

SUBJECT NO: 86

Sub:- ACCOUNTS - VUDA - Schedule of Suspense Account - Reg.

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#### AGENDA NOTE

Some of the Accounts representing recoveries for the purpose of remittance are placed in the Annual Accounts Schedule - I in the name of Schedule of Suspense Account. The Organization has fully discharged all the Statutory Liabilities. There were no claims against Organization from any of Statutory Authorities. However, due to misclassification of Account Heads, some of the accounts are exhibiting more recoveries than remittances. In some other accounts the situation is vice versa. After the necessary scrutiny of all the files from the concerned sections, it is proposed to consider all the net credits appearing in these accounts as the income of the Organization and also all the debits as the expenditure of the Organization.

As the net amount is less than Rs. 50.00 lakhs, it is proposed to consider in one year itself. The details of the individual accounts appearing Schedule of Suspense Account (Schedule-I) and also the history of the transaction are mentioned in the Annexure.

The above proposal is placed before VUDA Board for approval.

VISAKHAPATNAM URBAN DEVELOPMENT AUTHORITY

## SCHEDULE T

## SCHEDULE OF SUSPENSE ACCOUNT

PARTICULARS	OPENING BALANCE		DURING THE YEAR		TOTAL	
	Dr. Rs.	Cr. Rs.	Dr. Rs.	Cr. Rs.	Dr. Rs.	Cr. Rs.
MODERN MENTAL CARE HOSPITAL	0.00	0.00			0.00	0.00
NATIONAL FLAG	3379.00	1130.00	0.00	5785.00	3379.00	6915.00
NSC(RD)	0.00	12658.00			0.00	12658.00
NSS	0.00	5502.00			0.00	5502.00
ORISSA FLOOD RELIEF FUND	39350.00	0.00			39350.00	0.00
POSTAL LIFE INSURANCE	0.00	735.00			0.00	735.00
POSTAL SAVINGS	276700.00	276704.00		35915.00	276700.00	312619.00
PROFESSION TAX	179850.00	458428.90		2320.00	179850.00	460748.90
PT	0.00	0.00			0.00	0.00
SALES TAX	4297550.00	4284477.90		314313.00	4297550.00	4598790.90
SBH BANK LB COLONY	0.00	0.00			0.00	0.00
SBH S.DHARA BANK LOAN	0.00	0.00			0.00	0.00
SEIGNORAGE CHARGES	3302414.00	4895424.75		196816.00	3302414.00	5092240.75
SERVICE TAX(CT)	0.00	2525.00	3435.00		3435.00	2525.00
STORAGE & CENETAGE	5040.00	348291.00			5040.00	348291.00
SVLN DEVASTHANAM	0.00	0.00			0.00	0.00
	<b>27505994.58</b>	<b>32159017.71</b>	<b>528712.90</b>	<b>1325509.90</b>	<b>28034707.48</b>	<b>33484527.61</b>
						<b>5449820.13</b>

2002 - 2003

VISAKHAPATNAM URBAN DEVELOPMENT AUTHORITY

2002-03

SCHEDULE T

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SCHEDULE OF SUSPENSE ACCOUNT

