शीघ्र डाक द्वारा

संख्या: ओएडी-4/एस-5/एस.ए.आर./GHB /2015-16/ O.W - 106

कार्यालय प्रधान महालेखाकार (सामान्य एवं सामाजिक क्षेत्र लेखा परीक्षा)

एनेक्स भवन,रेसकोर्स मार्ग,पोस्ट बैग सं. 27,राजकोट– 360001

दूरभाष: +91 - 281 – 2446836-37,फैक्स: +91 - 281- 2476921

ई-मेल: agauGujarat2@cag.gov.in

दिनांक: 05-06-2018

सेवा में,

प्रधान सचिव,गुजरात सरकार,

शहरी विकास एवं शहरी आवास विभाग,

नया सचिवालय,

गांधीनगर- 382010

विषय :- गुजरात हाउसिंग बोर्ड, अहमदाबाद के वर्ष 2015-16 के लेखों पर पृथक लेखा परीक्षा प्रतिवेदन ।

महोदय,

उपर्युक्त विषय के संदर्भ में मुझे यह कहना है कि नियंत्रक एवं महालेखापरीक्षक के (कर्तव्यों, शक्तियों एवं सेवा शर्तों) अधिनियम, 1971की धारा 19(3) के अंतर्गत गुजरात हाउसिंग बोर्ड, अहमदाबाद के वर्ष 2015-16 के लेखों की स्थानीय नमूना जाँच दिनांक 16-02-2018 से 07-03-2018 के बीच, इस कार्यालय द्वारा की गयी थी।

आपकी ओर से आवश्यक कार्यवाही हेतु निम्न कागजातों की प्रति इस पत्र के साथ संलग्न की गयी हैं।

1. वर्ष 2015-16 का पृथक लेखा परीक्षा प्रतिवेदन ।
2. वर्ष 2015-16 के प्रमाणित लेखें ।

कृपया संलग्नक के साथ इस पत्र की प्राप्ति की पावती भेजी जाए।

इस पृथक लेखा परीक्षा प्रतिवेदन को राज्य विधानसभा में प्रस्तुत करने तक, बोर्ड की बैठकों के सिवाय, गोपनीय रखा जाए तथा इस प्रतिवेदन को राज्य विधानसभा में प्रस्तुत करने की तारीख (प्रमाण सहित) इस कार्यालय को शीघ्र सूचित की जाए।

भवदीय,

---हस्ता---

उपमहालेखाकार

(सामाजिक क्षेत्र - II)

संलग्न: यथोपरि।

3
12/6

F.A.&C.A.O.
G H B Ahmedabad
In Ward No. 2957
Date 12/6/18
S.O. A.O.

प्रतिलिपि:-

सचिव, गुजरात हाउसिंग बोर्ड,

प्रगति नगर, नवरंगपुरा,

अहमदाबाद - 380013

लेखा परीक्षा अधिकारी/OAD-IV

12/6/18

12.6.18

Separate Audit Report of the Comptroller and Auditor General of India on the Accounts of the Gujarat Housing Board, Ahmedabad for the year ended on 31st March 2016.

We have audited the attached Balance Sheet of Gujarat Housing Board (GHB) as at 31st March 2016, the Capital Account and the Revenue Account for the year ended on that date under Section 19 (3) of the Comptroller and Auditor General's (Duties Powers and Conditions of Service) Act, 1971 read with Section 66 (2) of the Gujarat Housing Board Act, 1961. The audit has been entrusted for the period up to 2021-22. These financial statements are the responsibility of the GHB'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 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 Laws, Rules and 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. An audit includes examining, on a test basis, evidences 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 explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii. The Balance Sheet, Capital Account & Revenue Account dealt with by this Report have been drawn up in the format approved by the State Government under Section 66 (1) of the Gujarat Housing Board Act, 1961.

iii. In our opinion, proper books and other relevant records except Sinking Fund Ledger, EPF Trust Ledger, Loan Register, Asset Register and Subsidy Register have been maintained by the Gujarat Housing Board, Ahmedabad as required under Section 66 (1) of the Gujarat Housing Board Act, 1961, in so far as it appears from our examination of such books.

iv. We further report that:-

A. Balance Sheet

1. Assets

1.1. Sundry Debtors

Arrears of Rent/ HP Installments from the Beneficiaries as on 31.03.2016 (₹ in Cr)	
Rent	0.99
H.P. SIHS Installment	8.20
H.P. Installment Other than SIHS	214.21
Arrears of Penalty	43.30

GHB previously allotted residential houses on rental basis for which monthly rent was to be collected from the beneficiaries. It also allotted residential houses on hire purchase basis, where the cost of houses was to be recovered in installments from the beneficiaries.

