

फैक्स : 022-2203 3018  
Fax

दूरभाष : 2219 0500 }  
Telephone } 2219 0549

ई-मेल } agauMaharashtra1@cag.gov.in  
E-mail }

संख्या/No.



सत्यमेव जयते

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.

एस.ए.आर./2014-15/एम.एम.आर.डि.ए/

दिनांक/Date :

मुंबई महानगर प्रदेश विकास प्राधिकरण
मुंबई
आवक क्र 4354
दिनांक 31/6/16

FRA No.

सेवा में,

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

विषय- 2014-15 के मुंबई महानगर प्रदेश विकास प्राधिकरण  
की पृथक लेखापरीक्षा प्रतिवेदन।

महोदय,

इस पत्र के साथ 2014-15 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,

Sd/-

प्रधान महालेखाकार

अनुलग्नक: यथोपरि।

F. A. DIVISION  
INW. No. 1174  
Dt. 07/6/16

CAO/A/T  
M  
8/6

for n/a  
me  
3/6

(PTO)

सं. एस.ए.आर./2014-15/एम.एम.आर.डि.ए/ २१ dt. 30/05/2016.

लेखापरीक्षा रिपोर्ट की प्रति सूचनार्थ अग्रेषित :

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

  
प्रधान महलेखाकार

**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 2015.**

We have audited the attached Balance Sheet of Mumbai Metropolitan Region Development Authority, Mumbai as at 31 March 2015 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 2014-15 were approved by the Authority in its 138<sup>th</sup> meeting held on 26 August 2015.

**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**

**5.1.1 Deposits: Earnest Money and Security Deposit ₹ 972.29 crore**

**(A/cs Pg.1)**

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.

Scrutiny of annual accounts revealed that Deposits amounting to ₹ 972.29 crore includes an amount of ₹ 809.76 crore in respect of Security and Earnest Money Deposits.

Further, it was observed that an amount of ₹ 512.72 crore (upto 2011-12) remained unclaimed for more than three complete accounting years in respect of Security and Earnest Money Deposits. The age-wise break up of Deposits furnished by the Authority is shown in Annexure II. Thus, the deposits of ₹ 512.72 crore was required to be lapsed. Non consideration of the aforementioned outstanding/unclaimed deposits as lapsed resulted in overstatement of 'Deposits' and understatement of surplus to that extent.

## 5.2 Assets

### 5.2.1 Fixed Asset-Office Assets ₹ 142.60 crore (A/cs Pg.1)

The above includes an expenditure of ₹ 87.64 crore on an under construction office building of MMRDA which has resulted in overstatement of Fixed assets and understatement of Works in Progress to that extent.

### 5.2.2 Other Receivables

#### (i) 'Receivable from MMOPL'(Reimbursement of Independent Engineer payment) (A/cs Pg.3)

The contract for the Versova-Andheri-Ghatkopar corridor was awarded to Mumbai Metro One Pvt. Ltd (MMOPL). The concession agreement for 35 years was made between MMRDA and MMOPL for execution of the metro rail work. As per Article 20 of the agreement, MMRDA should appoint a firm to act as Independent Engineer (IE). The IE should discharge its duties and functions in accordance with the terms of reference set forth in Schedule S-2. The remuneration, cost and expenses of the IE should be paid by MMRDA. One half of such remuneration, cost and expenses should be reimbursed by the Concessionaire to MMRDA within 15 days of receiving a statement of expenditure from MMRDA.

Scrutiny of annual accounts for the year 2014-15 revealed that an amount of ₹ 2.78 crore was depicted as receivable from MMOPL. In this connection, it was further observed that the said amount was accounted for on 31.03.2013 through the Journal Voucher (JV) in respect of IE payments made during the year 2012-13. However, as per information furnished to audit, the payment of ₹ 7.53 crore was also made to IEs during the period August 2013 to December 2014 as detailed in Annexure-III.

Thus, the amount of ₹ 3.76 crore (50 per cent of ₹ 7.53 crore) was not shown as receivable in the annual accounts which had resulted in understatement of assets and surplus to that extent.

## **6. General**

### **6.1. Assets.**

#### **6.1.1 Work and Studies in progress – ₹ 4409.28 crore (A/cs Pg.1)**

(i) The first phase of the monorail project had been completed and became operational from February 2014 and thus the cost on the same should have been included in fixed assets. This had resulted in understatement of Fixed Assets and overstatement of Work-in-progress. Besides, no depreciation was charged on the above. The details of total expenditure on first phase of the project and depreciation chargeable on it during 2014-15 was called for in audit and as the same was not provided, the impact could not be quantified.