PARTICULARS	OPENING BALANCE		DURING THE YEAR		TOTAL	
	Dr. Rs.	Cr. Rs.	Dr. Rs.	Cr. Rs.	Dr. Rs.	Cr. Rs.
<b>SCHEDULE - I(1) - RECOVERIES FOR REMITTANCE</b>						
ACCIDENT POLICY	0.00	26386.80	0.00	0.00	0.00	26386.80
ANDHRA BANK LOANS FOR VEHIC	25080.00	0.00			25080.00	0.00
APCO	48891.00	157605.25	0.00	0.00	48891.00	157605.25
APGIS (DEPUTATION)	14050.00	274660.00	0.00		14050.00	274660.00
APGLI(DEPUTATION)	71437.00	28002.00	0.00	0.00	71437.00	28002.00
APGLS & GIS (VUDA)	453813.40	403015.00	127070.00	279218.00	580883.40	682233.00
APSTC	67183.00	62336.00		65663.00	67183.00	127999.00
B.A.F.(NAC.HYD)	0.00	0.00			0.00	0.00
BUILDING ASOCL OF INDIA	396865.00	388108.00		47556.00	396865.00	435664.00
C.C.S.TO EMPLOYEES	6954250.00	7223383.30		3948.00	6954250.00	7227331.30
C.M.RELIEF FUND	241737.00	132797.00		0.00	241737.00	132797.00
CESS CHARGES	7432.00	2524541.07		264.00	7432.00	2524805.07
COURT REMITTANCE	144701.00	1531.00	3051.90		147752.90	1531.00
ELECTRICITY CHARGES(SUS)	0.00	0.00			0.00	0.00
FUNDS TO SVLNS A/C	0.00	0.00			0.00	0.00
FOOD FOR WORK	0.00	379675.00			0.00	379675.00
GIS(VUDA)	379082.00	132737.00		953.00	379082.00	133690.00
GPF (DEPUTATION)	372656.00	0.00	108045.00		480701.00	0.00
GPF FUND	0.00	0.00		7999.00	0.00	7999.00
GRATUITY	0.00	0.00			0.00	0.00
GRATUTY (REIMBURSEMENT)	0.00	0.00	111830.00		111830.00	0.00
GSLIS FOR EMPLOYEES	0.00	0.00	175281.00	0.00	175281.00	0.00
HBA DEPUTATION	0.00	0.00			0.00	0.00
HDFC LOAN	0.00	0.00			0.00	0.00
INCOME TAX CONTRACTORS & EM	6263393.18	5836345.70	0.00	33095.00	6263393.18	5869440.70
INCOME TAX EMPLOYEES	0.00	0.00			0.00	0.00
INTEGRATED HEALTH CARE	505458.00	0.00			505458.00	0.00
IT STAFF	0.00	0.00			0.00	0.00
KARGIL FUND	0.00	75649.00			0.00	75649.00
LAKSHMI FINANCE	0.00	36009.00			0.00	36009.00
LIC	3445630.00	3406279.35		7333.90	3445630.00	3413613.25
MISCELLANEOUS RECOVERIES	10053.00	784080.69		324331.00	10053.00	1108411.69

ANNEXURE TO SUBJECTSUSPENSE ACCOUNT

Some of the Account Heads are unable to be classified during maintenance of Accounts manually. The mismatching of Accounts and misclassification of Account Heads resulted into Parking of amounts in certain specific Heads. All these Heads were placed in the schedule to the Annual Accounts under the Schedule Suspense Account.

The Additional Secretary to Government, Finance Department, Andhra Pradesh, Hyderabad and Board Member of VUDA has advised VUDA during her last visit to make an effort to reduce this schedule "Suspense".

In an attempt on that direction the Accounts Department verified in depth all these accounts for the past 8 to 10 years prior to the Financial year 2002-2003. All these accounts are maintained manually. Some of the accounts thus studied and classified in suspense schedule are as under.

- 1 Seignorage
- 2 Income Tax (Contractors and employees)
- 3 Sales Tax
- 4 Service Tax

1. SEIGNORAGE :

As per the Audited Accounts for the Financial year 2002-2003, the seignorage payable is Rs. 15,93,010/-. Every year VUDA is collecting and also remitting this seignorage charges to the concerned department. As per our latest thorough examination of Files, there were no amounts payable by VUDA and also no specific demand against VUDA from the respective agency.

For example as per the Annual Account for the Financial year 2001-2002 the amounts collected are Rs. 15.20 lakh whereas the amount paid is Rs. 16.25 lakh. For the year 2000-01 these amounts were Rs. 16.85 lakh and Rs. 16.76 lakh respectively. However as per the files the actual amount paid for those 2 years are as under.

Year	Amount collected and remitted	Remarks
2001-02	Rs. 15.03 lakh	No arrears
2000-01	Rs. 16.76 lakh	No arrears

It may be observed that as per the Financial Accounts there appears to be arrears to be paid to Government. As per the files there were no arrears. The reason for the variation may be due to misclassification of Account Heads or remittance of the amount in the next financial year. Thus it is finally concluded that there were no amounts payable by VUDA under this Head of Account.

The amount appears to have been payable by VUDA as on 31.3.2002 is Rs. 15.93 lakh. As this is no longer payable, it is proposed to treat this credit amount as income to the Organization

There is no physical or actual generation of receipts under this Head. The present proposal is only to close the long outstanding credits / Debits so that the net figures will be wiped out and atleast from 2003-04 financial year onwards full proof and lawful accounts will be brought in order to insulate the current working results for the current financial year ie., 2003-04. These credits / Debits will be separately considered under the Head "Prior period Income / Expenditure".

If this is done VUDA will be in a position to explain all the Statutory Authorities the circumstances under which the prior period Income / Expenditure generated. These entries also will not interfere in the payment of Income Tax since VUDA is following Cash system of account for the purpose of Income Tax. These prior period Income / Expenditure are only journal entries and they have got nothing to do with real receipt or payment of funds.

