

HOUSING BOARD
HARYANA

HOUSING BOARD HARYANA

**Annual Statement of Accounts
2017-2018**

HOUSING BOARD HARYANA, PANCHKULA

Annual Accounts for the year 2017-18

INDEX

Sr. No.	Particulars	Page No.
1.	Audit Report	1 - 4
2.	Balance Sheet	5
3.	Income & Expenditure Account	6 - 7
4.	Schedule - 1 - Capital Fund	8
5.	Schedule - 2 - Reserve & Surplus	8
6.	Schedule - 3 - Unsecured Loans	9
	Schedule - 4 - Current Liabilities & Provisions	9
7.	Schedule - 5 - Fixed Assets	10
8.	Schedule - 5A - Fixed Assets (Technical)	11
9.	Schedule - 6 - Current Assets	12
10.	Schedule - 7 - Loans and Advances	13
11.	Schedule - 8 - Notes on Accounts & Accounting	14 - 15
	Policies	

Separate Audit Report of the Comptroller and Auditor General of India on the accounts of Housing Board Haryana, Panchkula for the year ended March 2018

We have audited the attached Balance Sheet of Housing Board Haryana, Panchkula as at 31 March 2018 and the Receipt and Payment Account/Income and Expenditure Account for the year ended on that date under Section 19 (3) of the Comptroller and Auditor General's (Duties, Power and Conditions of Service Act, 1971) read with the Haryana Housing Board Act, 1971 (Act 20 of 1971). These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. The 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 and 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 Report/CAG's Audit Reports separately.
3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standard require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material mis-statemtns. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) The form of maintenance of accounts (Balance Sheet and Income and Expenditure accounts) dealt with by this report have been approved by the Board.
 - iii) In our opinion proper books of accounts and other relevant records have been maintained, subject to our observations, by the Board as required under Housing Board Act. 1971 (Act 20 of 1971), subject to deficiencies as listed in the annexure to DSAR, in so far as it appears from our examination of such books.
 - iv) We further report that:

A. Balance Sheet

1. Liabilities

1.1 Current liabilities and provisions ₹ 598.40 crore (Schedule4)

- (a) The above has been under provided by ₹ 0.35 crore payable to a party. This has resulted into understatement of Current Liabilities and provisions and overstatement of Income over Expenditure for the year by ₹ 0.35 crore.
- (b) The above has been understated by ₹ 1.49 crore due to non provision of arrears of salary and allowances (to be payable w.e.f 1st January 2016 and upto 31 March 2018) on implementation of 7th pay commission. This has resulted in understatements of Current Liabilities and Provisions and overstatement of Excess of Income over Expenditure for the year by ₹ 1.49 crore.

2. Assets

2.1 Current Assets (Schedule-6)

2.1.1 Sundry Debtors.

Home Allottees: ₹ 274.87 crore

Booths and Plots Allottees: 13.04 crore

Other: 9.17 crore

(i) All the debtors are unreconciled and unconfirmed. Allottees wise ledgers maintained by the Board are incomplete. In the absence of confirmation and reconciliation of balances, correctness of the figures appearing under the head in the accounts could not be ascertained in the Audit. This issue despite being pointed out in Audit Reports of previous years, no action has been taken by Board.

(ii) Sundry Debtors include ₹ 2.90 crore due from parties for period in excess of 5 years for which a provision of only ₹ 0.03 crore exists. The Board is yet to review the adequacy of provision, despite being repeatedly pointed out in Audit Reports for the year 2002-03 to 2016-17.

2.1.2 Cost of land pending bifurcation of schemes: ₹ 163.45 crore

The above balance represents cost of land payable as on the last date of balance sheet. However, this balance does not include interest payable on the above amount since last date of payment of instalment towards land cost. Non-provisioning of interest has resulted in understatement of cost of land pending bifurcation as well as Sundry Creditors by ₹ 53.06 crore. Further, the Board has not maintained property register and the land remained unutilised.

2.1.3 Cash and Bank Balances

The Bank Balances as per cash book have been reconciled with the balances as per pass book. A difference of ₹0.14 crore in bank balance as per cash book and pass book (Head office and divisions) has been presumed as bank charges. These charges have not been taken to Income and Expenditure account. As such the bank balances shown in the Balance Sheet are not correct and needs rectification. This has resulted in understatement of Bank Charges and overstatement of Cash and Bank balance by ₹ 0.14 crore.

