

Greater Noida Industrial Development Authority
H-169, Chitvan Estate, Sector-Gamma-II,
Greater Noida City.

No.: MSD/Sys/Fin.-Policy/2000/140

Date: 04-04-2000

OFFICE – ORDER

The New Accounting Policy of the authority is being circulated with this office order. The Financial Statement of Accounts of Financial year 198-99 will be finalised on the basis of new Accounting Policy. The policy will also form part of the statement of accounts for year 1998-99. Any change/amendment/addition in this policy will be possible only after taking prior approval of CEO. They will also be appended to the statement of Accounts of the relevant year. The order comes to effect with immediate effect and supercedes all previous orders in this regard.

Sd/-
(Brijesh Kumar)
Chief Executive Officer

Copy for information and necessary action:

1. Addl C.E.O.
2. Dy. C.E.O.
3. All Divisional Heads.
4. All Officers.

Sd/-
Chief Executive Officer.

ACCOUNTING POLICY

AN INTRODUCTION

Financial Statements are meant and should be designed to indicate a true and fair view of the financial position, performance and changes in financial positions of an enterprise. The application of the principal qualitative characteristics and of proper accounting standards normally results in the financial statements presenting a true and fair view.

The factors governing the preparation and presentation of financial statements include understandability, relevance, materiality, reliability, continuity and comparability. To ensure that the above factors are met, it is essential that standards are prescribed which recognise the methods for treatment of an inflow or outflow into assets, liabilities, income or expenditure and that such standards are followed from year to year.

Expenses are recognised in the income statement on the basis of a direct association between the costs incurred and the earning of specific items of income, and involves the simultaneous or combined recognition of revenues and expenses that result directly or jointly from the same transaction.

In the case of GNIDA, the important factors include:

1. The time when the income needs to be recognised and transferred from collection accounts of customers (allottees)
2. Expenditure recognised and transferred from work in progress
3. The creation of various funds required to meet expenditures at a future date or on special projects that have been costed in the price of the property, but the expenditure against which is to be incurred subsequent to the completion of the property.
4. As the income/receipts from a scheme launched and expenditure incurred thereon, is spread over two to three years, it is essential that changes in financial position be brought out by the inclusion of a cash flow statement, to form part of the overall financial statements, in order to present the picture in a more realistic manner.

It is also important for purposes of comparability, and for a realistic assessment of relative performance that figures of the previous year/ corresponding period be disclosed in the financial statements.

Keeping all these factors in consideration, the Accounting Policy of GNIDA is being prepared. It is presented in two sections, namely, the formats to be adopted in the presentation of the financial statements and the method of treatment of various receipts and payments.

The frequency of preparation of the financial statements shall be as under:

Fund Flow Statement – Monthly

Income & Expenditure Accounts, Balance Sheet along with schedules as prescribed - Quarterly

GREATER NOIDA INDUSTRIAL DEVELOPMENT AUTHORITY

<u>Particulars</u>	<u>Sch No</u>	Balance sheet as at	
		Figures as at the end of the current <u>financial year</u>	Figures as at the end of the previous <u>financial year</u>
I. Sources of Funds:			
(1) Revolving Fund from Government Of Uttar Pradesh	1		
(2) Reserves, Reserve Funds and Surplus			
(a) Maintenance Reserve	2		
(b) Reserve for Future Expense	3		
(c) Reserve for Special Projects	4		
(d) Reserve Fund for Urban Services	5		
(e) Reserve Funds For Greens	6		
(f) General Reserve			
(3) Loan Funds			
(a) Secured Loans			
i) Towards schemes	7		
ii) Other secured loans	8		
(b) Unsecured Loans	9		
© Loans from U.P.Government	10		
(4) Advances from Customers			
(a) Registration pending refund	11		
(b) Collection accounts of Allottees	12		
TOTAL		_____	_____
		_____	_____
II. Applications of Funds			
(1) Fixed Assets	13		
(a) Gross Block			
(b) Less Depreciation			
(c) Net Block			
(d) Capital Works in Progress			
(2) Investments			
(a) General Investments	14		
(b) Urban Services Fund	5		
(c) Green Fund	6		
(3) Properties			
(i) Works in progress (Schemes)	15		
(ii) Completed properties			
(a) Developed land	16		
(b) Constructed Property	17		
(iii) Land Bank	18		
(4) Current Assets, loans and advances			
(a) Inventories	19		
(b) Sundry debtors	20		
© Cash and Bank Balances	21		
(d) Other Current Assets	22		
(e) Loans and advances	23		
(f) Interest earned but not Received	14.		
Less:			
Current Liabilities and Provisions			
(A) Current Liabilities			
(a) Creditors against Schemes	24		
(b) Other sundry creditors	25		
(c) Interest accrued but not due On loans	26		
(d) Other Liabilities	27		
(B) Provisions	28		

5. Deficit from Income and Expenditure Account	_____	_____
TOTAL	_____	_____

GREATER NOIDA INDUSTRIAL DEVELOPMENT AUTHORITY
Income & Expenditure Account for the year ending

