

गोपनीय

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संख्या/No.



सत्यमेव जयते

एस.ए.आर./एम.एम.आर.डि.ए/2015-16/

allcs

भारतीय लेखा तथा लेखापरीक्षा विभाग
कार्यालय, प्रधान महालेखाकार (लेखापरीक्षा)-I, महाराष्ट्र.
प्रतिष्ठा भवन, 101, महर्षि कर्वे मार्ग, मुंबई - 400 020.
INDIAN AUDIT AND ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL
(AUDIT)-I, MAHARASHTRA.
Pratishtha Bhavan, 101, Maharshi Karve Marg,
Mumbai - 400 020.

दिनांक/Date :

सेवा में,

प्रधान सचिव,
महाराष्ट्र शासन,
नगर विकास विभाग,
मंत्रालय, मुंबई 400 032.

विषय- 2015-16 के मुंबई महानगर प्रदेश विकास प्राधिकरण (MMRDA) की पृथक लेखापरीक्षा प्रतिवेदन।

महोदय,

The Separate Audit Report of the Comptroller and Auditor General of India on the Mumbai Metropolitan Region Development Authority for the year 2015-16 is enclosed.

2. Under the present arrangements the Audited Annual Accounts of the Authority are not placed before the State Legislature.

MMRDA is a large organization executing important infrastructure projects in Mumbai Metropolitan Region and also provides financial assistance for significant regional projects. During the year 2015-16, MMRDA has recorded a surplus of ₹ 1,366.64 crore, the work in progress was ₹ 5,190.95 crore, investment was ₹ 817.07 crore while loans from Megacity Fund, stood at ₹ 130.33 crore as at the end of March 2016. In view of the huge finances involved, it is felt necessary that the Annual accounts along with the Separate Audit Report of the Comptroller and Auditor General of India are placed before the State Legislature, to ensure Legislative control over the finances of the Board.

3. The audit of MMRDA is entrusted under Section 20(1) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 under which the C&AG of India has the right to report to State Legislature the results of the audit. In addition, as per the terms and conditions of entrustment of the MMRDA audit to the C&AG vide Notification of Government of Maharashtra dated 9th August 1985, the C&AG has a right

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to report the results of audit before the State Legislature.

Keeping in view the above legal position and importance of the Stake holders control over the financial affairs of the Authority, it is requested that suitable action be taken for placing the Annual Accounts along with the Separate Audit Report before the State Legislature.

Action taken in this regard may please be intimated within 15 days of receipt of this communication.

भवदीया,

हस्ता/-

प्रधान महालेखाकार

अनुलग्नक: यथोपरि।

गोपनीय/SPEED POST/

एस.ए.आर./एम.एम.आर.डि.ए/ 2015-16/108 95/CS

DT: 16/2/2017

लेखापरीक्षा रिपोर्ट की प्रति सूचनार्थ अग्रेषित :

मेट्रोपोलिटन कमिशनर, महानगर प्रदेश विकास प्राधिकरण, बांद्रा-कुर्ला कोम्प्लेक्स,

बांद्रा (पुर्व), मुंबई 400 051 ।

15/2/17

वरिष्ठ लेखापरीक्षा अधिकारी/पृ. ले. प्र.

Separate Audit Report of the Comptroller & Auditor General of India on the accounts of Mumbai Metropolitan Region Development Authority, Mumbai for the year ended 31 March 2016.

We have audited the attached Balance Sheet of Mumbai Metropolitan Region Development Authority, Mumbai as at 31 March 2016 and the Income & Expenditure Account for the year ended on that date under Section 20(1) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971. The audit has been entrusted up to 31 March 2019. These Financial Statements include the accounts of the Authority (single unit). These Financial Statements are the responsibility of the Authority's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

2. This Separate Audit Report contains the comments of the Comptroller & 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 & Regulations (Propriety and Regularity) and efficiency-cum-performance aspects, etc. if any, are reported through Inspection Reports/CAG's Audit Reports separately.

3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatements. Audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the Financial Statements. 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 reasonable basis for our opinion.

4. Based on our audit, we report that

4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

4.2 The Balance Sheet and Income and Expenditure account dealt with by this report have been drawn up in such form as it may be by regulations made in this behalf under Section 22(1) of the Mumbai Metropolitan Region Development Authority Act, 1974. The Annual Accounts for the year 2015-16 were approved by the Authority in its 141st meeting held on 19 October 2016.

4.3 In our opinion, proper books of accounts and other relevant records have been maintained by the Mumbai Metropolitan Region Development Authority (MMRDA) under Section 22(1) of the MMRDA Act, 1974 in so far as it appears from our examination of such books.

We further report that:

5. Balance Sheet

5.1. Assets

5.1.1 Work and Studies in Progress

(i) The above account head included expenditure of ₹ 51.68 lakh on Monorail in BKC though MMRDA has decided in June 2016 not to pursue the project i.e. before the approval of accounts in 19 October 2016, the expenditure shown under Work and Studies in progress was not charged to expenditure resulting in overstatement of Asset and overstatement of Surplus by ₹51.68 lakh.

(ii) The Authority had incurred an expenditure of ₹ 6.76 crore under the project INS Vikrant which was shown under Work and Studies in progress. Though, INS Vikrant was sold in December 2014 as scrap, the expenditure of ₹6.76 crore continued to be shown under the above head resulting in overstatement of Assets and understatement of prior period Expenditure with consequent overstatement of Surplus by the same amount.

