to Special Rehabilitation Package	-	92.28
II-C	Receipts from Disposal of Undeveloped Land Premia	510.04	412.15	2-C	Expenditure on Development of Land	375.09	446.24
		-	-		Master Plan & Other Concomitant Schemes	807.01	788.55
		-	-		Sports Complexes	75.31	68.35
					<b>Total expenditure on D/o land 2-C</b>	<b>1,257.41</b>	<b>1,303.14</b>
III-C	Ground Rent and Other Receipts	141.47	235.20	3-C	CWG-2010 Expenditure	-	-
	Grants from Central Govt.- CWG 2010	-	-		Expenditure on C/O Roads other than those in Schemes	-	-
	Receipts from disposal of CWG flats	-	-			-	-
		-	-			-	-
IV-C	<b>Miscellaneous Receipts</b>	-	-			-	-
(a)	Composition Fee	15.13	26.18	4-C	Expenditure on Building other than those included in the Development Schemes	-	-
(b)	Interest from investments						
	Interest on Nazul II-investment	1,069.20	1,155.01		Payment to MCDs	21.34	

Sr. No.	Head of Account	Actual Receipts 2015-16	Actual Receipts 2014-15	Sr. No.	Head of Account	Actual Expenditure 2015-16	Actual Expenditure 2014-15
	Interest on Sports investment	8.02	6.47				
	Interest on Escrow EWS	4.92	4.95				
	Interest on Escrow FAR	0.32	0.15				
	Interest on HRD	0.01	0.01				
	Interest on UHF	0.03	0.01				
(c)	Other Misc. Receipts	85.16	293.62	5-C	Share Cost of Admn. Charges	634.18	503.32
	Interest from Urban Heritage A/c	-	-		Deduct Estt. Charges	-118.03	-107.98
	Sports Complex	79.00	52.44		<b>Net Share Cost</b>	<b>516.15</b>	<b>395.34</b>
	E.W.S.Fund	-	-	6-C	Interest on Loan (ways and means advances)	-	-
	Interest on EWS Fund	-	-		Refund of Premia	27.34	28.83
		-	-				
	<b>IV C Total</b>	<b>1,259.79</b>	<b>1,538.84</b>				
		-	-				
V-C	Adhoc increase / Adhoc cut made by Delhi Administration	-	-	7-C	Less: Adhoc cut made by Delhi Admn.	-	-
					Grants given to AAI	-	-
					Amount paid to DMRC	313.50	313.50
		-	-			-	-
	<b>Total</b>	<b>2,130.95</b>	<b>2,925.76</b>		<b>Total</b>	<b>2,318.46</b>	<b>2,433.66</b>
		-	-				
VI-C	<b>Debt Receipt</b>	-	-	8-C	<b>Debt. Repayment</b>	-	-
i)	Loan from Central Govt. (ways & means advances)	-	-	i)	Repayment of Loan to Central Govt.	-	-
ii)	Amount received from other accounts	-	-	ii)	Amount paid back to other accounts	-	-
		-	-		Amount paid to BGDA towards sale proceeds of 74 CWG Flats	-	440.36
VII-C	<b>Deposits &amp; Advances</b>	-	-	9-C	<b>Deposits and Advances</b>	-	-
i)	Suspense Account:	-	-	i)	Suspense Account:	-	-
a)	Investment - Cash Balance Investment Account	12,234.00	12,892.00	a)	Investment - Cash Balance Investment Account	12,357.72	12,751.00

Sr. No.	Head of Account	Actual Receipts 2015-16	Actual Receipts 2014-15	Sr. No.	Head of Account	Actual Expenditure 2015-16	Actual Expenditure 2014-15
b)	Investment A/c Sports	63.80	64.80	b)	Investment A/c Sports	79.38	63.60
c)	Escrow encashment	52.00	46.80	c)	Investment Escrow Account	57.00	52.00
d)	HRD Encashment	0.14	0.19	d)	HRD Investment	0.22	0.14
e)	Escrow FAR Encashment	3.00	1.50	e)	Escrow FAR Investment	3.00	3.00
f)	Urban Heritage Award Fund Encashment	0.28	-	f)	Urban Heritage Award Fund Investment	0.30	0.28
ii)	Funds from Escrow Account (GHS) for Construction of EWS Houses	0.10	0.24	ii)	Fund from Escrow Account (GHS) for construction of EWS Houses		
iii)	Receipt in Urban Heritage fund	0.00	0.01	iii)	Urban Heritage Fund disbursement	0.50	1.03
iv)	Other Suspense Account	-	-	iv)	Other Suspense Account	-	-
v)	Deposits	-	-0.01	v)	Deposits	-	1.20
vi)	Amount received from Revolving Fund	1,257.41	1,303.14	vi)	Amount paid to Revolving Fund	1,257.41	1,303.14
vii)	Amount received from GDA	-	-	vii)	Amount paid to GDA	-	100.00
	<b>TOTAL DEPOSITS &amp; ADVANCES</b>	<b>13,610.53</b>	<b>14,308.66</b>		<b>TOTAL DEPOSITS &amp; ADVANCES</b>	<b>13,755.52</b>	<b>14,275.39</b>
	<b>TOTAL RECEIPTS</b>	<b>15,741.48</b>	<b>17,234.42</b>		<b>TOTAL PAYMENTS</b>	<b>16,073.98</b>	<b>17,149.41</b>
	<b>OPENING BALANCE</b>	<b>591.84</b>	<b>506.83</b>		<b>CLOSING BALANCE</b>	<b>259.34</b>	<b>591.84</b>
	<b>GRAND TOTAL</b>	<b>16,333.32</b>	<b>17,741.25</b>		<b>GRAND TOTAL</b>	<b>16,333.32</b>	<b>17,741.25</b>

Dated : 14-06-2016

Place: New Delhi

Sd/-  
Sr. AO (A/Cs) Main

Sd/-  
Dy. Chief Accounts Officer (A/Cs)

Sd/-  
Chief Accounts Officer

Pension Fund Trust

Annual Accounts

2015-16



Delhi Development Authority

## INDEPENDENT AUDITOR'S REPORT

To the Members of

Delhi Development Authority Pension Fund Trust

We have audited the accompanying financial statements of **Delhi Development Authority Pension Fund Trust**, which comprise the Balance Sheet as at March 31, 2016, and the Income and Expenditure Account for the year then ended, and a summary of significant accounting policies and notes to accounts.

### **Management's Responsibility for the Financial Statements**

Management's is responsible for the preparation of these financial statements. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the trust's preparation and fair presentation of the statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and given a true and fair view.

- a) In the case of the Balance Sheet, of the state of affairs of the Trust as at March 31, 2016.
- b) In the case of the Income and Expenditure Account, of the Excess of Income Over Expenditure for the ended on the date.

For KARMY & Company  
Chartered Accountants  
FRN: 023022N

Sd/-  
(C.A. Kailash Kumar)  
M. No. 511322  
Partner

**ANNUAL ACCOUNTS 2015-16**

**Delhi Development Authority Pension Fund Trust**

**SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

**1. Significant Accounting Policies**

- A. The Financial Statements are prepared under Historical Cost Conventions.
- B. Investments are stated at face value.
- C. Interest is recognized on accrual basis.
- D. Premium and discount on Purchases of Investment is adjusted at the time of Purchase.

**2. Notes to Accounts**

- A. Contribution has been recorded to the extent recognized in the accounts of the employer Delhi Development Authority which is based on the Actuarial Valuation made at the end of the year.
- B. The income on Mutual funds investments is recognised at the time of redemption of Mutual Fund/Receipt of interest.
- C. The investments are properly classified as investment in Government Securities, bonds, Mutual Funds, FDR's and Insurance Companies.