2.1.4 Unsold Housing Stock ₹ 758.77 crore

The above balance includes housing stock sold by the Board in earlier year but now surrendered by allottees. Since surrendered houses are sale returns, these should have been booked at original cost at which these were constructed and entries passed earlier for sales should have been reversed as amount forfeited should have been treated as income of the Board. Further, the closing stock of the surrendered houses/SCO/shops should have been shown at cost or market price whichever is less.

Reference is also invited to Notes on accounts and Accounting Policies (Sr. No. 10), which states that "Unsold housing stock has been valued at cost. Further surrendered houses during the year have been valued at cost".

Instead of giving the above treatment in 93 cases (where houses/SCO/Shops were auctioned at much more than cost and later surrendered) the Board has taken sale value of housing stock less amount forfeited as the cost of housed/SCO/Shops which is more than cost of the surrendered sale value less forfeited amount as the cost of houses/SCO/Shops. This incorrect treatment has resulted in overstatement of unsold Housing stock as well as reserve and surplus by ₹ 7.25 crore.

This issue was also pointed out in earlier Audit Reports of previous years and management in its reply assured that necessary correction in cost of unsold/surrendered houses would be made in current financial year i.e. 2017-18 after getting advice from financial advisor of Board, however, no correction has been carried out in books of accounts.

C. Grant-in-aid

The Housing Board, Haryana has not received any Grant-in-Aid during the year 2017-18.

D. Management letter:-

Deficiencies which have not been included in the Separate Audit Report have been brought to the notice of the the Housing Board Haryana, Panchkula through a management letter issued separately for remedial/corrective action.

- v) **Subject to our observations in the preceding paragraphs**, we report that the Balance sheet and Income and Expenditure Account dealt with by this Report are in agreement with the books of accounts.
- vi) In our opinion and to the best of our information and according to the explanations 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 Separate Audit Report gives a true and fair view in conformity with accounting principles generally accepted in India.
- a) in so far as it relates to the Balance Sheet of the state of affairs of the Housing Board. Haryana, Panchkula as at 31st March 2018; and
- b) in so far as it relates to the Income and Expenditure Account of the surplus for the year ended on that date.

For and on behalf of the C & AG of India

Principal Accountant General (Audit)

Haryana

Place: - Chandigarh

Date:- 30-08-2019

Annexure to Separate Audit Report on the accounts of Housing Board, Haryana Panchkula for the year 2017-18

1. Adequacy of Internal audit system

During the year 2017-18 no internal audit was conducted in the Board.

2. Adequacy of internal control system

The internal control system prevailing in the Board was found deficient:

- a. Financial figures for loan and advances. sundry debtors. sundry creditors. security deposits, amount payable at staff, registration deposits, other deposits of allottees. earnest money and security deduction of contractors and other debits and credits appearing in the financial statements were unconfirmed/unreconciled.
- b. Board has not prepared any accounting manual.
- c. There is no system/plan of rotation of duties of employees dealing with cash, stocks and other valuables.
- d. Board has not obtained any Security deposits/fidelity guarantees from the employees handling valuable such as cash and stocks.
- e. Register/list of title deeds for the landed properties and buildings was not prepared by the Board.

3. System of physical verification of fixed assets.

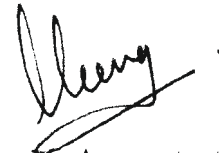
Physical verification of fixed assets was conducted by the Board.

4. System of physical verification of inventory.

Physical verification of inventory was conducted by the Board.

5. Regularity in payment of statutory dues.

The Board was regular in depositing the undisputed statutory dues with appropriate authority(s).