5.1.2 Fixed Asset

Office Assets

(i) The above account head included an expenditure of ₹ 103.02 crore on MMRDA's new office building for which occupancy certificate was received in January 2016 and the premises occupied from January 2016. However, the same was incorrectly shown as Work in progress under instead of "Office Building".

5.1.3 Other Receivables

Rent for Temporary use of MMRDA land (M/s Simplex Engg& others)

The above account head included ₹ 395.79 lakh recoverable from M/s Simplex Infrastructure Limited towards Rent for temporary use of MMRDA land. Out of the amount receivable, ₹ 348.17 lakh was recovered during 2013-15 and credited to 'withheld account' (Liability) while ₹ 47.62 lakh recovered during 2014-15 was credited to revenue account instead of Receivable account. This has resulted in Overstatement of Asset (Receivables) by ₹ 395.79

lakh, Overstatement of Liability (Deposits) by ₹ 348.17 lakh and Overstatement of Surplus by ₹ 47.62 lakh

6. General

6.1 Deposits: Earnest Money and Security Deposit

Rule 506 of Maharashtra Treasury Rules specifies, that all balances unclaimed for more than three complete account years shall, at the close of March in each year be credited to the Government. As against the total Earnest Money and Security Deposit of ₹855.62 crore as on March 2016, the age- wise abstract of unclaimed deposit due for payment is not maintained in the absence of which whether all lapsed deposits were taken to revenue could not be verified in audit.

6.2 Deposits with Banks

This included deposit of ₹ 419.64 crore held with Dena Bank for which MMRDA did not possess the original Fixed Deposit Receipts. The FDRs which were due for maturity in March 2016 were renewed by Dena bank unilaterally despite MMRDA's request to credit the deposit to the Account, on the ground that the issue of unauthorized overdraft of ₹ 45 crore availed against the said FDRs was under investigation by Central Bureau of Investigation/ Economic Offence Wing/ Police as well as subjudice. The above facts that there is a restriction on MMRDA in realization of the Fixed Deposit held with Dena Bank and has not been disclosed suitably in the Notes to Accounts.

6.3 Notes on Accounts

(i) Transfer of Development Rights (TDR) is a tangible asset held by MMRDA in the form of certificates issued by Municipal Corporation of Greater Mumbai in lieu of tenements constructed for resettlement of Project Affected Persons. MMRDA had in its possession TDR certificates for 86,823.05 sq. meter as of 31 March 2016. However, the TDR certificates along with its cost of acquisition were neither shown in Assets nor disclosed in the Notes to Accounts.

(ii) The Notes on Accounts did not disclose the significant terms of the concession arrangement such as the period of concession period, equity contribution, other rights and obligations governing the contract between MMRDA and Metro One Private Limited (MMOPL) to whom the Versova-Andheri-Ghatkopar (VAG) Metro 1 project was awarded on Build, Own, Operate and Transfer basis.

7 Placement of Audit Report and audited annual accounts in the State Legislature

Action for amendment of the Act for incorporating a clause for placement of the Separate Audit Report and the audited Annual Accounts, before the State Legislature is pending with the Government. The Authority needs to pursue the matter with the State Government.

8. Effects of Audit Comments on Accounts.

The net impact of the audit comments of the preceding paragraphs is that Liabilities were overstated by ₹3.48 crore, Assets were overstated by ₹ 11.24 crore and Surplus was overstated by ₹ 7.76 crore.

9 Grants:

The total grants received amounting to ₹ 258.71 crore was fully utilized leaving nil balance as on 31st March 2016.

10 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.

11 In our opinion and to the best of our information and according to the explanations given to us, the said Financial Statements read together with the Accounting Policies and Notes on Accounts and subject to the significant matters stated above give a true and fair view in conformity with accounting principles generally accepted in India.

In so far as it relates to the Balance Sheet, of the State of Affairs of the Mumbai Metropolitan Region Development Authority as at 31 March 2016.

In so far as it relates to Income and Expenditure Account of the surplus for the year ended on that date.

Place : Mumbai

Dated : 16/2/2017

Sangita Choure

For and on behalf of C&AG of India
Principal Accountant General (Audit I)

Annexure I

1 Internal audit and Internal Control Mechanism

Physical inspection of the Authority was conducted by the Dy. Chief Accounts Officer (Inspection) under the Internal Audit Wing. The internal audit is carried out as per rules and regulations prescribed by the Acts/Manuals and instructions issued by the functioning authority. Periodical verification of assets/inventories was carried out and all the financial records such as Cash Book, Asset Register and Investment Register *etc* .were maintained.

2 Physical verification of Assets and Inventories

The physical verification of the assets and Inventories were carried out and certified by the Authority at the end of every year.

3 Regularity in payment of statutory dues

All Statutory dues for the year 2015-16 have been made regularly.


Sr. Audit Officer/SAR

107/05

Effects of Audit Comments on Accounts

(I) Balance Sheet

Liability

Overstatement

Para	(₹ in crore)
5.1.3	3.48
Total	3.48

Liabilities are overstated by ₹3.48 crore

Assets:

Overstatement

Para	(₹ in crore)
5.1.1(i)	0.52
5.1.1(iii)	6.76
5.1.3	3.96
Total	11.24

Assets are overstated by ₹ 11.24 crore

(II) Income and Expenditure Account

Overstatement of Surplus

Para	(₹ in crore)
5.1.1(i)	0.52
5.1.1(iii)	6.76
5.1.3	0.48
Total	7.76

Surplus overstated by ₹ 7.76 crore


Sr. Audit Officer/SAR