(ii) The Authority had spent ₹ 79.69 crore during 2014-15 towards establishment expenses. Though the Authority has been executing various projects as 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.

## **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 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 ₹ 512.72 crore, Assets were understated by ₹ 3.76 crore and Surplus was understated by ₹ 516.48 crore.

## **9 Grants:**

The total grants received amounting to ₹ 292.09 crore (opening balance NIL) was fully utilized leaving nil balance as on 31<sup>st</sup> March 2015.


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 2015.

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

**Place : Mumbai**  
**Dated : 25/05/2016**

  
**For and on behalf of C&AG of India**  
**Principal Accountant General**

## Annexure I

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

Physical verification of assets and inventories were carried out and certified by the Authority upto 2014-15.

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

Internal audit was conducted by a separate Internal Audit Cell established under the control of Dy. C.A.O. (Audit) and has been carried out upto 2014-15.

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

All statutory dues for the year 2014-15 have been made regularly.



## Effects of Audit Comments on Accounts

### Liabilities

#### Overstatement

Para	Subject	Amount (₹ in Crore)
5.1.1	Earnest Money and Security Deposit	512.72
TOTAL		512.72

Liabilities Overstated by ₹ 512.72 crore.

### Assets

#### Overstatement

Para	Subject	Amount (₹ in Crore)
5.2.1	Fixed Assets	87.64
TOTAL		87.64

#### Understatement

Para	Subject	Amount (₹ in Crore)
5.2.1	Work in Progress	87.64
5.2.2	Receivable from MMOPL	3.76
TOTAL		91.40

Assets understated by ₹ 3.76 crore.

### Surplus

#### Understatement

Para	Subject	Amount (₹ in Crore)
5.1.1	Earnest Money and Security Deposit	512.72
5.2.2	Receivable from MMOPL	3.76
TOTAL		516.48

Surplus understated by ₹ 516.48 crore

  
Sr. Audit Officer/SAR

**Annexure II (Para 5.1.1)**

**Summary of outstanding balances of Security Deposit/Earnest Money Deposit  
remained unclaimed for more than three completed accounting years**

<b>Year</b>	<b>Opening Balance</b>	<b>Debit</b>	<b>Credit</b>	<b>Closing Balance</b>
2004-05	10,16,43,244.45	11,83,21,024.00	20,12,96,491.50	18,46,18,711.95
2005-06	18,46,18,711.95	1,30,60,58,560.00	1,52,41,30,734.00	40,26,90,885.95
2006-07	40,26,90,885.95	6,02,726.00	49,67,94,937.13	89,88,83,097.08
2007-08	89,88,83,097.08	1,42,01,64,698	2,74,38,64,700.63	2,22,25,83,099.71
2008-09	2,22,25,83,099.71	1,64,92,76,802.40	1,81,38,34,536.00	2,38,71,40,833.31
2009-10	2,38,71,40,833.31	70,92,79,346.00	1,71,04,38,818.37	3,38,83,00,305.68
2010-11	3,38,83,00,305.68	1,22,33,57,806.00	2,35,11,45,292.45	4,51,60,87,792.13
2011-12	4,51,60,87,792.13	1,87,55,65,512.00	2,48,67,03,349.00	5,12,72,25,629.13

**Annexure – III**

**Statement showing payment made to Independent Engineers Para .6.1.4 (i)**

Sr. No.	Name of the IE	Vr. No./Date	Amount	50% reimbursement amount
1	M/s Louis Berger Group INC	188/02.08.2013	61,87,290	30,93,645
2	M/s Louis Berger Group INC	336/29.10.2013	1,59,50,015	79,75,008
3	M/s Louis Berger Group INC	692/29.03.2014	1,45,37,397	72,68,398
4	M/s Louis Berger Group INC	129/20.06.2014	34,39,442	17,19,721
5	M/s Louis Berger Group INC	454/11.12.2014	2,55,43,613	1,27,71,807
6	Rites Ltd	337/29.10.2013	12,75,756	6,37,878
7	Rites Ltd	693/29.03.2014	27,09,012	13,54,506
8	Rites Ltd	130/20.06.2014	14,38,979	7,19,490
9	Rites Ltd	455/11.12.2014	41,81,801	20,90,900
		<b>Total</b>	<b>7,52,63,305</b>	<b>3,76,31,652</b>