Sr. Deputy Accountant General (SS)

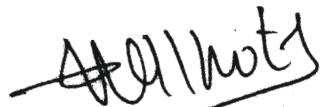
HOUSING BOARD HARYANA, PANCHKULA
BALANCE SHEET
AS AT 31ST MARCH, 2018

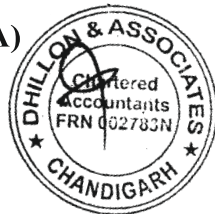
Particulars	Schedule	as at 31 March,2018	As at 31 March,2017
1. LIABILITIES			
Capital Fund	1	4080716679	3956735784
Reserves & Surplus	2	3630795127	3496595127
Unsecured Loans	3	4577045596	4825996294
Current Liabilities & Provisions	4	5983995803	5615810339
Total		18272553205	17895137544
2. ASSETS			
Fixed Assets	5& 5A	219397966	101288162
Current Assets	6	17374309433	17130185023
Loan & advance	7	678845806	663664359
Total		18272553205	17895137544

Significant Accounting Policies 8
Notes on Financial Statements

FOR DHILLON & ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN. 002783N)


(JAWAHAR SINGH)
CHAIRMAN


(CA. RAJESH MALHOTRA)
PARTNER
M.NO. 090661




(SATPAL SHARMA-HCS)
CHIEF ADMINISTRATOR


(RAJESH KUMAR GUPTA)
CHIEF ACCOUNTS OFFICER

Place : PANCHKULA
Date : 23.10.2018

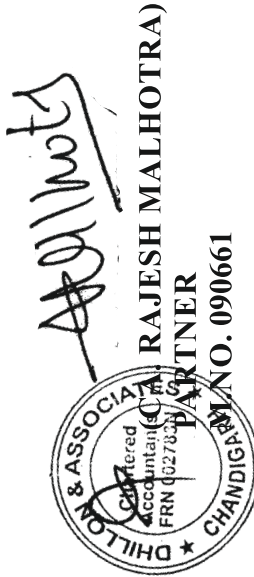
**HOSING BOARD HARYANA, PANCHKULA
INCOME & EXPENDITURE ACCOUNT
FOR THE ENDED 31ST MARCH, 2018**

EXPENDITURE	AS ON 31.03.2018	AS ON 31.03.2017	INCOME	AS ON 31.03.2018	AS ON 31.03.2017
To Salaries	206564365	188774987	By Sale of various forms	729374	151600
To Employees Provident Fund	15282192	16174076	By Penalty/fines recovered from allottees	10999586	7995628
To Medical Reimbursements	931533	993211	By Enlistment Fees	84437	60000
To Honorarium	1388400	1437000	By Recovery of Insurance Charges	1690730	1172959
To Gratuity	8634334	19063443	By Processing/Transfer fee of Houses	11910262	11376501
To Leave Travel Concession	6409378	1467912	By House Rent Deduction	281671	1489569
To Travelling Expenses(Staff)	1825267	1850241	By Fee of HPTA Forms	42845	33285
To Electricity & Water Charges	2464508	2091092	By Rent Received	2531083	118900
To Entertainment Expenses	265256	288469	By Regn. Money forfeited	26809350	25843950
To Legal Charges	1548479	1634458	By Earnest Money Forfeited	9500	0
To Rent, Rates & Taxes	905723	418164	By Misc. Receipt	2790784	2871851
To Newspaper & Periodicals	45297	24535	By Excess of Expenditure over Income C/f	238230846	225447667
To Postage & Telegram	681340	727200			
To Printing & Stationary	1186458	1157229			
To Staff Car/Jeep Running Expenses	3914699	3538975			
To Advertisement & Publicity	5333484	2468011			
To Repair & Maintenance	908533	881551			
To Staff Welfare	408679	381351			
To Ex-Gratia	325000	325000			
To Misc Expenses	1407647	1227462			
To Conveyance Expenses	21958	19232			
To Telephone Expenses	700038	1113291			
To Photostate Expenses	285730	347727			
To Training Fee/Seminar Fee	19500	111300			
To Audit Fees	0	275017			
To Expenses on Maintenance of Guest House	796846	562111			
To Depreciation	15405026	11028221			
To Computer Running Expenses	443089	495557			
To Expenses on Maintenance of office Building	567430	484787			
To New Pension Scheme	222959	112811			
To Expenses on Maintenance of Staff Quateres	1123818	1360833			
To Consultation Fee	269755	335330			
To Insurance Charges of Housing Colonies	412915	449157			
To Service Tax	485497	1797672			
To Swach Bharat Cess	17339	64769			
To Krishi Kalyan	17339	58727			
To Man Power Supply Services	14130364	12776684			
To IT Software Expenses	329593	193317			
To Cost of HPTA Form	13500	51000			
To Relief of Profit/Administrative Charges	417200	0			
TOTAL (Rs.)	296110468	276561910	TOTAL (Rs.)	296110468	276561910