Sd/-  
Chief Accounts Officer  
Trustee

Sd/-  
Sr. AO (A/Cs) Main

Sd/-  
Dy. CAO (A/Cs)

Place: New Delhi  
Date: 14.06.2016





**DELHI DEVELOPMENT AUTHORITY PENSION FUND TRUST**  
**INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016**

EXPENDITURE	For the Year ended 31.03.2016	For the Year ended 31.03.2015	INCOME	For the Year ended 31.03.2016	For the Year ended 31.03.2015
	AMOUNT	AMOUNT		AMOUNT	AMOUNT
Miscellaneous Expenditure	0.00	0.00	Interest earned on Investments	398.34	378.97
Premium on purchase of Investment	0.55	1.87	Prior Period Adjustment	0.26	
Excess of Income over Expenditure	398.05	377.10			
	<b>398.60</b>	<b>378.97</b>		<b>398.60</b>	<b>378.97</b>

As per our Report attached  
For KARMV AND COMPANY  
Chartered Accountants

(CA Kailash Kumar)  
Partner  
M. No. 511322  
PRN - 023022N

Place : New Delhi  
Date : 14.06.2016

sd/-  
(Chief Accounts Officer)  
Trustee

sd/-  
Sr. AO (A/Cs) main

sd/-  
Dy. CAO (A/Cs)

PENSION FUND TRUST ACCOUNT					
RECEIPTS & PAYMENT ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2015					
RECEIPTS			PAYMENT		
HEAD OF ACCOUNT	2015-16	2014-15	HEAD OF ACCOUNT	2015-16	2014-15
<b>Pension Fund</b>			<b>Pension Fund</b>		
Opening Balance	40.70	79.99	Investment	113.83	820.84
Encashment of Pension Fund	98.09	533.11	Disbursement	269.92	228.28
Interest of Pension fund Investment	112.53	258.24	Payment to Delhi Development Authority	335.04	36.25
Prior Period Adjustment	-	0.00	Payment to Delhi Development Authority(L2)	108.51	-
Received from Gratuity Fund Trust	-	-	Payment to Gratuity Fund Trust	0.15	-
Contribution received in fund	813.99	254.31	TDS on Income	-	0.18
Work Charges Pension & DC Recovered	-	17.76	Payment to Delhi Development Authority (PRMS)	30.91	30.00
	1,024.13	1,076.26	Payment to Delhi Development Authority(OPF)	52.42	-
	1,064.83	1,166.25	Closing balance	910.74	1,115.55
				154.07	40.70
				1,064.82	1,156.25

ed/-  
 (Chief Accounts Officer)  
 Trustee

ed/-  
 Sr. AO A/c Main

ed/-  
 Dy. CAC (A/Cs)

Place: New Delhi  
 Date: 14.06.2016

Gratuity Fund Trust

Annual Accounts

2015-16



Delhi Development Authority

## INDEPENDENT AUDITOR'S REPORT

To the Members of

Delhi Development Authority Gratuity Fund Trust

We have audited the accompanying financial statements of **Delhi Development Authority Gratuity Fund Trust**, which comprise the Balance Sheet as at March 31, 2016, and the Income and Expenditure Account for the year then ended, and a summary of significant accounting policies and notes to accounts.

### **Management's Responsibility for the Financial Statements**

Management's is responsible for the preparation of these financial statements. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the trust's preparation and fair presentation of the statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and given a true and fair view.

- a) In the case of the Balance Sheet, of the state of affairs of the Trust as at March 31, 2016.
- b) In the case of the Income and Expenditure Account, of the Excess of Income Over Expenditure for the ended on the date.

For KARMY & Company  
Chartered Accountants  
FRN: 023022N

Sd/-  
(C.A. Kailash Kumar)  
M. No. 511322  
Partner

Delhi Development Authority Gratuity Fund Trust

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

1. Significant Accounting Policies

- A. The Financial Statements are prepared under Historical Cost Conventions.
- B. Investments are stated at face value.
- C. Interest is recognized on accrual basis.
- D. Premium and discount on Purchases of Investment is adjusted at the time of Purchase.

2. Notes to Accounts

- A. Contribution has been recorded to the extent recognized in the accounts of the employer Delhi Development Authority which is based on the Actuarial Valuation made at the end of the year.
- B. The income on Mutual funds investments is recognised at the time of redemption of Mutual Fund/Receipt of interest.
- C. The Investments are properly classified as investment in Government Securities, bonds, Mutual Funds, FDR's and Insurance Companies.

Sd/-  
Chief Accounts Officer  
Trustee

Sd/-  
Sr. AO (A/Cs) Main

Sd/-  
Dy. CAO (A/Cs)

Place: New Delhi  
Date: 14.06.2016

**DELHI DEVELOPMENT AUTHORITY GRATUITY FUND TRUST**  
**BALANCE SHEET AS ON 31st MARCH, 2016**

Amount Rs in Crore

<b>LIABILITIES</b>	As on 31.03.2016	As on 31.03.2015	<b>ASSETS</b>	As on 31.03.2016	As on 31.03.2015
	AMOUNT	AMOUNT		AMOUNT	AMOUNT
Opening Balance of Fund	763.03	783.23	Investments	616.83	518.44
Add: <u>Employer Contribution</u>	-129.12	19.37	Interest accrued on Investments	13.31	40.19
Less: Gratuity disbursements	91.66	87.29	Bank Balance	31.89	40.52
Add: Excess of Income over Expenditure	52.39	47.72	TDS Receivable	0.29	0.19
Balance of Gratuity Fund	594.64	763.03	Receivable From General Provident Fund	10.46	-13.51
	0.00	0.00			
Advance Interest Received	0.47	0.47			
Payable to Urban Development Fund	0.00	0.00			
Payable to Pension Fund	0.88	0.75			
Payable to Leave Encashment Fund	4.84	0.95			
Contribution from DDA adjustable in future	71.95	-179.37			
	<b>672.78</b>	<b>585.83</b>		<b>672.78</b>	<b>585.83</b>

As per our Report attached  
For KARMV AND COMPANY  
Chartered Accountants

Sd/-  
(Chief Accounts Officer)  
Trustee

Sd/-  
(CA Kailash Kumar)  
Partner  
M. No. 511322  
FRN - 023022N

Sd/-  
Sr AO A/Cs Main

Sd/-  
Dy CAO (A/Cs)

Place : New Delhi  
Date : 14-06-2016

**DELHI DEVELOPMENT AUTHORITY GRATUITY FUND TRUST  
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016**

Amount Rs in Crore

EXPENDITURE	For the Year ended 31.03.2016	For the Year ended 31.03.2015	INCOME	For the Year ended 31.03.2016	For the Year ended 31.03.2015
	AMOUNT	AMOUNT		AMOUNT	AMOUNT
Premium on purchase of Investment	0.71	-	Interest earned on Investments	50.97	47.30
Excess of Income over Expenditure	52.39	47.72	Prior Period Incomes	2.13	0.34
			Discount on purchase of Investment		0.08
	<b>53.10</b>	<b>47.72</b>		<b>53.10</b>	<b>47.72</b>

As per our Report attached  
For KARMV AND COMPANY  
Chartered Accountants

Sd/-  
(CA Kailash Kumar)  
Partner  
M. No. 511322  
FRN - 023022N

Sd/-  
(Chief Accounts Officer)  
Trustee

Sd/-  
Sr AO A/Cs Main

Sd/-  
Dy CAO (A/Cs)

Place : New Delhi  
Date : 14-05-2016



GRATUITY FUND TRUST ACCOUNT									
RECEIPTS & PAYMENT ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016									
RECEIPTS					PAYMENT				
HEAD OF ACCOUNT	2015-16		2014-15		HEAD OF ACCOUNT	2015-16		2014-15	
<b>Gratuity Fund</b>					<b>Gratuity Fund</b>				
Opening Balance		40.52		10.84	Investment	118.50		134.95	
Contribution received in fund	127.72		19.37		Disbursement	91.66		87.29	
					Payment to UDF	-		8.32	
Receipts from Delhi Development Authority	249.92		157.75		Payment to CPF	23.96		-	
					Payment to LE	3.88		-	
Interest of Gratuity Investment	39.78		33.14		Payment to Pension Fund Trust Account	0.13		12.84	
Misc. Income	-		-		TDS on Income	-		0.10	243.50
Encashment of Gratuity Fund	59.50		62.92				230.11		
		221.48		273.18	Closing balance		31.89		40.52
		<b>262.00</b>		<b>284.02</b>			<b>262.00</b>		<b>284.02</b>