## 2. INCOME TAX (Contractors and Employees) :

As per the Audited Accounts for the Financial year 2002-2003, there is an excess remittance of Income Tax is Rs. 4,27,047/-. Every year VUDA is collecting and also remitting this Income Tax to the concerned department. As per our latest thorough examination of Files, there were no amounts payable by VUDA and also no specific demand against VUDA from the respective agency.

For example as per the Annual Account for the Financial year 99-2000 the amounts collected are shown Nil whereas the amount paid is Rs. 19.56 lakh. For the year 2000-01 these amounts were Rs. 25.92 lakh and Rs. 27.19 lakh respectively and for 2001-02 they are Rs. 32.44 lakh and Rs. 32.53 lakh. However as per the files the actual amount paid for those 3 years are as under.

Year	Amount collected and remitted	Remarks
1999-2000	Rs. 9.16 lakh	No arrears
2000-2001	Rs. 17.71 lakh	No arrears
2001-2002	Rs. 24.82 lakh	No arrears

It may be observed that as per the Financial Accounts there appears to be arrears to be paid to Government. As per the files there were no arrears. The reason for the variation may be due to misclassification of Account Heads or remittance of the amount in the next financial year. Thus it is finally concluded that there were no amounts payable by VUDA under this Head of Account.

The amount appears to have been paid in excess by VUDA, as on 31.3.2002 is Rs. 4.27 lakh. Hence, it is proposed to treat this debit amount as expenditure to the Organization

There is no physical or actual generation of receipts under this Head. The present proposal is only to close the long outstanding credits / Debits so that the net figures will be wiped out and atleast from 2003-04 financial year onwards full proof and lawful accounts will be brought in order to insulate the current working results for the current financial year ie., 2003-04. These credits / Debits will be separately considered under the Head "Prior period Income / Expenditure".

If this is done VUDA will be in a position to explain all the Statutory Authorities the circumstances under which the prior period Income / Expenditure generated. These entries also will not interfere in the payment of Income Tax since VUDA is following Cash system of account for the purpose of Income Tax. These prior period Income / Expenditure are only journal entries and they have got nothing to do with real receipt or payment of funds.

3. SALES TAX :

As per the Audited Accounts for the Financial year 2002-2003, the Sales Tax payable is Rs. 3,01,241/-. Every year VUDA is collecting and also remitting this Sales Tax to the concerned department. As per our latest thorough examination of Files, there were no amounts payable by VUDA and also no specific demand against VUDA from the respective agency.

For example as per the Annual Account for the Financial year 2001-2002 the amounts collected are Rs. 24.81 lakh whereas the amount paid is Rs. 25.26 lakh. For the year 2000-01 these amounts were Rs. 17.43 lakh and Rs. 17.71 lakh respectively. However as per the files the actual amount paid for those 2 years are as under.

Year	Amount collected and remitted	Remarks
2001-02	Rs. 24.98 lakh	No arrears
2000-01	Rs. 17.17 lakh	No arrears

It may be observed that as per the Financial Accounts there appears to be arrears to be paid to Government . As per the files there were no arrears. The reason for the variation may be due to misclassification of Account Heads or remittance of the amount in the next financial year. Thus it is finally concluded that there were no amounts payable by VUDA under this Head of Account.

The amount appears to have been paid in excess by VUDA as on 31.3.2002 is Rs. 0.13 lakh. Hence, it is proposed to treat this debit amount as expenditure to the Organization

There is no physical or actual generation of receipts under this Head. The present proposal is only to close the long outstanding credits / Debits so that the net figures will be wiped out and atleast from 2003-04 financial year onwards full proof and lawful accounts will be brought in order to insulate the current working results for the current financial year ie., 2003-04. These credits / Debits will be separately considered under the Head "Prior period Income / Expenditure".

If this is done VUDA will be in a position to explain all the Statutory Authorities the circumstances under which the prior period Income / Expenditure generated. These entries also will not interfere in the payment of Income Tax since VUDA is following Cash system of account for the purpose of Income Tax. These prior period Income / Expenditure are only journal entries and they have got nothing to do with real receipt or payment of funds.

#### 4. SERVICE TAX :

As per the Audited Accounts for the Financial year 2002-2003, the service tax was paid in excess Rs. 910/-. Every year VUDA is collecting and also remitting this service tax charges to the concerned department. As per our latest thorough examination of Files, there were no amounts payable by VUDA and also no specific demand against VUDA from the respective agency.