To Excess of Expenditure over Income b/d	238230846	225447667	312422479	268534686
To Interest paid	61629263	13258640	7704127	22200521
To Provision for Income Tax	152161372	138385500	329422231	362716336
To Income Tax Earlier Years	3743783	3302	64397322	0
To Expenses for discharging other liabilities	134200000	143700000		
To Excess of Income over Expenditure trfd to	123980895	132656434		
TOTAL (Rs.)	713946159	653451543	713946159	653451543

FOR DHILLON & ASSOCIATES
CHARTERED ACCOUNTANTS
(FRN. 002783N)



RAJESH MALHOTRA
PARTNER
NO. 090661


(JAWAHAR SINGH)
CHAIRMAN



(SATPAL SHARMA-HCS)
CHIEF ADMINISTRATOR



(RAJESH KUMAR GUPTA)
CHIEF ACCOUNTS OFFICER

Place : PANCHKULA
Date : 23.10.2018

HOUSING BOARD HARYANA, PANCHKULA**SCHEDULE - 1 : CAPITAL FUND****(Amount in Rs.)**

PARTICULARS	31.03.2018	31.03.2017
Amount as per Last Balance Sheet	3956735784	3824079350
Add: Excess of Income Over Expenditure during the Year	123980895	132656434
TOTAL(Rs.)	4080716679	3956735784

SCHEDULE - 2**RESERVES & SURPLUS**

PARTICULARS	31.03.2018	31.03.2017
Provision for Reserve Fund & discharging other liabilities	3630795127	3496595127
TOTAL (Rs.)	3630795127	3496595127



HOUSING BOARD HARYANA, PANCHKULA**SCHEDULE - 3****UNSECURED LOANS**

PARTICULARS	31.03.2018	31.03.2017
Term Loan from HUDCO	2329801000	3155460000
Term Loan from NHB	968000000	1320000000
Working Capital from HDFC Bank	439294596	350536294
Working Capital from HARCO Bank	839950000	0
TOTAL (Rs.)	4577045596	4825996294

SCHEDULE - 4**CURRENT LIABILITIES & PROVISIONS**

PARTICULARS	31.03.2018	31.03.2017
A) CURRENT LIABILITIES		
Registration Deposits of Prospective buyers	2480398822	2774248496
Earnest Money of Contractors	1564208	559368
Security Deductions of Contractors	177631123	190052020
Sundry Creditors	2394868930	1956460763
Security Deposits of staff	8070	8070
Expenses Payable	10706296	10985837
Deductions to be Deposited	4002985	12281034
Other Deposits of Allotees	1443130	1443130
Amount Payable to Staff	789430	691790
Expenditure Payable on Capital Cost	464320585	327254618
Interest Payable to registered Applicants	22722919	13839246
Expenses Payable on Maintenance of Colonies	10261982	10411708
GST Payable	69655687	0
Compensation against Contractors	102799845	91053145
B) PROVISIONS		
Provision for Bad & Doubtful Debts	344841	344841
Provision for Leave Encashment	90315578	87790773
Provision for Income Tax	152161372	138385500
TOTAL (Rs.)	5983995803	5615810339



HOUSING BOARD HARYANA, PANCHKULA

SCHEDULE - 5

FIXED ASSETS (HEAD OFFICE)