Place : New Delhi  
Date : 14-06-2016

Sd/-  
Sr. AO A/cs Main

Sd/-  
Dy. CAO (A/Cs)

Sd/-  
(Chief Accounts Officer)  
Trustee

DELHI DEVELOPMENT AUTHORITY

Reply of Separate Audit Report of the CAG on the Accounts of DDA for the year 2015-16

PARA	AUDIT OBSERVATION	REPLY BY DDA
<b>A.- Balance Sheet</b>		
<b>1. Reserves and Surplus (Schedule-A)</b>		
1.1	<p><b>Surplus in Revenue Account: ₹ 9899.43 crore</b></p> <p>A reference is invited to C&amp;AG's comment no. A. 1.1 on the financial statements of DDA for the year ended 2014-15 on transfer of funds from EWS House Reserve Fund to Surplus in Revenue Account. As per the fund based accounting, amount transferred should have been adjusted in EWS Reserve Fund instead of adding the same to 'Surplus in Revenue Account' as the amount pertained to EWS houses. In the year 2015-16 also, an amount of ₹ 125.78 crore (EWS expenditure ₹ 171.64 crore – interest on EWS investments ₹ 45.86 crore) was transferred from 'EWS Houses Reserve Fund' to 'Surplus in Revenue' account. This has resulted in overstatement of 'Surplus in Revenue' account by an amount of ₹ 125.78 crore and understatement of 'EWS Reserve Fund' to the same extent.</p>	<p>In this context, It is submitted that in the earlier years, EWS houses reserve fund was created from appropriation of surplus funds to comply with provisions of Income Tax Act. In accordance with generally accepted accounting principles expenses incurred for EWS Houses Schemes are being charged to Income &amp; Expenditure account in the year in which the same are actually incurred.</p> <p>During the current year, an amount of ₹ 171.64 crore actual expenses incurred on EWS Houses Schemes has been charged on the expense side and interest income of ₹ 45.86 crore is taken into income side in Income &amp; Expenditure account.</p> <p>Since a separate reserve as EWS Houses Reserve Fund is created, for accumulation of unutilized amount in compliance of requirement of section 11(2) of the Income Tax Act, 1961, therefore, this amount of ₹ 125.78 crores (Net) spent during the year is added in Surplus in Revenue account and reduced from the EWS Houses Reserve Fund.</p> <p>Had this adjustment not passed, the Balance Sheet would not have shown correct picture of the Reserve &amp; Surplus because audit would appreciate that charging any expenditure directly to reserve account without routing through the Income &amp; Expenditure account is not in line with the generally acceptable accounting principles.</p> <p>U/s 11(2) for the unutilized amount, there is no requirement for fund based accounting in the Income Tax Law and not recommended even in the Guidance Note on the "Audit of public charitable institutions under the Income-Tax Act, 1961 issued by the Institute of Chartered Accountants of India or under any other statute. DDA is not doing fund based</p>

accounting.

*Provisions of Section 11(2) of the Income Tax Act, 1961 states- Where [eighty-five] per cent of the income referred to in clause (a) or clause (b) of sub-section (1) read with the Explanation to that sub-section is not applied, or is not deemed to have been applied, to charitable or religious purposes in India during the previous year but is accumulated or set apart, either in whole or in part, for application to such purposes in India, such income so accumulated or set apart shall not be included in the total income of the previous year of the person in receipt of the income, provided the following conditions are complied with, namely:-*

*(a) such person specifies, by notice in writing given to the [Assessing] Officer in the prescribed manner, the purpose for which the income is being accumulated or set apart and the period for which the income is to be accumulated or set apart, which shall in no case exceed five years;*

*[(b) the money so accumulated or set apart is invested or deposited in the forms or modes specified in sub-section (5)]*

Under the Income Tax Act, 1961 as per Section -11 (2), utilization or set apart amount in next 5 years is necessary to get the exemption till the amount is not spent to keep the amount invested as per the provisions of the Act.

DDA has duly invested the unutilized carried forward funds as required U/s 11(5) of the Income Tax Act, 1961 and has not violated any provisions of the law.

It is further submitted that necessary adjustments of EWS Houses Scheme Expenses as utilization towards unutilized amount carried forward under the income tax law is being made in the computation of the income of the DDA while filing Form 10 and Income Tax Return.

In response to the audit para for the year 2014-15 also it was submitted that:

"EWS house reserve fund was created from appropriation of surplus funds. Therefore, same is charged to Income & Expenditure Account and adjusted in surplus in Revenue

		<p>Account.”</p> <p>This is only a matter of presentation and has no impact on the Income &amp; Expenditure account and assets &amp; Liabilities.</p> <p>However, since there is difference of opinion between Audit and DDA regarding methodology adopted for fund based accounting for EWS houses reserve fund, an expert opinion will be sought from ICAI /Income Tax expert during next year. Facts of the query will be decided in consultation with C&amp;AG office, and based on expert opinion, action if required will be taken by DDA in the next year financial statement.</p>
<p><b>2. Earmarked/ Endowment Funds (Schedule-B)</b></p>		
<p>2.1</p>	<p><b>Post Retirement Medical Fund (PRMS): ₹ 550.69 crore</b></p> <p>A reference is invited to C&amp;AG's comment no. A.2.3 on the financial statements of DDA for the year 2014-15 on this issue wherein it was mentioned that an amount of ₹ 30 crore was used from Pension Fund Trust to meet the obligation of PRMS. In the year 2015-16, closing balance of PRMS fund has been arrived at after including ₹ 60.91 crore as receipt from Pension Fund Trust i.e. ₹ 30.91 crore in current year (2015-16) and ₹ 30.00 crore in previous year (2014-15). However, Audit observed that no amount was received from Pension Fund Trust in 2015-16 and amount of ₹ 30 crore which was received in 2014-15 was also repaid during the current year. Thus, at the end of year, no amount was payable to Pension Fund Trust by PRMS fund.</p> <p>This has resulted in overstatement of closing balance of PRMS fund by ₹ 60.91 crore and understatement of current liabilities of General Development Account (GDA) towards Pension Fund Trust (Sch-C) to the same extent.</p>	<p>₹ 30.91 Crore has been shown inadvertently in Schedule -B instead of Schedule-C of the Balance Sheet and both the schedules are part of Liabilities in the Balance Sheet. However, there is no financial impact on the Assets and Liabilities &amp; Income and Expenditure Account of DDA. Further, that same will be rectified in the next year's account.</p>

2.2

**Shortfall in investment of earmarked funds:**

A reference is invited to C&AG's comment no. A 2.4 on the financial statements of DDA for the year 2014-15 depicting shortfall against earmarked funds. In the year 2015-16 also, against the total funds of ₹ 7,405.28 crore available as on 31 March 2015 in General Provident Fund, Urban Development Fund, Leave Encashment fund, Post Retirement Medical Scheme Fund, Civil work maintenance Fund and Electrical work maintenance Fund, the actual investment made was ₹ 7,030.08 crore only as detailed below:

(₹ in crore)

Sl. No.	Name of the Fund	Closing Balance as per Schedule 'B'	Amount invested as per Schedule 'E'	Shortfall in investment
1	General Provident Fund	1535.60	1487.33	48.27
2	Urban Development Fund	4373.14	4351.18	21.96
3	Leave Encashment Fund	510.04	459.17	50.87
4	Post Retirement Medical Fund	550.69	466.87	83.82
5	Civil work maintenance Fund	395.90	265.53	130.37
6	Electrical work maintenance Fund	39.91	0	39.91
	TOTAL	7405.28	7030.08	375.20

Shortfall occurred last year is partly made good. The main reason for shortfall was due to non-availability of separate PAN for GP Fund, Leave Encashment Fund and PRMS fund which resulted in less investment in these funds. DDA has moved for creation of separate trusts for these funds and separate PAN is likely to be allotted by the Income Tax department during the current financial year and, thereafter, shortfall will be made good during the financial year 2016-17. There was some shortfall in Civil & Electrical maintenance Funds also which was intimated by the Housing Wing after closing of financial year. However, the shortfall has been made good during current year by earmarking FDs from General Development Account.

