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संख्या/No. एस.ए.आर.//एम.एम.आर.डि.ए/2016-17/



भारतीय लेखापरीक्षा और लेखा विभाग
प्रधान महालेखाकार (लेखापरीक्षा)-I का कार्यालय, 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 मे,

प्रधान सचिव

नगर विकास विभाग,

महाराष्ट्र सासन,

मंत्रालय, मुंबई 400 032.

विषय : महाराष्ट्र नगर प्रदेश विकास प्राधिकरण के वर्ष 2016-17
के लेखाओं की पृथक लेखापरीक्षा प्रतिवेदन

महोदय,

महाराष्ट्र नगर प्रदेश विकास प्राधिकरण के वर्ष 2016-17 के लेखाओं की सत्यापित प्रति के
साथ पृथक लेखापरीक्षा प्रतिवेदन इस पत्र के साथ प्रेषित है ।

भारत के नियंत्रक महालेखापरीक्षक के (कर्तव्य, शक्तिया और सेवा की शर्तें) अधिनियम,
1971 के धारा 20 (1) के अंतर्गत महाराष्ट्र नगर प्रदेश विकास प्राधिकरण की लेखापरीक्षा
का सौपने के नियमों एवं शर्तों के अनुसार वार्षिक लेखा के साथ पृथक लेखापरीक्षा प्रतिवेदन
विधानसभा के पटल पर रखना आवश्यक है। कृपया, इस कार्यालय को, विधान सभा में
लेखाओं और पृथक लेखापरीक्षा प्रतिवेदन के प्रस्तुत करने की तिथि सूचित करते हुए, विधान
सभा में प्रस्तुत किए गए दस्तावेजों की पांच प्रतियां प्रेषित करने की व्यवस्था की जाए।

कृपया उपरोक्त दस्तावेजों की प्राप्ति की पावती भेजी जाए ।

भवदीया,

हस्ता/-

प्रधान महालेखाकार

द्रुतगामी डाक

एस.ए.आर.//एम.एम.आर.डि.ए/2016-17/ 145

पृथक लेखापरीक्षा रिपोर्ट की प्रति सूचनार्थ अग्रेषित :

मेट्रोपोलिटन कमिशनर, महानगर प्रदेश विकास प्राधिकरण, बांद्रा-कुर्ला कोम्प्लेक्स, बांद्रा (पुर्व), मुंबई 400 051

वरिष्ठ लेखापरीक्षा अधिकारी/एस.ए.आर.

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 2017.

We have audited the attached consolidated Balance Sheet of Mumbai Metropolitan Region Development Authority, Mumbai as at 31 March 2017 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 mis-statements. 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 2016-17 were approved by the Authority in its 143rd meeting held on 13 July 2017.

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. Fixed Assets

5.1.1 Work and Studies in Progress : ₹6,517.53 crore

(i) Monorail in Thane Bhiwandi Kalyan: ₹1.08 crore

The above account head included expenditure of ₹ 1.08 crore on Monorail in Thane-Bhiwandi, Kalyan which the MMRDA abandoned in October 2016. The expenditure needs to be removed from Work and Studies in Progress and charged to Income and Expenditure Account. Omission to do so has resulted in overstatement of "Work and Studies in Progress" which is an Asset Account and overstatement of Surplus by ₹1.08 crore.

(ii) Bandra Kurla Complex : ₹85.33 crore

This includes expenditure of ₹ 2.33 crore incurred during the period 2012-17 on a consultant hired for preparation of Detailed Project Report and bid process management for "Kalanagar interchange by tunnelling". The MMRDA abandoned the tunnelling work in November 2014 for construction of flyovers etc. The expenditure needs to be removed from Work and Studies in Progress and charged to Income and Expenditure Account. Omission to do so has resulted in overstatement of "Work and Studies in Progress" which is an Asset Account and overstatement of Surplus by ₹2.33 crore.

5.2 Liabilities

5.2.1 Current Liabilities and Provisions:

Other Liabilities: ₹294.00 crore

MMRDA did not make provision for expenditure in respect of contracts for hiring security guards at various sites of MMRDA during the months of February to March 2017 for ₹0.92 crore, providing security for mono-rail project during the months of January to March 2017 for ₹1.65 crore and contracts for annual maintenance work in Bandra Kurla Complex during 2016-17 for ₹1.90 crore. The non-provision of liabilities resulted in understatement of Liabilities by ₹4.47 crore and overstatement of Surplus by ₹4.47 crore.