	<u>Sch. No.</u>	<u>Current Year</u>	<u>Previous year</u>
PROPERTY DEVELOPMENT			
Sale of Developed land (Lease)	20		
Sale of Constructed Property (Lease)	20		
Less:			
(i) Cost of developed land Sold (Lease)	16		
(ii) Cost of Constructed Property sold	17		
(iii) Transfer to Reserve for Future Development	03		
(iv) Transfer to Reserve for Special Project	04		
(v) Transfer to Reserve fund for Greens	06		
A. Operating Surplus from Properties			
URBAN SERVICES			
INCOMES			
(i) Lease Rent (annual)	29		
(ii) Fee Duties & Taxes	30		
(iii) Charges for Sign Board			
(iv) Interest on Urban services Fund	14		
(v) Interest on Green Fund	14		
TOTAL			
Less:			
EXPENDITURES			
(i) Township Electricity			
(ii) Township Security			
(iii) Water Supply			
(iv) Local Transportation			
(v) Garbage Collection			
(vi) Sign Board Expenses			
(vii) Maintenance of Horticulture Works			
(viii) other expenses			
TOTAL			
B. Surplus/Deficit from Urban Services			
C. GROSS SURPLUS FROM OPERATIONS (A+/-B)			
ADMINISTRATIVE			
INCOMES			
(i) Administrative Charges Recovered	31		
(ii) Hire charges	32		
(iii) Interest Earned	33		
(iv) Forfeiture of Property	34		
(v) Misc. Income	35		
TOTAL			
EXPENDITURES			
(i) Establishment Expenses	36		
(ii) Administrative Expenses	37		
(iii) Financial Expenses	38		
(iv) Marketing Expenses	39		
(v) Other Expenses	40		
(vi) Depreciation	13		

TOTAL		
D. Surplus/Deficit from Administration		
E. NET SURPLUS TRANSFERRED		
TO GENERAL RESERVE (C+D)	_____	_____
	_____	_____

Sch-1

REVOLVING FUND FROM U.P. GOVERNMENT

<u>S.No</u>	<u>Particulars</u>	Opening	Refunded Tot. A/C	Addition	Balance
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Sch-2

MAINTENANCE RESERVE

<u>S.No</u>	<u>Sector/ Project</u>	Balance <u>B/F</u>	Additions during <u>the year</u>	Total	Amounts <u>Utilised</u>	Balance <u>c/f</u>
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Sch-3

RESERVE FOR FUTURE DEVELOPMENT

<u>S.No</u>	<u>Sector/ Project</u>	Balance <u>B/F</u>	Additions during <u>the year</u>	Total	Amounts <u>Utilised</u>	Balance <u>c/f</u>
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Sch-4

RESERVE FOR SPECIAL PROJECTS

<u>S.No</u>	<u>Sector/ Project</u>	Balance <u>B/F</u>	Additions during <u>the year</u>	Total	Amounts <u>Utilised</u>	Balance <u>c/f</u>
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Sch-5

RESERVE FUND FOR URBAN SERVICES

<u>S.No</u>	<u>Sector/ Project</u>	Balance <u>B/F</u>	Additions during <u>the year</u>	Total	Amounts Invested <u>B/F During the Year</u>
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Sch-6

RESERVE FUND FOR GREENS

<u>S.No</u>	<u>Sector/ Project</u>	Balance <u>B/F</u>	Additions during <u>the year</u>	Total	Amounts Invested <u>B/F During the Year</u>
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Sch-7

SECURED LOANS TOWARDS SCHEMES

<u>S.No</u>	<u>Particulars Of loan</u>	<u>Sector/ Project</u>	Balance <u>B/F</u>	Additions/Refund <u>during the year</u>	Balance <u>c/f</u>
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Sch-8

OTHER SECURED LOANS

<u>S.No</u>	<u>Particulars Of Loan</u>	<u>Balance B/F</u>	<u>Additions/refunds during the year</u>	<u>Balance c/f</u>
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Sch-9

DETAILS OF UNSECURED LOANS

<u>S.No</u>	<u>Particulars Of Loan</u>	<u>Balance B/F</u>	<u>Additions/refunds during the year</u>	<u>Balance c/f</u>
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Sch-10

LOANS FROM U.P. GOVERNMENT

<u>S.No</u>	<u>Particulars Of Loan</u>	<u>Balance B/F</u>	<u>Additions/refunds during the year</u>	<u>Balance c/f</u>
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Sch-11

REGISTRATION MONEYS REFUNDABLE

<u>S.No</u>	<u>Scheme</u>	<u>No. Amount Balance B/f</u>	<u>No. Amount Registrations</u>	<u>No. Amount Refunded/trans</u>	<u>No. Amount Balance Dues</u>
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Sch-12

ALLOTMENT MONEYS FROM CUSTOMERS

<u>S.No</u>	<u>Sector</u>	<u>No. Amount Balance B/f</u>	<u>No. Amount Received</u>	<u>No. Amount Refunded/trans</u>	<u>No. Amount Balance</u>
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Sch-13

SCHEDULE OF FIXED ASSETS AND DEPRECIATION

<u>S.No</u>	<u>Particulars of Asset</u>	<u>Cost as on 1.4.</u>	<u>Additions during the year</u>	<u>Sales Total</u>	<u>Depreciation upto 1.4.</u>	<u>For the year</u>	<u>Total Dep.</u>	<u>WDV as On 31.3</u>	<u>WDV on 31.3</u>
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1. Land
2. Buildings
3. Plant & Machinery
4. Office Equipments
5. Furniture & Fittings
6. Electric Equipments