	Thus, during the current financial year i.e. 2015-16, there was total shortfall of ₹ 375.20 crore in investment against above referred Funds.	
<b>3. Current Liabilities &amp; Provisions (Schedule-C)</b>		<b>₹ 1596.51 crore</b>
3.1	<b>Sundry creditors for land:</b>	<b>₹ 298.96 crore</b>
	<p>a) This does not include liability towards interest of ₹ 11.10 crore (₹ 1.84 crore up to December 1991+ ₹ 9.26<sup>1</sup> crore from January 1992 to March 2016) on outstanding principal amount of ₹ 3.82 crore payable to Ministry of Rehabilitation (MOR) towards purchase of 690.881 acres of land.</p> <p>This has resulted in understatement of current liabilities by ₹ 11.10 crore, prior period expenses by ₹ 10.72 crore and current year expenses by ₹ 0.38 crore.</p>	<p>a) The liability of interest of ₹ 6.51 crore up to December 1991 had been worked out by the Ministry itself. DDA has never agreed to the interest liability as there was no default in payment on its part. Some portion of the land/localities which had been transferred to DDA as per package deal were not actually in existence. As such, it cannot be construed default on the part of DDA and interest liability is not acceptable to the DDA.</p> <p>As regards interest liability on balance payment of ₹ 3.82 Crore is concerned, it is intimated that although DDA is following accrual policy, yet DDA has not defaulted in making</p>

	<p>b) A reference is invited to C&amp;AG's comment no. A 3.2 on the financial statements of DDA for the year 2014-15 wherein need for change in policy no. 11(B) of DDA was highlighted. As per this policy, the liability towards cost of land is booked in General Development Account (GDA) on completion of construction of the respective housing schemes. This policy of DDA is not in accordance with the accrual concept of accounting since liability should be booked as soon as it arises.</p> <p>As on 31 March 2016 also, GDA had twenty (20) running schemes for which land has already been received from Nazul-II and utilized by GDA in execution of housing schemes. Thus, as per accrual concept of accounting, liability towards cost of land should have been created in books of GDA. Non provision of above liability has resulted in understatement of sundry creditors to the extent of cost of land. Scheme wise cost of land payable to Nazul-II in respect of the housing scheme running as on 31 March 2016 sought in Audit was not provided by DDA, in absence of which Audit could not quantify the liability.</p>	<p>payment. The land stands transferred to DDA in the records of MOR but possession in actual is not with DDA. The question of creating liability of interest does not arise as default is not on the part of DDA. However, matter is being taken up with Ministry for reconciliation of actual land took over by DDA. In case any payment of interest becomes due on the direction of Ministry, same will be made to settle the issue.</p> <p>b) In this context, it is informed that DDA has been following accounting policy 11(B) for booking the liability towards cost of land on completion of construction of housing scheme instead of booking the liability at the time of receipt of land. However, in view of the audit observation, the policy has been got examined and steps are being taken to revise the policy as per AS-2 for which necessary inputs are being taken from the concerned department. DDA is in the process of revising this policy as per AS-2 and accounting will be done on revision of the same which is likely to be completed in 2016-17.</p>
3.2	<p><b>Payable to Pension Fund Trust ₹ 283.81 crore</b></p> <p>This does not include ₹ 39.30 crore payable to Pension Fund Trust which has been included under the head sundry creditors for expenses.</p> <p>This has resulted in understatement of balance amount payable to Pension Fund Trust by ₹ 39.30 crore and overstatement of sundry creditors for expenses to the same extent.</p>	<p>It is submitted that this is only a presentation issue from one accounting head of liability to other, having no impact on the Income &amp; Expenditure and Assets &amp; Liabilities as it was included in the sundry creditors for expenses. However, same will be shown under the head payable to Pension Fund Trust in next year's accounts.</p>

4. Current Assets (Schedule-F):		₹ 13676.14 crore				
Inventories:		₹ 7123.70 crore				
4.1 Work-in-progress (Houses under construction)		₹ 2759.67 crore				
A) This does not include ₹ 35.64 crore towards net progressive expenditure incurred against the following schemes detailed as below :-						
(Amount in ₹ crore)						
Sl. No.	Name of housing scheme	Cumulative expenditure up to 31/03/16	Advance outstanding as on 31/03/16	Net Expenditure (3-4)	Overhead @ 15 per cent on net expenditure (6)	WIP to be shown on 31/03/16 (5+6) (7)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A) Expenditure of ₹ 35.64 crore incurred on construction of houses but not shown as Work-in-progress						
1.	Construction of (C/o) 1675 DUs at Jailor Wala Bagh Ashok Vihar	20.40	17.57	2.83	0.42	3.25
2.	C/o 1240 HIG (MS) Houses in sector, 19 Dwarka phase-II	54.02	45.90	8.12	1.22	9.34
3.	C/o 352 MS 2-BHK apartments adjoining Pocket-3, sector 19B, Dwarka, Ph-II	25.85	12.75	13.10	1.96	15.06
4.	C/o 1568 DUs/ 600 Cat-II and 968 EWS composite houses in pkt-5, sec-14, Dwarka Phase-II	23.78	22.42	1.36	0.20	1.56
5.	C/o 500 2-BHK, 340 3-BHK and 325 EWS houses	38.76	36.94	1.82	0.27	2.09
6.	C/o 625 2-BHK, 350 3-BHK and 376 EWS houses	37.51	35.43	2.08	0.31	2.39
7.	C/o 225 3-BHK and 420 2BHK and 250 EWS houses	29.73	28.03	1.70	0.25	1.95

After necessary reconciliation, the required adjustment will be made in the accounts of 2016-17, through prior period.

Further, in order to avoid such type of omissions, DDA is in process of implementation of double entry accounting system from the voucher level.



Total	230.05	199.04	31.01	4.63	35.64
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b) This also included ₹ 24.97 crore incurred on scheme of construction of 2500/2252 SFS Houses at Vasant Kunj D-6 which were already treated as complete during the year 2012-13 and finished stock against this scheme had already been booked at the same time.

As a result of 'a' & 'b' above, work in progress (Houses under construction) was understated by ₹ 10.67 crore (₹ 35.64 crore - ₹ 24.97 crore) and deficit for current year was overstated to the same extent.

4.2

**Work-in-progress (Commercial Estate-under construction) ₹ 27.30 crore**

This included ₹ 10.96 crore towards net progressive expenditure incurred up to 31/03/2016 on construction of community halls/centers in following zone of DDA detailed as under-

(Amount in ₹ crore)

Sl. No	Name of the Zone	Name of the scheme	Expenditure incurred up to 31/03/2016	15% overhead charges on the expenditure	Total expenditure including overhead charges
1	East	C/o Community Hall in PKT-10B, Jasola	0.66	0.10	0.76
2	East	C/o Community Hall parking cum park, DDA housing KGCO	1.84	0.28	2.12
3	Dwarka	C/o Community centre at Plot-1, Sec-	2.81	0.42	3.23

As observed by the Audit, this is case of misclassification having no impact on the income and expenditure account. As such, the expenditure on Community halls /Community Centre will be classified/reflected as Capital work-in-progress in separate schedule from the next financial year 2016-17.

		17, Dwarka			
4	Dwarka	C/o Community hall at village Kakrola	2.07	0.31	2.38
5	South	C/o Community hall near the Khand village	2.15	0.32	2.47
		<b>Total</b>	<b>9.53</b>	<b>1.43</b>	<b>10.96</b>

As the community halls/ centers are not being constructed with the purpose of resale, the same should have been shown as Capital work-in-progress in a separate schedule below the fixed assets. This has resulted in overstatement of commercial stock-under construction by ₹ 10.96 crore and understatement of Capital Work-in-progress to the same extent.

**4.3 Finished Stock**

**a. Raw land, land under construction and developed land: ₹ 128.38 crore**

As per the Accounting Policy No.6(c), DDA is valuing stock of land held for sale at disposal rates based on average tender/auction rate less estimated cost of completion. The policy to value developed land at disposal rate is inconsistent with the AS-2 which states that inventory should be valued at cost or net realizable value whichever is lower.