6. General

(i) MMRDA has taken-up various area development projects in Bandra Kurla Complex, Wadala Truck Terminus etc. and expenditure both of capital and revenue nature incurred under these projects are shown under Work and Studies in progress. Construction of a Sewerage Treatment Plant at Wadala Truck Terminal was completed in February 2016 at a cost of ₹ 26.43 crore and was in operation since March 2016. However, the Sewerage Treatment Plant was shown under Work and Studies in Progress instead of capitalising the same. Similarly, expenditures of revenue nature like repairs to roads, annual maintenance work, sweeping and cleaning of road in Bandra Kurla Complex were also included under work in progress instead of treating the same as revenue expenditure. The status of works in these projects i.e. whether the work in these projects were substantially completed or not was also not been disclosed in the Notes to Accounts. Failure to clear up the "Works and Studies in Progress" Account has resulted in understatement of expenditure/overstatement of Surplus and the Asset Account (Work in Progress) which cannot be quantified in audit.

(ii) MMRDA did not account for additional lease premium due from lessees on account of delays in construction on the plots allotted and lease premium recoverable on allotment of additional built-up-area as per terms and conditions of the allotment nor did it disclose the same by way of Notes to Accounts. The MMRDA did not have a system of accounting and depicting the Receivables towards lease premium, additional lease premium which are major source of revenue of the Authority. In absence of the same the accrual system of accounting followed is incomplete and does not give a true and fair view of the Receivables of MMRDA.

7. Effects of Audit Comments on Accounts

The net impact of the audit comments of the preceding paragraphs is that Assets were overstated by ₹3.41 crore, Liabilities were understated by ₹4.47 crore and Surplus was overstated by ₹7.88 crore.

8. Grants

The Authority did not receive any Grant-in-aid during the year.

9. Management Letter

Deficiencies which have not been included in the Audit Report have been brought to the notice of MMRDA through a management letter issued separately for remedial/corrective action.

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.

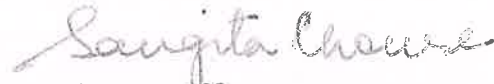
11. In our opinion and to the best of our information and according to the explanations given to us, the said Financial Statements read together with the Accounting Policies and Notes to Accounts and subject to the significant matters stated above give a true and fair view in conformity with accounting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

In so far as it relates to the consolidated Balance Sheet, of the State of Affairs of the Mumbai Metropolitan Region Development Authority as at 31 March 2017.

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

Place : Mumbai

Dated : 24.11.2017



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

Annexure I

1 Internal audit and Internal Control Mechanism

The Internal Audit Wing of MMRDA is headed by the Chief Audit Officer who reports to the Financial Advisor. 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. The Finance Department, Government of Maharashtra issued revised guidelines/directives for investment of surplus funds of State Public Enterprises vide Government Resolution (GR) dated 27 October 2015. As per the GR, verification of the original certificate for the funds invested in the bank or in other financial institutions should be done by comparing the same with the bank's/ financial institutions office copy by visiting the bank or financial institution in person from time to time and this should be done by the Chief Accounting Officer and Finance Officer themselves or by an officer one grade lower. This task should not be carried out by any other officer lower than this in rank. Further, as per the GR the concerned officers should carry out the required verification of the invested funds, every two to three months by personally visiting the bank or the financial institution in person and the required process of balance confirmation should be carried out every three months.

Audit observed that timely verification of FDRs was not done by MMRDA, since test check in audit revealed that verification of five FDRs amounting to ₹ 2,535 crore invested during 2016-17 had been carried out by the MMRDA since six to nine months of its deposit. Further, balance confirmation was not obtained by MMRDA by personal visits and instead obtained by post/mail in violation of the GR.

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 2016-17 have been made regularly.


Sr. Audit Officer/SAR.

Effects of Audit Comments on Accounts**Balance Sheet****Assets:****Overstatement**

Para	(₹ in crore)
5.1.1(i)	1.08
5.1.1(ii)	2.33
Total	3.41

Assets are overstated by ₹3.41crore

Liability :**Understatement**

Para	(₹ in crore)
5.2.1	4.47
Total	4.47

Liabilities are understated by ₹4.47 crore

Income & Expenditure**Overstatement of Surplus**

Para	(₹ in crore)
5.1.1(i)	1.08
5.1.1(ii)	2.33
5.2.1	4.47
Total	7.88

Surplus overstated by ₹7.88crore


Sr. Audit Officer/SAR.