- 7. Computers
- 8. Telephone & Telex
- 9. Vehicle
- 10. Capital worke in Progress

Total _____
Previous Year _____

Sch-14

SCHEDULE OF INVESTMENTS

<u>Sl.No</u>	<u>Particulars of Investment</u>	<u>Opening</u>	<u>Encashed</u>	<u>Addition</u>	<u>Balance</u>	<u>Interest Received</u>	<u>Refail Total</u>
A.	General Investments	_____	_____	_____	_____	_____	_____
B.	Maintenance Reserve	_____	_____	_____	_____	_____	_____
C.	Reserve for Future Expenses	_____	_____	_____	_____	_____	_____
D.	Reserve for Special Projects	_____	_____	_____	_____	_____	_____
E.	Urban Services Fund	_____	_____	_____	_____	_____	_____
F.	Green Fund	_____	_____	_____	_____	_____	_____

Sch-15

SCHEDULE OF WORK IN PROGRESS (SCHEMES)

<u>S.No</u>	<u>SECTOR/ PROJECT</u>	<u>COSTS OF DEVELOPMENT</u>				<u>TRANSFER TO FUNDS</u>				
		<u>Land</u>	<u>Internal Development</u>	<u>External</u>	<u>Provision for incomplete Bonds</u>	<u>Interest on Scheme Loans</u>	<u>Total</u>	<u>Maint Fund</u>	<u>Admn Exps.</u>	<u>Grand Total</u>
1.	Alpha 1									
—	Balance b/f									
	During the Yr									
	Total									
					<u>Balance</u>					
					<u>Completed Property</u>					

Sch-16

SCHEDULE OF DEVELOPED LAND

<u>S.No</u>	<u>Sector/ Project</u>	<u>Balance B/f</u>	<u>Transfer from WIPS</u>	<u>Transfer from Cancellations after Lease</u>	<u>Total</u>	<u>Transfer to Cost of D.Land sold</u>	<u>Balance</u>
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Sch-17

SCHEDULE OF CONSTRUCTED PROPERTY

<u>S.No</u>	<u>Sector</u>	<u>Balance B/f</u>	<u>Transfer from WIPS</u>	<u>Transfer from Cancellations after Lease</u>	<u>Total</u>	<u>Transfer to Cost of Const. Property sold</u>	<u>Balance</u>
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Sch-18

LAND BANK

<u>S.No.</u>	<u>Land Acquired</u>	<u>Transfer to Land WIPS</u>			<u>Balance</u>	
	<u>Village/Khasra No</u>	<u>Area</u>	<u>Cost</u>	<u>Sector</u>	<u>Area</u>	<u>Cost</u>

Sch-19

INVENTORIES

<u>S.No</u>	<u>Particulars</u>	<u>Quantity</u>	<u>Rate</u>	<u>Value</u>
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Sch-20

SUNDRY DEBTORS(SCHEMES)

<u>S.No.</u>	<u>SECTOR</u>	<u>Bal B/F</u>	<u>Sale Price</u>	<u>Amt. Transferred</u> <u>From Allotment</u> <u>moneys</u>	<u>Balance</u>	<u>Amounts</u> <u>received</u>	<u>Balance Dues</u>
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Sch-21

SCHEDULE OF CASH AND BANK BALANCES

<u>S.No</u>	<u>Particulars</u>	<u>Current year Amount</u>	<u>Previous Year Amount</u>
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Sch-22

SCHEDULE OF OTHER CURRENT ASSETS

<u>S.No</u>	<u>Particulars</u>	<u>Current year Amount</u>	<u>Previous Year Amount</u>
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Sch-23

SCHEDULE OF LOANS AND ADVANCES

<u>S.No</u>	<u>Particulars</u>	<u>Current year Amount</u>	<u>Previous Year Amount</u>
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Sch-24

CREDITORS AGAINST SCHEMES

<u>S.No</u>	<u>Particulars</u>	<u>Current year Amount</u>	<u>Previous Year Amount</u>
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Sector/project

Sch-25

OTHER CREDITORS

<u>S.No</u>	<u>Particulars</u>	<u>Current year Amount</u>	<u>Previous Year Amount</u>
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Sch-26

INTEREST ACCRUED BUT NOT DUE

<u>S.No</u>	<u>Particulars</u>	<u>Current year Amount</u>	<u>Previous Year Amount</u>
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Sch-27

OTHER LIABILITIES

<u>S.No</u>	<u>Particulars</u>	<u>Current year Amount</u>	<u>Previous Year Amount</u>
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Sch-28

PROVISIONS

<u>S.No</u>	<u>Particulars</u>	<u>Current year Amount</u>	<u>Previous Year Amount</u>
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Sch-29

SCHEDULE OF LEASE RENTS

<u>S.No</u>	<u>Sector/Particulars</u>	<u>Current year</u>	<u>Previous year</u>
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Sch-30

FEES, DUTIES AND TAXES

<u>S.No</u>	<u>Sector/Particulars</u>	<u>Current year</u>	<u>Previous year</u>
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1	_Processing Fees		
2	Building Plan Fee		
3	Water Connection Charges		
4	Sewerage connection Charges		
5	Compounding Fee		
6	Others		