In this regard it was seen that DDA has valued 690.881 acres of land at ₹ 128.38 crore which was purchased from Ministry of Rehabilitation (MOR)<sup>2</sup> for ₹ 20.32 crore only. Thus, due to accounting policy inconsistent with AS-2, DDA has booked profit of ₹ 108.06 crore (₹ 128.38 crore - ₹ 20.32 crore) in financial year 2001-02 without actually selling the land. This has resulted in overstatement of stock of land as well as overstatement of 'Reserve and Surplus' by an amount of ₹ 108.06 crore.

It is submitted that DDA is consistently doing valuation of its finished stocks as per significant accounting policy no. 6(c) which clearly states that valuation in case of other stock including developed land held for sale is to be done at disposal rates based on average tender/auction rate less estimated cost of completion. In fact land was purchased by DDA for 20.32 Cr. In 1982-83 under a package deal of ₹ 30.00 Crore for 1020 Acres of land. During the year 2002-03, accounting policy 6 (c) was framed by DDA wherein it was specifically mentioned that valuation of land held for sale will be done as per accounting policy 6 (c) by considering average tender/auction rate prevailing at that time and same is order in accordance with accounting policy adopted by DDA in this regard. Therefore, there is no overstatement of valuation of land by ₹ 108.06 Cr. as valuation is as per Stated Accounting Policy. As regards booking profit of ₹ 108.06 Crore in the accounts without selling the land in actual is concerned, same was worked out on the basis of valuation of stock on the existing accounting policy which is applied consistently by the DDA. There is no impact on income

and expenditure for the current year as same stock value is carried forward from last year accounts.

However, in view of the audit observation, the policy will be reviewed/ examined and steps will be taken to revise the policy as per AS-2 for which necessary inputs are being taken from the concerned department and accounting will be done on revision of the same which is likely to completed in 2016-17.

**b. Houses - built up: ₹ 3205.21 crore**

i) A reference is invited to C&AG's comment no. A. 4.2 (a) of Separate Audit Report on the accounts of DDA for the year 2014-15 as per which finished stock of built-up houses was overstated due to following Accounting Policy No.6(c). As per this policy, DDA is valuing inventory of finished units of built up houses at standard cost i.e. at which units were expected to be sold including land premium less estimated cost of completion. The policy to value built up units of houses at standard cost (net realizable value) is inconsistent with the AS-2 which states that inventory should be valued at cost or net realizable value whichever is lower.

Further, as per AS-2, standard cost can be used if the results are approximate to the actual cost. In this regard, it was seen that standard cost in the case of DDA for the year 2015-16 was around 48 percent more than the actual cost which cannot be construed as near approximation as can be seen from the following table-

(Amount ₹ In crore)

Sl No	Particulars	Land cost (1)	Constru ction cost (2)	Provision for misc work (3)	Total cost (1)+(2)-(3)
01	Standard cost considered by DDA for valuation of finished stock added in 2015-16	94.08	374.76	19.02	449.82
02	Actual cost incurred by DDA for construction of finished stock added in 2015-16	94.08	208.64	0	302.72
<b>Over valuation of new addition to the finished stock (1-2)</b>					<b>147.10</b>

(i) It is submitted that as of now, DDA has been following accounting policy 6(C) which is consistently applied. However, the existing accounting policy has been got examined and b policy needs to be revised. Accordingly, the Housing Account Wing is finding out the necessary inputs required for change of policy.

It has been assessed that inputs/details/old records pertaining to various departments of DDA are required for implementing the change in the Accounting Policy which is being sought. DDA will be able to change the policy and its implementation is likely to be completed in 2016-17.

From the above, it can be seen that the valuation of finished stock in the year 2015-16 was also higher by ₹ 147.10 crore which was not in compliance with the AS-2. Thus, due to inconsistent accounting policy with AS-2, DDA has booked profit of ₹ 147.10 crore without selling the flats in actual. This has resulted in overstatement of finished stock of built-up houses and understatement of deficit for the current year by an amount of ₹ 147.10 crore.

- ii) Finished stock of Built up houses and shops did not include ₹ 8.87 crore in respect of scheme of construction of 112 LIG houses and 16 shops at Ashok Nagar, Faiz road, New Delhi that had already been completed in the financial year 2014-15. This has resulted in understatement of finished stock of houses and shops by ₹ 8.87 crore and overstatement of work-in-progress (Houses under construction) to the same extent.

- C. A reference is invited to the C&AG's comment no. A. 4.2 (b) of Separate Audit Report on the accounts of DDA for the year 2014-15 where it was mentioned that expenditure incurred on construction of EWS houses was not shown under WIP and Finished Stock of EWS Houses separately in Schedule 'F'. In the year 2015-16 also, DDA has incurred an expenditure of ₹ 171.64 crore on construction of EWS houses out of EWS Fund created specifically for the purpose. However, the assets created by utilizing EWS funds (WIP and Finished Stock of EWS houses) have not been shown separately in the Schedule-F of Balance Sheet of the DDA whereas investment against EWS Fund which is another current asset are being shown separately.

Finished stock as well as work-in-progress in respect of 'EWS Houses Reserve Fund' constituted a major portion in the total Work-in-progress and Finished Stock of built up houses. However, Schedule-F of Balance Sheet of DDA does not separately indicate the value of assets created by utilizing the EWS fund.

Finished stock of build up houses and shops of 8.87 crore appearing in work in progress will be transferred to finished stock in the financial year 2016-17.

Further, it is intimated that in DDA process of implementation of double entry accounting system from the voucher level is under progress.

In this context, it is submitted that there are large number of different schemes in DDA and every year new schemes are being introduced. EWS Houses scheme is one of them which is being specified for exemption U/s 11(2) of the Income Tax Act, 1961.

DDA in its Balance Sheet has consistently disclosing amount of WIP & Finished stock which includes stocks and work in progress of EWS Houses.

DDA has appropriated unutilized amount as required under Section 11(2) of the Income Tax Act, 1961 from year to year under the account head EWS Houses Reserve Fund.

There is no requirement to disclose assets created out of utilization of funds accumulated U/s 11(2). Detail of complete inventory including WIP, scheme wise is available in the Books of accounts of DDA.

However, since there is difference of opinion between Audit and DDA, an expert opinion will be sought from ICAI /Income Tax expert during next year. Facts of the query will be decided in consultation with C&AG office, and action if required will be taken based on opinion..