PARTICULARS	RATE OF DEP	WDV AS ON 01.04.2017	ADDITIONS UPTO 30.09.2017	ADDITIONS UPTO 30.09.2017	DISPOSAL DURING THE YEAR	TOTAL AS ON 31.03.2018	DEPRECIATION DURING THE YEAR	W.D.V. AS ON 31.03.2017
Furniture & Fixtures	10	2093952	81578	81842	0	2257372	221645	2035727
Office Equipments	15	316523	50535	77220	0	444278	60850	383428
Electrical Equipments	15	1051430	53980	57465	0	1162875	170121	992754
Cycles	15	9430	0	0	0	9430	1415	8015
Staff Cars	15	3453568	0	785732	0	4239300	576965	3662335
Books	15	26130	0	1553	0	27683	4036	23647
Computers	40	2864488	42552	1170132	0	4460172	1550042	2910130
TOTAL (₹)		9815521	611645	2173944	0	12601110	2585074	10016036
ADD: TECHNICAL								
(AS PER NOTE 5A)		91472641	63571	131994855	0	222201882	12819952	209381930
GRAND TOTAL		101288162	675216	134168799	1329185	234802992	15405026	219397966

(10)



HOUSING BOARD HARYANA, PANCHKULA

SCHEDULE - 5A FIXED ASSETS (TECHNICAL)

S. No.	PARTICULARS	RATE OF DEP	WDV AS ON 01.04.2017	ADDITIONS UPTO 30.09.2017	ADDITIONS AFTER 30.09.2017	DISPOSAL DURING THE YEAR	TOTAL AS ON 31.03.2018	DEPRECIATION DURING THE YEAR	W.D.V AS ON 31.03.2019
1	LAND								
	a) Office	0	421478	0	0	37422	384056	0	384056
	b) Rest houses	0	85540	0	0	0	85540	0	85540
	c) Awas bahwan	0	318000	0	0	0	318000	0	318000
	d) staff quarters	0	12145774	0	0	387326	11758448	0	11758448
	e) Vishwakarma Institute	0	0	0	25200000	0	25200000	0	25200000
2	BUILDING								
	a) Office	10	5047760	0	0	68974	4978786	497880	4480906
	b) Rest houses	10	1126075	0	0	0	1126075	112608	1013467
	c) Awas bahwan	10	5763637	0	0	0	5763637	576364	5187273
	d) Staff quarters	5	9432099	0	0	835463	8596636	429831	8166805
	e) Office block & Hostel Building	10	53855378	0	785192	0	54640570	5424798	49215772
	f) Vishwakarma Institute	10	0	0	105993263	0	105993263	5299663	100693600
3	Furniture & Fixtures	10	1213957	31296	0	0	1245253	124525	1120728
4	Office Equipments	15	95653	0	0	0	95653	14348	81305
5	Electrical Equipments	15	729966	17375	16400	0	763741	113332	650409
6	Cycles	15	2966	0	0	0	2966	445	2521
7	Staff Cars/ Jeeps	15	1085539	0	0	0	1085539	162831	922708
8	Books	15	7340	1300	0	0	8640	1296	7344
9	Computers	40	141479	13600	0	0	155079	62031	93048
TOTAL (Rs.)			91472641	63571	131994855	1329185	222201882	12819952	209381930

(TFD TO NOTE-5)



HOUSING BOARD HARYANA, PANCHKULA**SCHEDULE - 6****CURRENT**

PARTICULARS	31.03.2018	31.03.2017
Work in progress		
Cost	4078217250	1504709452
Less: Reciepts	2573507798	
		4533840805
Sundry Debtors		
House Allottees	2748734892	1931148487
Booths & Plots Allottes	130358891	139721882
Others	91739544	92220864
Cost of Land		
Amount Paid	2352679858	2346002906
Cost of land pending bifurcation of scheme	1634497374	1398572327
Construction of material in hand		
With Divisions	27097320	14548254
With Contractors	71313102	106384992
ELC Recoverable/Payable	1068629977	882283815
Interest Receivable	458110	2104694
Cash & Bank Balances		
Cash in hand		
Head Office	20	104
Divisions	0	1212
Bank Balances		
Head Office	54492940	142844906
Divisions	77333527	50702684
Fixed Deposit Receipts	10275000	78469318
Fixed Deposits (Staff Security)	1800	1800
Interest accrued on Advances to staff	4266267	4857983
Unsold Housing stock	7587701992	5401575348
Prepaid Expenses	2484865	2887988
Arbitration/ Judicial awards paid/ recoverable	6296619	1318865
Amount Recoverable/ Refundable in Court Cases	705774	695789
Rent Receivable	532109	0
TOTAL(Rs.)	17374309433	17130185023



HOUSING BOARD HARYANA, PANCHKULA
SCHEDULE - 7 : LOANS & ADVANCES

(Amount in Rs.)