Sch-31

DETAILS OF ADMINISTRATIVE CHARGES RECOVERED

<u>S.No</u>	<u>Sector</u>	<u>Current year</u>	<u>Previous Year</u>
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Sch-32

DETAILS OF HIRE CHARGES

<u>S.No</u>	<u>Particulars of Property Hired</u>	<u>Current year</u>	<u>Previous year</u>
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Sch-33

DETAILS OF INTEREST EARNED

<u>S.No</u>	<u>Sector</u>	<u>Interest</u>	<u>Penal Interest</u>	<u>Total Current Year</u>	<u>Total Previous year</u>
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Sch-34

FORFEITURE OF PROPERTY

<u>S.No.</u>	<u>Sector</u>	<u>Current year</u>	<u>Previous Year</u>
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Sch-35

DETAILS OF MISCELLANEOUS INCOMES

<u>S.No</u>	<u>Particulars</u>	<u>Current year</u>	<u>previous year</u>
1.	Sale of application forms		
2.	Sale of tender documents		
3.	Others(to be listed)		

Sch-36

ESTABLISHMENT EXPENSES

<u>S.No</u>	<u>Particulars</u>	<u>Current year</u>	<u>previous year</u>
1.	Salaries & Wages		
2.	House Rents		
3.	Leave Encashment		
4.	Medical Expenses		
5.	Training Expenses		
6.	Leave salary, pension contribution		
7.	Uniforms		
8.	Bonus		
9.	Leave travel expenses		
10.	Others		
	TOTAL	_____	_____

ADMINISTRATIVE EXPENSES

<u>S.No</u>	<u>Particulars</u>	<u>Current year</u>	<u>previous year</u>
1.	Conveyance Expenses		
2.	Books and Periodicals		
3.	Printing and stationery		
4.	Postage and telegrams		
5.	Telephones		
6.	Electricity		
7.	Miscellaneous Office expenses		
8.	Rent		
9.	Travelling expenses		
10.	Vehicle repairs and maintenance		
11.	Repairs and maintenance		
	TOTAL	_____	_____

Sch-38

FINANCIAL EXPENSES

<u>S.No</u>	<u>Particulars</u>	<u>Current year</u>	<u>previous year</u>
1.	Interest on overdrafts		
2.	Interest on Revolving Fund From U.P. Government		
3.	Interest on non-scheme loans		
4.	Bank charges		
5.	Others (specify)		
	TOTAL	_____	_____

Sch-39

MARKETING EXPENSES

<u>S.No</u>	<u>Particulars</u>	<u>Current year</u>	<u>previous year</u>
1.	Advertising expenses		
2.	Seminars and road shows		
3.	Printing of booklets		
4.	Public & Press Relation expenses		
5.	Others (specify)		
	TOTAL	_____	_____

Sch-40

OTHER EXPENSES

<u>S.No</u>	<u>Particulars</u>	<u>Current year</u>	<u>previous year</u>
1.	Meeting expenses		
2.	Recruitment expenses		
3.	Security expenses		
4.	Legal expenses		
5.	Membership fee		
6.	Staff welfare expenses		
7.	Insurance expenses		
8.	Consultancy fee		
9.	Audit Fee		
10.	Others		
	TOTAL	_____	_____

GREATER NOIDA INDUSTRIAL DEVELOPMENT AUTHORITY

**Statement of Changes in Financial Position for the year
Ended 31.03. (Fund Flow Statement)**

(Figures in Rs. Lacs)

SOURCES OF FUNDS	CURRENT YEAR	PREVIOUS YEAR
Funds generated from operations		
- Surplus as per Income and Expenditure A/C		
- Add Depreciation	_____	_____
Addition to Revolving Fund from U.P. Govt.		
Increase in Reserves:		
- Maintenance		
- Future Expenses		
- Special Projects		
Increase/(Decrease) in Loan Funds		
- Towards Schemes		
- Other Secured Loans		
- Unsecured Loans		
- Loans from Government		
Increase/(Decrease) in advances from Customers		
- Registrations pending Refund		
- Allotment Moneys		
Increase/(decrease) in current Liabilities		
- Creditors against schemes		
- Other Sundry Creditors		
- Interest accrued but not due		
- Other Liabilities	_____	_____
TOTAL	=====	=====
APPLICATION OF FUNDS		
Increase in Fixed Assets		
Increase/(Decrease) in investments		
Increase/(Decrease) in Properties		
- Work in progress (Schemes)		
- Completed Properties		
- Land Bank		
Increase/(decrease) in Current Assets		
- Inventories		
- Sundry Debtors(Schemes)		
- Other sundry debtors		
- Cash and Bank Balances		
- Loans and Advances	_____	_____
TOTAL	=====	=====

METHODOLOGY ADOPTED IN TREATMENT OF ACCOUNTS

The important factors in the presentation of financial statements of GNIDA are detailed hereunder. The treatment of the figures has been made, keeping in consideration generally accepted norms of recognition, prudence, relevance etc. The presentation has been made so as to ensure that they represent a true and fair view of the performance and working of the Authority during the financial year and of the status as at the end of the year.