For example as per the Annual Account for the Financial year 2001-2002 the amounts collected are NIL whereas the amount paid is NIL. For the year 2000-01 these amounts were Rs. 2,525/- and Nil respectively. However as per the files the actual amount paid for those 2 years are as under.

Year	Amount collected and remitted	Remarks
2001-02	Rs. 0.15 lakh	No arrears
2000-01	Rs. 0.14 lakh	No arrears

It may be observed that as per the Financial Accounts there appears to be arrears to be paid to Government. As per the files there were no arrears. The reason for the variation may be due to misclassification of Account Heads or remittance of the amount in the next financial year. Thus it is finally concluded that there were no amounts payable by VUDA under this Head of Account.

The amount appears to have been payable by VUDA as on 31.3.2002 is Rs. 0.03 lakh. It is proposed to treat this debit amount as expenditure to the Organization

There is no physical or actual generation of receipts under this Head. The present proposal is only to close the long outstanding credits / Debits so that the net figures will be wiped out and atleast from 2003-04 financial year onwards full proof and lawful accounts will be brought in order to insulate the current working results for the current financial year ie., 2003-04. These credits / Debits will be separately considered under the Head "Prior period Income / Expenditure".

If this is done VUDA will be in a position to explain all the Statutory Authorities the circumstances under which the prior period Income / Expenditure generated. These entries also will not interfere in the payment of Income Tax since VUDA is following Cash system of account for the purpose of Income Tax. These prior period Income / Expenditure are only journal entries and they have got nothing to do with real receipt or payment of funds.



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CESS :

As per the Audited Accounts for the Financial year 2002-2003, the Sales Tax payable is Rs. 25,17,173/-.

In this regard, it is submitted that as per the information available the Cess charges collected from the Work Bills was paid upto end of March, 1993 alongwith Seignorage Charges to the Mines & Geology Department. As per Court Orders the amount of Cess collected subsequently is Rs. 19,59,899/- upto 31.3.1996 was not remitted to the concerned Department. The same is to be refunded to contractors and the same was informed to Accountant General Audit Party also. But the annual account for 2002-2003 shows a credit balance of Rs. 25.17 lakhs. The difference may be due to misclassification of account heads and recovery of cess charges from work bills subsequently after 3/96. Since the amount is with VUDA it may be treated as VUDA funds. A copy of HM of A.G. Audit Party and reply submitted to Audit Party is furnished below for perusal.

There is no physical or actual generation of receipts under this Head. The present proposal is only to close the long outstanding credits / Debits so that the net figures will be wiped out and atleast from 2003-04 financial year onwards full proof and lawful accounts will be brought in order to insulate the current working results for the current financial year ie., 2003-04. These credits / Debits will be separately considered under the Head "Prior period Income / Expenditure".

If this is done VUDA will be in a position to explain all the Statutory Authorities the circumstances under which the prior period Income / Expenditure generated. These entries also will not interfere in the payment of Income Tax since VUDA is following Cash system of account for the purpose of Income Tax. These prior period Income / Expenditure are only journal entries and they have got nothing to do with real receipt or payment of funds.

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### SUSPENSE ACCOUNT-STAFF RECOVERIES AND REMITTANCES

There are recoveries and remittance relating to employees GIS, GPF etc. However, the recoveries are parked in one account whereas the remittances are booked in other account. Similarly the amounts recovered under Heads like APGIS (Deputation), APGLI, GIS(v),GSLIS(v) GPF (Deputation), the accounts consists of statutory and also optional recovery and remittances. Due to misclassification of accounts, one account shows remittance without recoveries and the other account shown vice versa.

As per the Final Account 2002-03 the Opening Balances for some accounts are detailed below.

The Accounts Department conducted detailed examination of concerned files. After thorough verification, it is concluded that VUDA has discharged its liability over the above recoveries. The net figures with reference to recovery and remittances, relating salary recoveries is coming to a credit balance of Rs. 5,87,813/-. This represents a remittance not corresponding with any recovery due to misclassification.

APGIS (Deputation)	Cr	2,60,610-00
APGLI (Deputation)	Dr	43,435-00
APGLS & GIS (VUDA)	Dr	50,798-00
GIS (VUDA)	Dr	2,46,345-00
GPF (Deputation)	Dr	3,72,656-00
Miscellaneous Recoveries	Cr	7,74,027-00
CCS Employees	Cr	2,73,133-00
Accident Policy	Cr	26,387-00
LIC	Dr	39,351-00
Postal Life Insurance	Cr	735-00
NSS	Cr	5,502-00
Postal Savings	Cr	4-00
Total	Cr	5,87,813-00

Hence, it may be treated as income to the Organization.

