

राजकीय

संख्या/2015-14/एम.एम.आर.डि.ए/32

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संख्या/No.



सत्यमेव जयते

एम.एम.आर./2015-14/एम.एम.आर.डि.ए/32

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: 20/5/2015

सेवा में,

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

विषय- 2013-14 के मुंबई महानगर प्रदेश विकास प्राधिकरण
की पृथक लेखापरीक्षा प्रतिवेदन।

महोदय,

इस पत्र के साथ 2013-14 के मुंबई महानगर प्रदेश विकास प्राधिकरण के लेखाओं की
सत्यापित प्रति के साथ पृथक लेखापरीक्षा प्रतिवेदन प्रेषित की जा रही है।

कृपया उपरोक्त दस्तावेजों की पावती भेजी जाए।

भवदीया,

म. शिंदे

प्रधान महालेखाकार

OS(s)

vs. 407
At discards
Gay
26/5
24/5/15
Social
Secretary

15/5/15
24/5/15

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 2014.

We have audited the attached Balance Sheet of Mumbai Metropolitan Region Development Authority, Mumbai as at 31 March 2014 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 2014. 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 2013-14 were adopted by the Authority in its 134th meeting held on 27 June 2014.

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 Liabilities

Other Liabilities- - ₹ 192.33 crore

**Payable to Govt. of Maharashtra towards occupancy charge/lease rent'.
- ₹16.22 crore.**

Annual accounts depicted an amount of ₹16.22 crore under the head 'Payable to Govt. of Maharashtra towards occupancy charge/lease rent' since 2010-11. Scrutiny, however revealed that as per records of the land cell, no amount was payable to the Government on occupancy charges/lease rent. This has resulted in overstatement of Liabilities and understatement of Surplus to the extent of ₹16.22 crore.

5.2 Assets

(i) **TDS on Interest, Rent & Others, Int on Loan, delayed interest
and receivable TDS : ₹ 351.21 crore**

As the issue of income of Authority being exempted from the Income Tax is disputed and under litigation, the refund of TDS on the income of Authority is doubtful and hence the inclusion of the TDS pertaining to 2013-14 amounting to ₹ 104.32 crore in the Accounts amount to depiction of contingent gain/ income, which is contrary to the generally accepted accounting principles. This has resulted in over statement of Assets and Income to that extent.

(ii) Works and Studies in Progress -- ₹ 3862.96 crore.

Accounting of revenue of ₹ 0.67 crore on account of sale of tickets of Monorail which was commissioned in February 2014 as a deduction from Work in progress resulted in understatement of Income and Asset to that extent.

6. General

6.1. Assets.

6.1.1 Fixed Asset-Office Assets ₹117.03 crore

Cost of MMRDA's new office building and Food court building amounting to ₹ 71.81 crore which were under construction were shown under Fixed assets, instead of Works in Progress.

6.1.2 Works and Studies in Progress -- ₹3862.96 crore.

(i) The Authority had spent ₹ 69.94 crore during 2013-14 towards establishment expenses. Though the Authority has been executing various projects shown under 'Works-in-progress' the proportionate expenditure incurred towards supervision and administration of the projects had not been capitalized, resulting in understatement of 'Work in progress' and overstatement of 'Expenditure' to the extent which is not quantifiable.

(ii) The first phase of the monorail project had been completed and became operational from February 2014 onwards and thus the cost of the same should have been included in the fixed assets. This had resulted in under statement of Fixed Assets and overstatement of Work-in-progress. Further depreciation was also leviable on the above. This has resulted in understatement of expenditure to that extent. In absence of details of total expenditure on first phase of the project, the impact could not be quantified.

6.1.3 Outstanding Ground Lease Rent.

Ground Lease Rent at Wadala Truck Terminal (WTT) receivable from Bombay Goods Transport Association (BGTA), Maharashtra Rajya Truck Tempo Tanker Bus Vahatuk Mahasangh (Mahasangh) and other lessees was not accounted for and no mention regarding this was made in the notes on accounts.

6.2 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 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.

6.3 Maintenance of Assets Register

The following omissions were noticed in respect of maintenance of Assets Register.

1. The entries recorded in the register were not attested by any responsible authority of MMRDA in token of its correctness.
2. Various instances were noticed in which the entries related to yearly depreciation and closing balances were recorded in pencil.
3. Many instances of correction, overwriting and use of white fluid were noticed in the register and the same were not attested.

7. Effects of Audit Comments on Accounts.

The net impact of the audit comments of the preceding paragraphs is that Liabilities were overstated by ₹ 16.22 crore, Assets were overstated by ₹ 103.65 crore, Surplus was understated by ₹ 16.22 crore and Income was overstated by ₹ 103.65 crore.

8 Grants:

The total grants received amounting to ₹ 356.50¹ crore (opening balance NIL) was fully utilized leaving nil balance as on 31st March 2014 (₹ 356.50 crore was received in March 2014).

9 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.

10 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

¹ JNNURM ₹ 8.69 crore, MUTP-I ₹ 187.31 crore and Metro rail ₹ 160.50 crore

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 2014.

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

Place : Mumbai
Dated : 19/05/2015

M. Sinha
For and on behalf of C&AG of India
Principal Accountant General

Annexure.

1. **Physical verification of assets and inventories.**

In the absence of information it could not be ascertained whether the physical verification of assets and inventories has been carried out.

2. **Internal audit and Internal Control Mechanism.**

Physical inspection of the authority was conducted by the Dy. CAO (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. Records such as Cash Book and Investment Register were maintained. The Internal Inspection/Report was called for in audit however the same was not made available.

3. **Regularity in payment of statutory dues.**

The details regarding payment of Statutory dues viz. Income Tax and Property Tax was not furnished to audit.

Effects of Audit Comments on Accounts

Liabilities

Overstatement

Para	Subject	Amount (₹ in Crore)
5.1	Occupancy/Lease rent charges	16.22
TOTAL		16.22

Liabilities Overstated by ₹ 16.22 crore.

Assets

Overstatement

Para	Subject	Amount (₹ in Crore)
5.2(i)	TDS receivable	104.32
TOTAL		104.32

Understated

Para	Subject	Amount (₹ in Crore)
5.2(ii)	Sale of tickets of Monorail	0.67
TOTAL		0.67

Assets Overstated by ₹ 103.65 crore.

Surplus

Understatement

Para	Subject	Amount (₹ in Crore)
5.1	Occupancy/Lease rent charges	16.22
Total		16.22

Surplus understated by ₹ 16.22 crore

Income

Overstatement

Para	Subject	Amount (₹ in Crore)
5.2(i)	TDS receivable	104.32
Total		104.32

Understatement

Para	Subject	Amount (₹ in Crore)
5.2(ii)	Sale of tickets of Monorail	0.67
TOTAL		0.67

Income overstated by ₹ 103.65 Crore

Pradyumn
Sr. Audit Officer/SAR