The basic principles adopted in the presentation of the financial statements are:

A Liabilities

A.1. Reserves and Surplus

Other than the General Reserve which constitutes the cumulative surplus generated by the Authority, five special purpose reserves are being created, in order to ensure proper presentation and utilisation of funds.

The cost determination of properties includes expenditure on certain items which are not being incurred during the financial year but which are to be incurred in future either towards expenses in sector development, for township development or its maintenance. It is therefore essential that these funds be identified, not included as income and maintained separately, so as to make them available as per projected requirement. Details of Reserves and their creation are as under:

- a) **Maintenance Reserve**-The cost procedures provide for a 10% centage on development expenditure of property, towards maintenance during the duration of development of the sector. The actual expenditure on the maintenance would not be incurred during the current year, but would be spread over five years. It is therefore expedient to create a reserve towards maintenance. As the maintenance is directly related to the value of work done during the year, the reserve creation is being treated as part of Work in Progress, by debiting work in progress of the particular sector by the amount so catered in cost of properties on an annual basis. All expenditure incurred on maintenance of a sector during its development stage i.e. prior to handing over of the sector to Urban Services Division shall be debited to the fund. In the event of any surpluses/deficit in the fund of a particular sector, at the time of its transfer to Urban Services, the same shall be transferred to the Income and Expenditure Account of the Urban Services in the year of transfer.

The details of transfers, sector wise, to the reserve and its utilisation shall be shown in sch-2 and also reflected in the work in progress (schemes) sch-15.

- b) **Reserve for future expenses**- Certain expenses on development of property, though included in the cost statements are not actually incurred during the project period but are to be incurred 10 to 15 years after the sale / lease of the developed property. As an example, in the case of internal electrification, certain equipment/transformers and related buildings are to be established in 10 to 15 years, though the cost has been included in the current prices. It is essential that a Reserve for meeting such expenditures be created.

Such expenditure has to be identified at the time of initiating the project. The costs are in four phases as under: -

- | | |
|---------|---|
| Phase I | Expenses that are being incurred during the project period itself. These will be booked directly to Work in Progress. |
|---------|---|

Phase II	Beyond the project period up to five years.
Phase III	Beyond five years but before ten years.
Phase IV	Beyond ten years.

A reserve for future expenses shall be created on the basis of information provided by the Engg. Division on the performa annexured as 'A' for Phases II, III & IV by debiting the income & expenditure account of PROPERTY DEVELOPMENT in the head transfer to reserve for future expenses and crediting the said reserve. The amount to be transferred shall be a percentage of future expenses to total sale price and shall be created on the net collections during the year. As and when expenditure is incurred on account of future expenses during a financial year, the expenditure shall be recorded in the Work in Progress of the particular Sector/ Project and an equivalent amount debited to the Reserve, crediting work in progress. This would enable the determination of overall development expenses from a single development account.

- c) **Reserve for Special Projects-** GNIDA has identified a large number of special projects to be established towards the overall development of the township. The expenditure on these special projects has been included in the cost determination of properties. The said expenditures are likely to continue well beyond the period of the particular sector development. A reserve, to the extent catered for in the cost determination should be provided for as a percentage of net collections during the year. All expenditure on the special projects shall be debited to the project Account and when incurred. The accounting treatment shall be the same as explained in A.1.b) above.
- d) **Reserve Fund for Urban Services:** The allottee is required to pay annually, during the lease period, an annual charge as Lease rent. The allottee has been given an option to make a one- time payment of the lease rent. Such one-time payments are to be transferred directly into the RESERVE FUND FOR URBAN SERVICES and not treated as income for the year. The amounts so collected during the year shall be invested in securities, and the interest earned thereon treated as income for the year. Details of receipts in the Reserve and investment therein shall be provided in sch.5. Only annual receipts of lease rent shall directly be treated as income for the year.
- e) **Reserve fund for greens:** The sale price of property includes additional charges towards corner plots, park and forest facing etc. The number of plots that would be levied with such additional charge, is identified at the time of initial planning of the sector. As a large area of land is being maintained as parks and gardens, the maintenance cost of these shall be a charge on Urban Services. Such additional prices recovered shall be created into a Reserve Fund for Greens, and the sums so recovered will be invested in securities, the interest from which shall be earmarked as an income for Urban Services to meet out the maintenance costs of Horticulture. The initial cost of establishment of the parks and gardens has already been included in the cost of property development. The accounting treatment shall be similar to the method provided in A 1 b) above.

The creation of the above mentioned reserves are essential in depicting a realistic, true and fair view of the financial statements, else the income in the income and expenditure account as well as the work in progress (Schemes) would be misstated. Ideally, separate investments should be established against these reserves in all cases so as to cater to inflation and ensure the availability of finances for financing the projects, as and when required, it may not be feasible to do so due to internal fund requirement for development.

In such an event, the amounts so utilised, shall be treated as an unsecured loan to the Authority. Interest shall be paid/provided by the Authority at applicable rates to the funds and charged to expenditure of the schemes as if outside loans had been taken, and the accounting treatment of interest would be similar as the treatment detailed under the appropriate head, here in after.

A.2. Secured Loans

Secured loans shall be accounted for on an actual receipt and repayment basis. The loans are to be classified into loans specifically raised towards financing the development activities of sectors and general purpose loans. This distinction is essential so as to ensure that the interest on loans for schemes is included in the cost of the sector development itself and debited to work in progress, rather than being booked to the Income & Expenditure Account.