This credits will be separately considered under prior period Income / Expenditure account preferring a Journal Voucher which has no impact to Income Tax Returns since we are following cash system of accounting for the purpose of Income Tax.

ANNEXURE TO SUBJECT

## SUSPENSE ACCOUNT (Staff recoveries and remittances)

As per the Final account 2002-03, the Opening Balances for some account are detailed below.

1) CM Relief Fund	Dr	Rs. 1,08,940-00
2) Kargil Fund	Cr	Rs. 75,649-00
3) Orissa Flood Relief Fund	Dr	Rs. 39,350-00
Total	Dr	Rs. 72,641-00

The recoveries for item Nos 1 to 3 were made as per the Government Orders and remitted to the Government funds as directed by the Government.

The Accounts Department conducted detailed examination of concerned files. After thorough verification, it is concluded that VUDA has discharged its liability over the above recoveries.

Due to misclassification for all the years the Dr or Cr balances are appearing.

Hence, it may be treated as expenditure to the Organization.

The Debits will be separately considered under prior period expenditure account preferring a Journal Voucher which has no impact to I.T. Returns since we are following cash system of accounting for the purpose of Income Tax.

**VISAKHAPATNAM URBAN DEVELOPMENT AUTHORITY**  
**SCHEDULE OF SUSPENSE ACCOUNT AS ON 31.03.2003**

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Sl No	PARTICULARS	OPENING BALANCE		Net Opening Balance
		Dr. Rs.	Cr. Rs.	
<b>SCHEDULE - I(I) - RECOVERIES FOR REMITTANCE</b>				
1	ACCIDENT POLICY	0.00	26386.80	-26386.80
2	ANDHRA BANK LOANS FOR VEHICLES	25080.00	0.00	25080.00
3	APCO	48891.00	157605.25	-108714.25
4	APGIS (DEPUTATION)	14050.00	274660.00	-260610.00
5	APGLI(DEPUTATION)	71437.00	28002.00	43435.00
6	APGLS & GIS (VUDA)	453813.40	403015.00	50798.40
7	A.P.S.T.C.	67183.00	62336.00	4847.00
8	Building ASOCI of India	396865.00	388108.00	8757.00
9	C.C.S.TO EMPLOYEES	6954250.00	7227383.30	-273133.30
10	CM Relief Fund	241737.00	132797.00	108940.00
11	Cess Charges	7432.00	2524541.07	-2517109.07
12	COURT REMITTANCE	144701.00	1531.00	143170.00
13	Food for work	0.00	379675.00	-379675.00
14	GIS(VUDA)	379082.00	132737.00	246345.00
15	GPF (DEPUTATION)	372656.00	0.00	372656.00
16	INCOME TAX CONTRACTORS & EMPLOYEES	6263393.18	5836345.70	427047.48
17	Integrated Health Care	505458.00	0.00	505458.00
18	Kargil Fund	0.00	75649.00	-75649.00
19	Lakshmi Finance	0.00	36009.00	-36009.00
20	LIC	3445630.00	3406279.35	39350.65
21	MISCELLANEOUS RECOVERIES	10053.00	784080.69	-774027.69
22	National Flag	3379.00	1130.00	2249.00
23	NSC (RD)	0.00	12658.00	-12658.00
24	NSS	0.00	5502.00	-5502.00
25	Orissa Flood Relief Fund	39350.00	0.00	39350.00
26	Postal Life Insurance	0.00	735.00	-735.00
27	Postal Savings	276700.00	276704.00	-4.00
28	Professional Tax	179850.00	458428.90	-278578.90
29	SALES TAX	4297550.00	4284477.90	13072.10
30	SEIGNORAGE CHARGES	3302414.00	4895424.75	-1593010.75
31	SERVICE TAX(CT)	0.00	2525.00	-2525.00
32	Storage & Centage	5040.00	348291.00	-343251.00
	<b>GRAND TOTAL:</b>	<b>27505994.58</b>	<b>32163017.71</b>	<b>-4657023.13</b>

NOTE: (-) REPRESENTS CREDIT

(+) REPRESENTS DEBIT

**VUDA Resolution No.86, dated 31-05-2006**

Resolved to approved the proposal to consider all the net credits appearing in schedule if suspense accounts as credits as the income of VUDA and also all the debits as the expenditure of VUDA

  
Chairman, VUDA