4.4	<p><b>Sundry Debtors ₹ 308.58 crore</b></p> <p>The DDA has shown an amount of ₹ 308.58 crore as Sundry Debtors in the Balance Sheet of General Development Account as at 31 March 2016. Review of Authority's financial statements revealed that there is neither a system of obtaining confirmation of balances from debtors nor providing adequate provision for bad and doubtful debtors. Further, the Authority has not been maintaining party-wise and age-wise breakup of debtors; as such Audit is unable to draw an assurance on correctness of balances depicted in respect of sundry debtors in the balance sheet ended as at 31 March 2016.</p> <p>As per convention of conservatism, necessary provision for bad and doubtful debts should be made. DDA stated that reconciliation of debtors was going on. However, documents in support of status of reconciliation were not furnished to audit.</p>	<p>DDA debtors are of general public at large to whom the flats have been allotted on hire purchase system. The outstanding amount is likely to be recovered from the allottees as and when they turn up for conversion of their flats from lease hold to free hold or opt for a Penalty Relief Scheme. DDA debtors are not bad and as such there is no need for making any provision for doubtful debts as debtors will be recovered sooner or later. Authority is further hopeful to get the reconciliation of debtors completed during ensuing years.</p> <p>Further, it is intimated that in DDA process of implementation of double entry accounting system from the voucher level is under progress.</p>																														
4.5	<p><b>Advances to contractors: ₹ 512.99 crore</b></p> <p>a) This does not include amount of ₹ 163.80 crore given to contractors as mobilization advances but booked as expenditure in respect of following housing scheme detailed as below-</p> <p style="text-align: right;">(Amount ₹ in crore)</p> <table border="1" data-bbox="347 931 1365 1382"> <thead> <tr> <th>SIN o</th> <th>Name of scheme</th> <th>Name of contractor</th> <th>Date of advance</th> <th>Amount of advance</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>C/o 1675 DUs at Jailor Wala Bagh Ashok Vihar, New Delhi</td> <td>M/s Brij Gopal Construction Co.</td> <td>18/09/2014</td> <td>8.79</td> </tr> <tr> <td>2.</td> <td>-Do-</td> <td>-Do-</td> <td>23/02/2016</td> <td>8.79</td> </tr> <tr> <td>3.</td> <td>C/o 1240 HIG (MS) Houses in sector, 19 Dwarka phase-II</td> <td>M/s Simplex Infrastructures</td> <td>10/02/2015</td> <td>30.90</td> </tr> <tr> <td>4.</td> <td>-Do-</td> <td>-Do-</td> <td>16/10/2015</td> <td>15.00</td> </tr> <tr> <td>5.</td> <td>C/o Integrated complex of 273 MS one room tenements at</td> <td>M/s Bahl Builder</td> <td>November 2015</td> <td>1.70</td> </tr> </tbody> </table>	SIN o	Name of scheme	Name of contractor	Date of advance	Amount of advance	1.	C/o 1675 DUs at Jailor Wala Bagh Ashok Vihar, New Delhi	M/s Brij Gopal Construction Co.	18/09/2014	8.79	2.	-Do-	-Do-	23/02/2016	8.79	3.	C/o 1240 HIG (MS) Houses in sector, 19 Dwarka phase-II	M/s Simplex Infrastructures	10/02/2015	30.90	4.	-Do-	-Do-	16/10/2015	15.00	5.	C/o Integrated complex of 273 MS one room tenements at	M/s Bahl Builder	November 2015	1.70	<p>a) Mobilization advances of Rs. 35.43 Crores and Rs. 17.58 Crores given by MPR has already been considered in the advances in the Balance Sheet.</p> <p>It is only Supplementary detail of advances submitted to the audit in which said advance of was shown as in North Zone &amp; Rohini Zone instead of MPR Zone, this aspect is already explained and revised detail is already submitted to the audit.</p> <p>For the remaining advances necessary correction in the accounts 2016-17 will be made through prior period item. Further, DDA process of implementation of double entry accounting system from the voucher level is under process.</p>
SIN o	Name of scheme	Name of contractor	Date of advance	Amount of advance																												
1.	C/o 1675 DUs at Jailor Wala Bagh Ashok Vihar, New Delhi	M/s Brij Gopal Construction Co.	18/09/2014	8.79																												
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3.	C/o 1240 HIG (MS) Houses in sector, 19 Dwarka phase-II	M/s Simplex Infrastructures	10/02/2015	30.90																												
4.	-Do-	-Do-	16/10/2015	15.00																												
5.	C/o Integrated complex of 273 MS one room tenements at	M/s Bahl Builder	November 2015	1.70																												

	Manglapuri			
6.	C/o 352 MS 2-BHK apartments adjoining Pkt-3, sec-19B, Dwarka	M/s Varindera Construction	-	12.75
7.	C/o 156B DUs / 600 Cat-II & 968 EWS composite houses in pkt-5, sec-14, Dwarka Ph-II	M/s B.G. Shirke Construction Technology Pvt	19/02/2016	22.42
8.	C/o 625 2-BHK, 350 3BHK and 376 EWS Houses earmarked in Pkt-3 at sector A-1 to A-4, Narela	-Do-	21/09/2015	35.43
9.	C/o 420 2-BHK Houses in Pkt- 6 at sec A-1 to A-4, Narela	-Do-	03/09/2015	11.61
10.	-Do-	-Do-	06/02/2016	2.32
11.	C/o 225 3BHK and 250 EWS Houses earmarked in Pocket-3 at sector A-1 to A-4, Narela	-Do-	02/09/2015	7.83
12.	-Do-	-Do-	06/02/2016	6.26
<b>Total advance booked as expenditure</b>				<b>163.80</b>

b) This also included an amount of ₹ 53.22 crore given to contractors as mobilization advance which was booked twice as detailed below:

<b>Advance of ₹ 53.22 crore shown twice i.e. in North, as well as Rohini Zone</b>				
1.	C/o 325 2BHK, 170 3BHK & 194 EWS houses sec A1 to A4, Narela	M/s B.G. Shirke Const Tech,	28/08/2015	20.95
2.	C/o 520 2BHK, 250 3BHK & 294 EWS houses sec A1 to A4 Narela	-Do-	28/08/2015	32.27
<b>Total of advance shown twice</b>				<b>53.22</b>

As a result of 'a' & 'b' above, advance to the extent of ₹ 110.58 crore (₹ 163.80 crore

b) There is no error in financial statement as there is no party wise or zone wise disclosure of advances is made in the Balance Sheet.

In the Balance Sheet it is total advances amount is been reflected.

It is only supplementary detail of advances submitted to the audit in which said advance of Rs 53.22 Crore was shown as in North Zone & Rohini Zone instead of MPR Zone, This aspect is already explain and revised detail is already submitted to the audit.

– ₹ 53.22 crore) were understated and expenditure for current year and previous year was overstated to the extent of ₹ 70.89 crore (₹ 110.58 crore – ₹ 39.69 crore) and ₹ 39.69 crore respectively. Consequently, deficit for the current year was overstated to the extent of ₹ 70.89 crore and Reserve and Surplus was understated by ₹ 110.58 crore (₹ 70.89 crore + ₹ 39.69 crore).

**4.6 Interest accrued on Advances to Contractor ₹. 50.56 crore**

a) This does not include interest of ₹ 8.74 crore accrued on mobilization advance given to various contractors detailed as below :

(Amount in ₹ crore)

Sl No	Name of scheme	Name of contractor	Date of advance	Amount of advance	Accrued interest up to 31/03/2016
1.	C/o 1675 DUs at Jailor Wala Bagh Ashok Vihar	M/s Brij Gopai	18/09/2014	8.79	1.35
2.	-Do-	-Do-	23/02/2016	8.79	0.09
3.	C/o 1240 HIG (MS) Houses in sec-19 Dwarka	M/s Simplex Infrastructure	10/02/2015	30.90	3.51
4.	-Do-	-Do-	16/10/2015	15.00	0.69
5.	C/o 625 2-BHK, 350 3BHK & 376 EWS in Pkt-3 at sec A1 to A4 Narela	-Do-	21/09/2015	35.43	1.86
6.	C/o 420 2-BHK Houses Pocket- 6 at sector A-1 to A-4, Narela	M/s B.G. Shirke Const Technology	03/09/2015	11.62	0.67
7.	-Do-	-Do-	06/02/2016	2.32	0.03
9.	C/o 225 3BHK and 250 EWS Houses in Pkt-3 at secr A-1 to A-4, Narela	-Do-	03/09/2015	7.83	0.45

Reference to this Para, it is submitted that amount of ₹ 3.95 crore inadvertently remained unaccounted in the accounts.

Required corrections will be made in accounts of 2016-17 through prior period.

The new format has been prepared and this will not occur in future.

