VADODARA URBAN DEVELOPMENT AUTHORITY (F.Y. 2014-15)

Notes forming part of Annual Financial Statements for the year ended on 31st March' 2015.

Schedule > 24 < Significant Accounting Policies

Accounting Convention

The Financial Statements are prepared on the basis of historical cost convention, unless otherwise stated and on the (i) accrual method of accounting, and (ii) Cash System of Accounting for Capital Expenditure and Capital Receipts, except as stated hereunder:

Exceptions – Balance Sheet

(i) Accrued and Due installments receivable from EWS Beneficiaries have been accounted on cash basis.

(ii) Grants receivable in respect of Completed Capital Projects, Accounted on cash basis.

Revenue Recognition

Generally revenue is recognized on accrual basis. However, where uncertainly exists for the collectibles towards services rendered, revenue actually collected is shown as receipts.

Investments

1. Investments classified as "long term investments" are carried at cost. Provision for decline, other than temporary, is made in carrying cost of such investment.
2. Investment classified as "Current" is carried at lower of cost and fair value. Provisions for shortfall on the value of such investments are made for each investment considered individually and not on global basis.
3. Cost includes acquisition expense like brokerage, transfer stamps.

Fixed Assets

1. Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties and taxes and incidental and direct expenses related to acquisition. In respect of projects involving construction, related pre-operational expenses (including interest on loans for specific project prior to its completion), and form part of the value of the assets capitalized.

2. All Fixed Assets (Other than Land) have been stated at Cost Less Accumulated Depreciation.

3. Land acquired for growth centers and other projects are shown at actual cost incurred whereas land acquired under T.P. Scheme has been valued at the cost derived in "Form–F" of the Town Planning and Urban Development's Act, 1976.

CHIEF EXECUTIVE AUTHORITY
URBAN DEVELOPMENT AUTHORITY
VADODARA.

K. K. Parikh & Co.
Baroda
M. No. 39213
Chartered Accountants

Depreciation

1. Depreciation is provided on W.D.V Method as per rates specified in the Income-Tax Act, 1961.

Capital Receipts

One time receipts collected from the beneficiaries of VUDA, which is used for the development of area designated to the authority by the Government, are shown as Capital Receipts. VUDA has sold one plot at Padra for Rs. 2,84,05,300/-, the said amount has been utilized for Padra Road, and hence accounted for in Padra Road Account.

Government Grants/Subsidies

1. Government grants of the nature of contribution towards capital cost of setting up projects are treated as capital Reserve.

2. Grants in respect of specific fixed assets acquired are shown as a deduction from the cost of the related assets.

3. Government grants/subsidies are accounted on realization basis.

Retirement Benefits

Authority does not make any provision in books for its obligation towards Gratuity and Leave Encashment amounts payable to its permanent employees. However, no actual valuations are carried out by the external agencies.

Current Assets, Loans and Advances

In the opinion of the Management, the current assets, loans and advances have a value on realization in the ordinary course of business, equal at least to the aggregate amount shown in the Balance Sheet.

Taxation

In the Financial year there being no taxable income under Income-tax Act 1961, no provision for Income Tax has been considered necessary.

For Vadodara Urban Development Authority

Place : Vadodara
Date : 15.07.2015

Accounts Officer

(Chief Executive Authority) (Chairman)

CHIEF EXECUTIVE AUTHORITY
URBAN DEVELOPMENT AUTHORITY
VADODARA.

K. K. Parikh & Co.
Baroda
M. No. 39213
Chartered Accountants

Schedule > 25 < Contingent Liabilities & Notes To Accounts

Contingent Liabilities

1. As at the end of the current year, there are 2 cases pending before the Arbitrator, against the Authority for additional compensation in respect of T.P. Scheme Road. However it is not feasible to arrive at the value of claims lodged against the authority. The authority has deposited the sum of Rs.74,21,656/- with Court towards the deposit against the said case.

2. For Assessment Year 2010-2011 assessment has been framed by Income Tax Officer, ward 5(4), Baroda, denying exemption u/s 11 of the Income Tax Act, 1961 and therefore raised disputed demand of Rs. 29.00 Lacs for which appeal was preferred with CIT(A), Baroda, which has been disallowed and hence the appeal with Income Tax Appellate Tribunal, Ahmedabad has been filed which is pending for hearing, however the payment of tax has been made by VUDA. The Commissioner of Income Tax (Exemption), Ahmedabad have completed the Assessment For Assessment Year 2012-2013, denying exemption u/s 11 of the Income Tax Act, 1961 and therefore raised disputed demand of Rs. 97.87 Lacs for which appeal is pending before CIT(A), Ahmedabad, however the part payment of tax has been made by VUDA.

(II) Notes forming part of Accounts

(1) Figures of previous year has been regrouped and / or rearranged wherever necessary so as to make them comparable with that of current financial year.

(2) Debit / Credit Balances in respect of Receivables and Payables, appearing in the financial statements are subject to confirmation from the respective parties.

(3) All Deposits in respect of Earnest Money, Security Deposit, Retention Money and other deposits are subject to reconciliation.

(4) Authority is in process of maintenance of Fixed Assets Register, showing full particulars of all assets of VUDA.

(5) Estate Branch of Authority is in the process of reviewing / monitoring particulars of all plots of Land owned by VUDA in various T.P. Schemes and Growth Centers and it is also in the process of getting the ownership documents in favour of VUDA. The entire reconciliation will be performed and necessary correcting entries will be passed in the books of accounts, if any variation is noticed.

(6) Verification of Fixed Deposit has been carried out on regular basis.

For Vadodara Urban Development Authority

Place : Vadodara
Date : 15.07.2015

Accounts Officer

(Chief Executive Authority) (Chairman)

13.8.15

CHIEF EXECUTIVE AUTHORITY
URBAN DEVELOPMENT AUTHORITY
VADODARA.

K. K. Parikh & Co. Chartered Accountants Baroda M. No. 39213