Similar accounting treatment shall be followed for unsecured loans and loans from the State Government.

A.3. Allotment money from customers

This head of account includes all payments made by the customer towards the price of property and other dues such as interest, penal interest, miscellaneous charges etc. Such other dues shall be transferred to the respective income head subsequently. As and when the development of the sector is completed and the allottees are asked register their lease, the income shall be recognised and the amounts transferred from Advance from customers to Sale of Property, treating sums due from the allottee at that stage, if any, as sundry debtors. The advances will deducted from sch-10 and included in sch-17 (Schedule for determination of Sundry Debtors). In effect, these accounts shall also function as a control account for the allottee.

B. ASSETS

B.1 Properties

This main head of account deals with all properties under development and included in the various schemes floated and sectors being developed. The four components of this are Work in progress (Schemes), Completed Properties (Developed land), Completed Properties (Constructed Properties) and land bank. The treatment of each of the foregoing is as under:

- WORK IN PROGRESS (Schemes)

The work in progress as presented in the Balance Sheet shall be as per calculations and heads depicted in sch-15. The first section in the said schedule deals with the actual expenditures incurred in the development of sectors. It includes the cost of land, internal and external development and interest, if any, on loans raised for the development of a particular sector. It also includes a provision of expenses for incomplete Bonds, which is to be used only when a large part of the work in progress has been undertaken and for which registration of lease deeds has commenced. The second section includes the various provisions towards creation of reserves/ costs as have been predetermined in the cost determination of property. All entries relating to the creation of reserves have already been detailed earlier. The entry relating to administrative charges is being clarified hereunder.

The cost determination of properties includes a centage towards administrative expenses, while all actual expenditure is being debited in the Income and Expenditure Statement. Since the administrative charges is provided for as a percentage of work done, it is prudent to recognise the recovery of administrative charges as an income for the year based on the value of work executed during the year including of works done by PMc's. The recovery of these charges would increase the value of work in progress and at the same time, offset the expenditure being shown in the Income and Expenditure statement. All payment to PMC for supervision/execution fee should be detailed to Income & expenditures A/C.

In the interest of increased sales, often properties in the industrial, institutional categories and sometimes in group housing or builders pockets of the residential category are sold and lease deeds entered into immediately on acquisition of land. Development in some of these cases is not even commenced. In such cases, it would be essential to open an account " Expenditure Accrued but not incurred" which would be credited with the estimated cost of the property development. Immediately on entering into the development contracts, the bond values of contracts for the property development shall be debited to work in progress (Schemes) under the head "Provision for incomplete bonds" and crediting the respective provision account and the entry relating to "Expenditure accrued but not incurred" shall be reversed.

In the normal course, properties shall be transferred from WIPS to completed properties when as and when at least 90 % of the scheduled development has been completed. However, as detailed in the section relating to Income recognition, expenses towards its development shall also be recognised simultaneously. Thus, properties shall be transferred from Work in progress (Schemes) to completed properties, after making the necessary provisions, as prescribed, as and when lease deeds are signed. To ease the accounting procedure, evaluation may be made on an annual basis and the entries passed at the end of every year.

- COMPLETED PROPERTIES (Developed Land)

As and when a sector has been completed, or lease deed entered into, as prescribed above, the total cost inclusive of all provisions and charges relating to properties which is to be sold as Developed Land shall be transferred to Completed Properties (Developed land) as per schedule 16. Additionally, in the event of cancellation of any property in a developed sector after registration of lease, the same shall also be transferred to this main head. The schedule has been designed to be maintained sector-wise. As and when any lease deed is registered, i.e. the income recognised, the cost of the said property shall be transferred to cost of developed land sold. The final figures would show the cost of developed properties available with GNIDA, pending sale. By this method, it is possible to ensure that GNIDA has made simultaneous and combined recognition of revenues and expenditure that have resulted from the same transaction.

- COMPLETED PROPERTIES(Constructed)

GNIDA is, in certain cases, undertaking the construction of flats/commercial properties. Details of such properties shall be maintained in sch. 17 on the same basis as detailed above.

- LAND BANK

While land acquisition is made on the basis of planned sectors, there is always a gap between the quantity of land purchased and that, which is allocated to a sector. This happens on account of various reasons, such as land price paid and acquisition process completed, but due to litigation or

abadi etc. the development of the same could not be commenced. Again, land acquisition is being done according to villages and Khasras, which are not in the exact shape of the proposed sector and thus there are left over areas of land.

The Land Bank and Sch-18 have been included to account for such surplus lands and to recognise them as assets of GNIDA.

Details of lands acquired are being maintained at the land acquisition division, thus the entry relating to the transfer of acquired land to WIPS shall originate from the said division on the advice of Planning Division. Full and complete land records relating to the acquisition and transfer to the various sectors/projects shall be maintained at the land acquisition division, including the balance available in the land bank. The transfer of land to WIPS shall be determined on the weighted average cost basis.

- SUNDRY DEBTORS

These constitute amounts due from allottees who have registered their lease deeds but at the time of registration, there were dues outstanding against them. The prescribed schedule (sch-20) also functions as a control on the recognition of property sold and, along with figures available in schedule 16 and 17, ensure the proper accounting of revenues and expenditures for the transaction.