10.	-Do-	-Do-	06/02/2016	6.26	0.09
Total interest not booked by DDA				126.94	8.74
<p>b) This also included interest of ₹ 4.79 crore which was wrongly booked twice in Rohini as well as in North Zone of DDA.</p> <p>As a result of 'a' &amp; 'b' above, there was understatement of income and overstatement of deficit for the current year by ₹ 3.95 crore (₹ 8.74 crore – ₹ 4.79 crore).</p>					
<b>B. Income and Expenditure Account</b>					
1	Expenditure:			₹ 2591.10 crore	
	1.1 Development & Construction Expenses			₹ 1604.55 crore	
	a) Specified Housing Schemes-EWS Houses			₹ 171.64 crore	
<p>A reference is invited to C&amp;AG's comment no. B. 1 (under the head Expenditure) of Separate Audit Report on the accounts of DDA for the year 2014-15 wherein it was mentioned that DDA has been maintaining a specific Reserve Fund for construction of EWS houses i.e. 'EWS Houses Reserve Fund'. Thus the expenditure incurred or income earned in connection with construction of EWS houses should be adjusted in the Reserve Fund and should not be routed through the Income &amp; Expenditure Account. However, during the current year also ₹ 171.64 crore incurred towards construction of EWS houses has been debited to Income and Expenditure Account. Further an amount of ₹ 171.64 crore has also been credited to Income and Expenditure Account as income through increase in WIP of EWS houses. This has resulted in overstatement of expenditure by ₹ 171.64 crore as well as overstatement of income by ₹ 171.64 crore.</p>					
<p>In this context, It is submitted that in the past, EWS houses reserve fund was created from appropriation of surplus funds. In accordance with Generally Accepted Accounting Principles expenses incurred for EWS Houses Schemes are being charged to Income &amp; Expenditure account in the year in which the same are incurred.</p> <p>This accounting is being consistently followed by DDA.</p> <p>An amount of ₹ 171.64 crore actual expenses incurred during the year on EWS Houses Schemes has been charged on the expense side and interest income of ₹ 45.86 crore is taken into income side in Income &amp; Expenditure account.</p> <p>Since a separate reserve as EWS Houses Reserve Fund is created, for accumulation of unutilized amount in compliance of requirement of section 11(2) of the Income Tax Act, 1961, in the</p>					



Reserve & Surplus in Balance Sheet, therefore, amount of ₹ 125.78 crores (Net) spent during the year is added in surplus in Revenue account and reduced from the EWS Houses Reserve Fund.

Had this adjustment not passed, the Balance Sheet would not have shown correct picture of the Reserve & Surplus because audit would appreciate that charging any expenditure directly to reserve account without routing through the Income & Expenditure is not in line with the generally acceptable accounting principles. DDA is not doing fund based accounting. Appropriation of amount from Surplus in Revenue Account towards EWS Houses Reserve Fund, is a special reserve and is only accumulation of amount for specific purpose and cannot be treated as utilized under the Income Tax Act unless actually utilized.

There is no requirement to disclose assets created out of utilization of funds accumulated U/s 11(2). Detail of complete inventory is available in the Books of accounts of DDA.

As per Section 11(2) of Income Tax Act it is required to utilize the amount & unutilized amount to be set apart for accumulated to be utilized in next 5 years, not the net gain or loss for this purpose, therefore accounting for utilization is being done & adjusted in EWS houses scheme and income generated therefore is consequential not to be shown separately.

It is further submitted that necessary adjustments of EWS Houses Scheme Expenses as utilization towards unutilized amount carried forward under the income tax law has been made in the computation of the income of the DDA while filing Form 10 and Income Tax Return.

**b) Expenditure on other housing schemes ₹ 1428.95 crore**

This included ₹ 24.97 crore towards expenditure in respect of scheme of construction of 2500/2252 SFS houses at Vasant Kunj D-6. This scheme was treated as completed by DDA during the year 2012-13 and income on stock of constructed houses, as per DDA's accounting policy number 6 (c), had also been accounted for in the same year without

It is submitted that in these cases necessary reconciliation is required with the different accounts rendering units to depict the correct status of WIP in the annual accounts. It is assured that after necessary reconciliation, the required correction will be made in the accounts 2016-17, through prior period.

<p>making provision for balance estimated cost of completion. Since this was an omission, as per AS-5 relating to prior period items, this should have been routed through prior period. This has resulted in overstatement of expenditure for the current year to the extent of ₹ 24.97 crore and understatement of prior period expenditure to the same extent. Consequently the deficit for the current year was overstated by ₹ 24.97 crore</p>	
<p><b>1.2 Establishment and Administration Expenses (Schedule-K): ₹ 777.20 crore</b></p> <p>(i) Establishment and Administration Expenses included ₹ 813.66 crore towards provision for employers contribution to Pension Fund whereas, for the year 2015-16, Actuary recommended provision of ₹ 676.64 crore only. Thus during the year 2015-16, excess provision of ₹ 137.02 crore (₹ 813.66 crore - ₹ 676.64 crore) towards pension contribution has been made by DDA.</p> <p>(ii) Establishment and Administration Expenses included (-) ₹ 129.12 crore towards provision for employer contribution to Gratuity Fund whereas, for the year 2015-16, Actuary recommended provision of (-) ₹ 24.32 crore only. Thus during the year 2015-16, excess write back of ₹ 104.80 crore (₹ 129.12 crore - ₹ 24.32 crore) towards gratuity contribution has been made by DDA.</p> <p>This has resulted in overstatement of Establishment and Administration expenses as well as deficit for the current financial year by ₹ 32.22 (₹ 137.02 crore - ₹ 104.80 crore). This was also contradictory to statement made in Notes to Accounts (Note no. 3) that contribution towards pension and gratuity trust have been recorded as per the actuarial valuation reports as on 31 March 2016.</p>	<p>This is pertinent to mention that there is no difference in the cumulative liability of employer contribution to Pension Fund calculated by the Actuary at the year end with the liability as per the Balance Sheet. Variation in contribution for the year as per annuals account and as per actuary report is on account of difference in expected returns on the Assets and Actuarial Gain or loss on Assets. Major difference is on account of actuarial gain / loss on plan assets as worked out by the actuary with actual gain difference in opening balance of fund as per actuary report and the amount of actual investment as per last audited statement and amount of actual contribution made in fund.</p> <p>Opening balance of liability and closing liability as intimated by the actuary is duly matching with the Balance Sheet.</p> <p>However, suitable disclosure will be made in the notes to accounts in case of such variation, if any, from next financial year.</p>
<p><b>1.3 Depreciation (Schedule D) ₹ 12.88 crore</b></p> <p>The above included depreciation of ₹ 1.91 crore on 'Community hall' calculated at the rate of 5 per cent per annum whereas as per Income Tax Act depreciation at the rate of 10 per cent per annum was to be charged which worked out to ₹ 3.81 crore. This has resulted in understatement of depreciation by ₹ 1.90 crore as well as deficit for the year to the same extent.</p>	<p>This is due to a clerical mistake. Same will be rectified in the next year's accounts.</p>

<p><b>C Receipt &amp; Payment Account</b></p> <p><b>1. Payment</b></p> <p><b>1.1 Administration &amp; Establishment Expenses ₹ 1415.85 Crore</b></p> <p>During the year 2015-16, DDA has shown gross cash payment of ₹ 1415.85 crore towards Administration and Establishment expenses whereas in actual gross cash payment made towards Administration &amp; Establishment Expenses worked out to ₹ 575.80 crore only. In this regard, it was seen that provision of ₹ 840.05 crore made towards Pension, Gratuity, Leave encashment and PRMS has been shown as cash paid during the year, however, no cash payment had been made by DDA. This has resulted in overstatement of cash payment towards Administration and Establishment expenses by ₹ 840.05 crore.</p>	<p>In this context, it is stated that the amount of ₹ 840.05 Crore represents provision for retirement benefits as per actuarial valuation report.</p> <p>During the current year, there has been substantial increase in employee cost as compared to last year due to increased actuarial liability. As such, allocated share amount recovered from NAZUL II was more than actual payment made for Employees retirement benefits.</p> <p>Since net amount of payment was appearing as negative figure, therefore presentation of the complete figures, provision for Employees retirement benefits of ₹ 840.05 crore was included in the total administration and establishment expenses for the year on payment side and also same amount was shown as deduction under the head actuary contribution on the same side of Receipt and Payment A/c, with the result net payment was correctly depicted ₹ 575.80 Crore.</p> <p>This is only a matter of presentation having no effect on Income or Expenditure and Assets &amp; Liabilities of the Authority.</p> <p>However, issue raised by the audit is noted to disclose only actual receipt &amp; payment amount in the Receipt &amp; Payment Account in future.</p>
<p><b>1.2 Purchase of fixed assets ₹ -4.97 crore</b></p> <p>During the year 2015-16, on payment side an amount of ₹ -4.97 crore has been shown as paid towards purchase of fixed assets. This amount was worked out by deducting ₹ 8.50 crore received towards recovery of T&amp;P<sup>3</sup> charges from amount of ₹ 3.53 crore paid for purchase of fixed assets. This has resulted in understatement of payments towards</p>	<p>An amount of ₹ 8.50 crore towards recovery of T&amp;P charges was adjusted against payment of ₹ 3.53 crores made towards purchase of fixed assets resulting in negative figure of ₹ 4.97 crore on the payment side of Receipt and Payment A/C.</p>