PARTICULARS	31.03.2018	31.03.2017
SECURED ADVANCES		
Advances to contractors	15089080	25501605
Advances to staff for conveyance	1330831	1233661
Advances to staff for other purpose	3908816	5249629
Security Deposit with various departments	950531	946431
UNSECURED ADVANCES		
Staff Advances	876249	632047
Advances to suppliers	7759087	10669779
Advance given for deposit works	62841007	78640661
INCOME TAX		
Income tax recoverable FY 2007-08	14555124	14555124
Income tax recoverable FY 2008-09	7638000	7638000
Income tax recoverable FY 2009-10	278720	278720
Income tax recoverable FY 2010-11	185418	185418
Income tax recoverable FY 2011-12	873520	659070
Income tax recoverable FY 2012-13	27173850	12728590
Income tax recoverable FY 2013-14	6617017	6617017
Income tax recoverable FY 2014-15	145899	15609199
Income tax recoverable FY 2015-16	80417769	80417769
Service tax Disputed/ Recoverable	264876136	264876136
Tax Deducted at source FY 2016-17	0	3725503
Income tax FY	0	133500000
Advance Income Tax FY 2017-18	181800000	0
Tax Deducted at source FY 2017-18	1528752	0
TOTAL(Rs.)	678845806	663664359



HOUSING BOARD HARYANA, PANCHKULA
SCHEDULE - 8
NOTES ON ACCOUNTS & ACCOUNTING POLICIES

(Forming part of Balance Sheet and Income & Expenditure Account for the
year ending 31st March, 2018)

1. The financial Statement/ accounts have been prepared on historical cost as going concern and mercantile system of accounting has been followed.
2. Accounting policies not specifically referred to otherwise are in consonance with generally accepted accounting principle.
3. Previous year figures have been regrouped/reranged wherever considered necessary.
4. Depreciation on fixed Assets has been provide on Written Down Value Method as per the rates prescribed in Income tax Act, 1961 None of the Fixed Assets has been revalued during the year.
5. Profit//Loss on sale of houses depicts the difference between expenditure booked in accounts and sale price of the allotted houses.
6. Loans & Advances, Sundry debtors, Sundry Creditors, Security Deposit and amount payable to staff, registration deposits and Other deposits of allottees, Earnest Money and Security Deductions of contractors and other debits and credits appearing in the financial statements are subject to their respective confirmations and are of the value stated if realized in the ordinary course of business.
7. Expenditure payable on capital cost account depicts the expenditure to be incurred on the colonies/sites of the Board.
8. Provision for leave encashment has been calculated on the basis of number of leaves due to each employee.
9. Accounting for contract specified in AS-7 issued by the ICAI has been followed in maintaining its accounts.
10. Unsold Housing stock has been valued at cost. Further surrendered houses during the year have been valued at cost.
11. Arbitration awards against the Board amounting to Rs. 52706821.00 are unsettled. Similarly the arbitration awards in favour of the Board amounting go Rs. 12135244.00 are also unsettled. These Amounts has not been depicted in the Balance sheet being contingent liability.
12. Provision for Taxation has been made on the basis of taxable profits computed for the current accounting period in accordance with the provisions of the Income Tax Act, 1961.



13. Term loan from HUDCO & NHB is against Guarantee of Govt. of Haryana without mortgage of any property of the Board.
14. The Board has taken a Master Policy of Gratuity Fund from Life Insurance Corporation of India to meet the Statutory Liability to be paid at the time of retirement of employees of the Board. The balance with Life Insurance Corporation of India as on 31st March 2018 is Rs. 98807789.00
15. The Board's organizational structure and governance processes are designed to support effective management for the promotion of Housing and welfare activities in the state of Haryana.
16. Figures have been rounded off to nearest rupee.



(JAWAHAR SINGH)
CHAIRMAN



(SATPAL SHARMA-HCS)
CHIEF ADMINISTRATOR



(RAJESH KUMAR GUPTA)
CHIEF ACCOUNTS OFFICER