C. INCOMES

1. Incomes have been broadly divided into three categories, namely, income from sale of properties, income from urban services and income from administrative services.

a) Income from Property Development

These constitute the sale of developed land and sale of constructed property reducing therefrom the costs incurred or to be incurred. The accounting presentation and treatment are as under:

(i) **Sale of Properties shall be recognised as an income in the year in which the lease is registered.**

Sector-wise details of sale price of property leased shall be recorded in sch-20 along with details of amounts received. This statement shall therefore indicate the sale price of the properties as well as amounts due from allottees at the end of the year.

(ii) **Cost of Properties sold** shall be acknowledged as an expense at the same time as the Sale of property is recognised. Details of cost of properties sold shall be recorded sector-wise in sch-16 and sch-17 from which statement the transfer from asset to expense shall be made in the presentation of the statements of account.

(iii) **Transfers to Reserve for Future Development, Special Projects, and Greens**

Refer to note A.1- b and c respectively. Details shall be set out from sch-3, sch-4 and sch-6

The resultant figure from the above accounts shall be the operating surplus from Properties.

b). Income from Urban Services

Details of the various incomes and expenditures from Urban Services are provided hereunder and the resultant figure shall show the Surplus/Deficit from Urban Services. The heads of account catered for may be increased in case of any other recoveries or expenditures, if required, on a need basis.

(i) Lease Rent (annual)

Only lease rents collected or due on an annual basis shall be recognised as an income. One time payments towards lease rent shall be funded, as provided in A.1.d) above.

(ii) Interest on Urban Services Fund and Reserve Fund for Greens

The funds created as reserve for the above mentioned purposes are to be invested in securities. Interest earned from the special purpose reserve funds shall be utilised towards meeting expenses of Urban Services and shall be shown as such in the income and expenditure account.

(iii) Expenditures in Urban Services All expenditures relating to township maintenance shall be shown under appropriate heads. A list of anticipated expenses has been provided, however, additional heads may need to be created, if required.

The resultant figure from the above shall indicate the surplus/deficit from Urban Services.

C.ADMINISTRATIVE INCOMES

(i) Administrative Charges Recovered

Administrative charges recovered shall be recognised annually, at a 12% centage of the value of work undertaken during the year, on the basis of provisions in the cost procedures. While crediting this head of account, work in progress shall be debited and clearly indicated in sch-15.

(ii) Other Incomes: Other incomes listed shall be recognised as and when actually earned and recovered.

Interest earned from allottees due to longer period of payment, i.e. normal interest on installments shall be credited to WIPS till such time as the property is not treated as completed property, and shall thereafter be credited to Income & Expenditure account. In other words, interest charged to WIPS as discussed below, shall be net of interest earned.

C. Administrative Expenses other than interest shall be booked to the Income and Expenditure account on an accrual basis.

Interest has been segregated into:

Net interest on schemes (interest paid or provided on loans obtained for specific schemes) and interest on specific funds created but utilised for development activities, after being adjusted for interest earned, as discussed above, shall be charged directly to the work in progress of the scheme till such time as the work in progress is not completed. After transfer of entry to completed properties, interest on any such loans not refunded shall be booked to income & expenditure account thereafter.

Interest on other loans, not specifically raised to finance a scheme, shall be booked directly to Income and Expenditure account.

The resultant figure shall show the surplus/deficit from administration.

The overall net surplus (from Property Development, Urban services and Administration) shall be transferred to the General Reserve in the Balance Sheet.

In order to show the annual working results of the Authority in proper perspective, it is essential that a Funds flow statement as per chart enclosed in the statements above. It shall show the changes in financial position from year to year, including the sources and application of funds.

BRIEF ON THE ENTRIES TO BE PASSED IN THE BOOKS OF ACCOUNT

To make the major factors detailed above more understandable, a sequence of accounting entries to be passed, relating to properties are shown hereunder:

1. Land Acquisition:

- a) On advances being given to Land Acquisition Officer:

Advance for Land Dr.
To Bank

(Being advance given for acquisition No.____ for land in Khasra Nos.----- Village-----)

- b) On completion of land acquisition process:

Land Bank A/C Dr.
To Advance for land

(Being the total amounts paid and adjusted including SLAO charges)

- c) On land transfer to Sector development

WIP Land(Sector) Dr.
To Land Bank A/C

(being the allocation of _____ sq. meters/hectares land to Sector _____. The price at which the land is so transferred shall be proportionate to the purchase price)