<p>purchase of fixed assets by ₹ 8.50 crore (₹ -4.97 crore - ₹ 3.53 crore) and receipt of T&amp;P charges by same amount.</p>	<p>It is only issue of presentation which has no financial implication on the financials of the financial statement.</p> <p>However issue raised by the audit is noted to disclose receipt &amp; payment amount separately in the Receipt &amp; Payment Account in future.</p>
<p><b>D</b></p> <p><b>Significant Accounting Policies (Schedule-N)</b></p> <p><b>1. Earmarked Funds (Urban Development Fund)</b></p> <p>A reference is invited to C&amp;AG's comment no. C.2 of Separate Audit Report on the accounts of DDA for the year 2014-15 wherein it was mentioned that as per Accounting Policy No 15 (a), interest on loans given from the UDF Account is recognized and credited to the Fund Account on actual receipt basis. Since accounts of the DDA are prepared on accrual basis and the interest in case of other funds is also being accounted for on accrual basis, therefore, the interest in UDF, which is certain to be realized as loans are given to Government agencies, should have been accounted for on accrual basis to maintain the uniformity. However, DDA continued to follow this policy even during 2015-16.</p>	<p>Regarding Recognition of interest on loans given from UDF on actual receipt basis instead of accrual basis, it is submitted that the Authority is merely the custodian of Urban Development Fund and the fund did not pertain to the authority and also interest income is not income of authority. This fund is controlled by Ministry of Urban Development, Government of India and any loans / grants from the fund are disbursed as per the directions of the Ministry of Urban Development, Government of India. The Authority is consistently recognizing and crediting the interest on loan given on receipt basis as per the Accounting policy 15 (a) of the DDA.</p> <p>There is no impact on the Income &amp; Expenditure account of the Authority.</p>
<p><b>2.Revenue Recognition (Accounting policy-7)</b></p> <p>A reference is invited to C&amp;AG's comment no. C.3 on the financial statements of DDA for the year 2014-15 wherein it was mentioned that as per accounting policy 7(c), the rental income is recognized on accrual basis and as per accounting policy 7(d), ground rent income and service charges are being accounted for as income on cash basis. Since the final accounts are being prepared on accrual basis, the ground rent and service charges may also be accounted for on accrual basis and provision may be made for the portion of income whose realization is doubtful. Adoption of cash basis as well as accrual basis for accounting of income is inconsistent with the Generally Accepted</p>	<p>In the case of ground rent and service charges, DDA has adopted the policy of recognition of these charges at the time of conversion. As such, most of the allottees deposit capitalised ground rent and service charges at the time of conversion of the property from leasehold to freehold. Accordingly, DDA is following the policy No. 7 (d). We further submit that in DDA,</p>

	<p>Accounting Principles and Practices. Further in case of Nazul-I, DDA has been accounting for ground rent on accrual basis. Therefore, in case of GDA also, ground rent should be accounted for on accrual basis. The policy needs to be suitably modified. However, DDA did not modify these policies even during 2015-16.</p>	<p>process of implementation of double entry accounting system from the voucher level is under progress and after implementation of the double entry system in DDA, such policy will be examined and necessary changes in the policy will be feasible.</p>
<p>E.</p>	<p><b>Notes to the Accounts (Schedule-O)</b>  <b>Contingent liability not acknowledged as debts-Note No 2 (a): ₹ 2325.65 crore</b></p> <p>Above include an amount of ₹ 1808.98 crore only in respect of a case filed by M/s Emaar MGF Construction Pvt. Limited against DDA whereas as per the claim statement furnished to Audit by DDA the total amount works out to ₹ 2321.54 crore. Thus, there was understatement of contingent liabilities to the extent of ₹ 512.56 crore (₹ 2321.54 crore - ₹ 1808.98 crore ).</p>	<p>It is only a disclosure in the notes to accounts, and has no impact on the Income &amp; Expenditure and Assets &amp; Liabilities of the Authority.</p> <p>Audit observations have been noted for necessary compliance. The necessary disclosure to this effect will be updated in accounts of 2016-17</p>
<p>F</p>	<p><b>Nazul-II Accounts</b>  <b>Non- preparation of Income &amp; Expenditure A/c and Balance sheet-</b></p> <p>Nazul-II relates to large scale acquisition, development and disposal activities of land. In respect of Nazul-II accounts, DDA had prepared Receipt &amp; Payment Account only, resultantly important Assets and Liabilities of Nazul-II accounts have not been depicted in the financial statements some instances of which are given below:</p> <ol style="list-style-type: none"> <li>1. Investments amounting to ₹ 11,594.40 crore;</li> <li>2. Accrued interest amounting to ₹ 460.70 crore;</li> <li>3. Fixed deposit of ₹ 1.61 crore kept as security with Food Corporation of India (FCI) in UCO bank during November 2015 for construction of fly over cum ROB at FCI Narela;</li> <li>4. Double payment to the extent of ₹ 40.50 crore during 2010-11 to 2015-16 towards court orders, of which it had recovered an amount of ₹ 3.52 crore only and balance amount of ₹ 36.98 crore was yet to be realised from Delhi Government;</li> </ol>	<p>In this context, it is informed that DDA has already agreed to the view of Audit and taken a decision, in principle, for preparation of Balance Sheet of Nazul A/C-II under a time bound programme. Before preparation of balance sheet certain records like record of total land acquired, lands transferred to user departments and preparation of Nazul land scheme register and encroachment register etc are required to be completed. These records are the pre-requisite for preparation of the Balance Sheet. The concerned branches of DDA have been asked for to complete the process of preparation of these records. Once the Balance Sheet is prepared, all the assets and liabilities will be properly depicted</p>

	<p>5. Based on the reconciliation of 366 awards, DDA found that an amount of ₹ 640.00 crore was lying undisbursed with various LACs which has not been reflected in annual accounts due to non preparation of Nazul II accounts.</p> <p>For better presentation of the financial statements and to ensure that all the assets and liabilities are properly depicted in the financial statements, Audit is of the firm opinion, as has been commented upon in previous years also, that Balance Sheet and Income and Expenditure Account should be prepared by DDA for Nazul-II as well. At present DDA has been showing investments in respect of Nazul-II in the annexure attached to the Balance Sheet. However, mere presentation of investments in annexure had not sufficed the purpose. DDA should, therefore, prepare the Balance Sheet of Nazul-II for proper accounting of its all the assets, liabilities, accrued income as well as outstanding expenses so that a fair picture of accounts could be presented to the readers of accounts.</p>	
G	<p><b>Pension Fund Trust Accounts Balance Sheet (Assets)</b></p> <p><b>Receivable from PRMS Fund</b> ₹ 60.91 crore</p> <p>This has been arrived without adjusting ₹ 60.91 crore received from PRMS funds during the year 2015-16. After adjusting the said amount, the amount receivable from PRMS fund would workout to ₹ nil. This has resulted in overstatement of Receivable from PRMS fund by ₹ 60.91 crore and understatement of Receivable from GDA to the same extent.</p>	<p>It is submitted that amount of ₹ 60.91 crore paid by pension fund to GDA. However due to unavoidable reasons amount is routed through PRMS bank account. Therefore, in the GDA Balance Sheet same has been inadvertently shown as the amount Payable to PRMS in Schedule B instead of Pension Fund Trust in Schedule C.</p> <p>This is only a presentation issue and has no impact on the income &amp; Expenditure account and assets &amp; Liabilities. Further, It is assured that the necessary caution will be taken in the accounts of 2016-17.</p>



**DELHI DEVELOPMENT AUTHORITY**

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