2. Relating to Sector Work in Progress

- a) WIP External Development (Road) Dr
WIP External development (electrification) Dr
WIP Internal Development (Roads) Dr
WIP Internal Development (electrification) Dr
WIP Internal development (Drainage) Dr
To Bank
(Being amount spent against bond no. ___ towards Sector_____)
- b) WIP Internal Development Dr
WIP External Development Dr
To Reserve for maintenance (@ 10% of value of work done during the year)
To Administrative Charges (@ 12% of value of work done during the year)
(Being maintenance reserve created and administrative charges recovered on works)
- c) WIP (Land) Dr (this entry is to be passed only if sales for the sector
WIP (Internal development) Dr have begun, and a portion of the WIP is remaining to be completed.
WIP (External development) Dr The provision shall be made Bond wise to the extent balance
To Provision for development payment remains against the Bond(s))
- d) Completed Properties a/c Dr
To WIP Land
To WIP Development
(Being total area____(Saleable) completed and transferred from WIP)
- e) Cost of Property Sold Dr
To Completed Properties
(Being the cost of sale of _____no of plots area_____ sq. mtrs. Category-wise)
- e) Transfer to Reserve for Special Projects Dr (these shall be created as a percentage
Transfer to Future Expenses Dr of annual collections at a rate as near to actual
Transfer to Urban Services Fund Dr as possible. E.g. Special projects should be recovered
Transfer to Green Fund Dr at 16.5%)
To reserve for Special projects
To reserve for Future expenses
To reserve for Urban Services
To reserve for Greens

- f) Urban Services fund investment a/c Dr
Green Fund Investment Dr
To Bank
(Being investment made against the respective reserve)

D. Relating to Collection and Sale of Property

- a) Bank account Dr
To Allotment Moneys a/c
(being amount received against allotment of property with full value deposited)
- b) Allotment Moneys a/c Dr
To Interest
To Penal interest
To Forfeiture
(Being amount transferred from Allotment moneys)
- c) Sundry Debtors a/c Dr
To Sale of Developed Plots (Lease)
To Sale of Constructed Property
(Being the full consideration due on plot no____ area____ Sector____)
- d) Allotment moneys a/c Dr
To Sundry Debtors a/c
(Being the amount already collected, transferred to Sundry Debtors)
- e) Bank a/c Dr.
To Sundry Debtors a/c
(Being the balance amounts due, recovered)

ग्रेटर नोएडा औद्योगिक विकास प्राधिकरण

पत्रांक - एमएसडी/सिस्टम ए-13/03/810

दिनांक 12 दिसम्बर, 2003

कार्यालय आदेश

सम्परीक्षा कार्य प्रणाली

प्राधिकरण में स्थानीय निधि लेखा परीक्षा अथवा महालेखाकार, उ0प्र0 द्वारा की जाने वाली सम्पनीक्षा हेतु समस्त विभागों द्वारा निम्न प्रक्रिया का अनुपालन सुनिश्चित किया जायेगा:-

1. सम्बन्धित आडिट दल महाप्रबन्धक (वित्त) ग्रेटर नोएडा से सम्पर्क करेगा तथा नियमानुसार यह सूचित करेगा कि कितनी अवधि तक आडिट टीम द्वारा आडिट किया जाना प्रस्तावित है तथा किस वर्ष/महीने का टेस्ट आडिट किया जायेगा। (सामान्यतया वर्ष में कोई दो माह चिन्हित कये जाते हैं)
2. उपरोक्त सूचना के आधार पर महाप्रबन्धक (वित्त), आडिट टीम का एक कार्यक्रम बनायेंगे। जिन्हें अपर मुख्य कार्यपालक अधिकारी एवं मुख्य कार्यपालक अधिकारी से अनुमोदित कराकर समस्त विभागों को लिखित रूप से सूचित करेंगे।
3. उपरोक्त कार्यवाही द्वारा समस्त विभागों को यह पूर्व से सूचना हो जायेगी कि उनके विभाग का आडिट करने के लिये सम्परीक्षा दल किस अवधि में आयेगा तथ उन्हें किस माह के अभिलेख आडिट हेतु दिखाये जाने हैं। समस्त विभागाध्यक्ष यह सुनिश्चित करेंगे कि आडिट टीम के बैठने की समुचित व्यवस्था करा दी गई है तथा उनको आवश्यक अभिलेख उपलब्ध कराने हेतु एक समन्वय अधिकारी नामित कर दिया गया है।
4. आडिट दल द्वारा जो रफ पैरा बनाये जाते हैं, उस पर बाई ओर सम्बन्धित विभागाध्यक्ष द्वारा तथ्यात्मक विवरण की पुष्ट व त्याख्यात्क टिप्पणी अंकित की जायेगी। उसके उपरान्त यह रफ पैरा महाप्रबन्धक (वित्त) को प्रेषित किये जायेंगे।
5. आडिट अम को समस्त विभागों के रफ पैरा पर टिप्पणी अंकित कर, मूल रूप में महाप्रबन्धक (वित्त) द्वारा ही उपलब्ध कराये जायेंगे। इस प्रकार यह सुनिश्चित हो सकेगा कि विभागों द्वारा सही टिप्पणी दी गई है जिसका परीक्षण महाप्रबन्धक (वित्त) द्वारा भी कर लिया गया है।

उपरोक्त व्यवस्था तत्काल प्रभाव से लागू होगी।

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(बृजेश कुमार)

अध्यक्ष/मुख्य कार्यपालक अधिकारी

Greater Noida Industrial Development Authority

No:- System/MSD/Board Meeting/2002/87

Dated :- April 30th 2002

Officer Order

The following documents should be put-up before the Board on presentation of the budget :-

1. Cost and works statements based on current standard cots.
2. Revised pricing recommendation.
3. Statement showing details of loans with opening balance, new loans taken, amounts refunded and balance payable.

Sd/-

(Brijesh Kumar)

Chief Executive Officer