Audit observed that GHB was not able to recover the rents and hire purchase installments promptly from the beneficiaries due to which the dues were piled up along with penalties to be recovered from the beneficiaries. During 2015-16 GHB could recover only ₹ 0.51 crore towards rent, ₹ 3.37 crore towards hire purchase installments (SIHS and other than SIHS) and ₹ 0.78 crore towards penalty for default in payment of rent and hire purchase installments. Since GHB did not prepare any age-wise analysis of the outstanding dues to be recovered from the beneficiaries, necessary provision should have been made in the accounts for all the outstanding amounts.

Non-Provisioning has resulted in overstatement of Current Assets by ₹ 266.70 crore (₹ 0.99 crore + ₹ 8.20 crore + ₹ 214.21 crore + ₹ 43.30 crore) and understatement of Expenditure/Current Liabilities to that extent.

1.2. Doubtful Investment (Bad Debtors) - ₹ 0.86 crore

The above represents funds kept in the Current Account (₹ 6.82 lakh), Fixed Deposit (₹ 70.00 lakh) and interest accrued on the FDR (₹ 9.40 lakh) in the Mudra Bank. Mudra Bank was closed way back in 1997. As the Bank is no longer in existence, the chances of realization of above amount is very remote. GHB should have made necessary provision in the accounts towards such doubtful investment, but the same was not done despite being pointed out in earlier audits.

Thus, non- provision for bad/doubtful debts, has resulted in overstatement of 'Investment' on the Assets side and 'Revenue Surplus' on the Liability side of the Balance Sheet by ₹ 0.86 crore.

1.3. Capital Accounts (details at Part II)
Expenditure on Capital Works ₹ 2,454.45 cr
Board's Own Assets ₹ 1.05 cr

The expenditure of ₹ 18.19 crore incurred for the construction of the new Office Building (GHB Head Office Building) till the end of 2015-16 is incorrectly included under the head 'Expenditure on Capital Works'. Consequently, the balance under 'Expenditure on Capital Works' is overstated and 'Board's Own Assets' is understated by ₹ 18.19 crore.

2. Liabilities
2.1. Capital Account
Capital Subsidy - ₹ 165.19 cr

As against the receipt capital subsidy of ₹ 193.44 crore[1] under Mukhya Mantri Gruh Yojna (MMGY) during the year 2015-16, GHB exhibited capital subsidy of ₹ 192.52 crore based on the actual receipt of cash. As GHB received the remaining amount of subsidy of ₹ 0.92 crore before 31st March 2016 in form of cheque, it should have properly exhibited the entire receipt of capital subsidy of ₹ 193.44 crore. As a result, the 'Capital account' on the Liability side and 'Cash and Bank balances' on the Assets side of the Balance Sheet are understated by ₹ 0.92 crore.

B. General

1. Accounting policies and Notes on accounts

Significant Accounting Policies and Notes on Accounts indicating maintenance of accounts on cash/accrual basis, fixed assets and inventory valuation, exhibition of contingent liabilities, etc. were not disclosed in the accounts.

Despite being pointed out during the earlier audits, GHB didn't take any action in this regard.

---

[1] ₹ 187.54 crore from Government of Gujarat and ₹ 5.90 crore Central Assistance

2. Non recording of sale of housing units

Under Affordable Housing Scheme (MMGY), GHB constructs houses for Economically Weaker Sections, Low Income Group, Middle Income Group & High Income Group and allots the houses to beneficiaries at the ceiling price fixed by Government and records the receipt of Government Subsidy and Deposits from beneficiaries against such houses on Liabilities side and Capital Expenditure incurred for the construction of the houses on Assets side of the Balance sheet.

Subsequently, at the time of execution of sale deed of the houses in favour of the beneficiaries, GHB should have set off the ceiling price received (after adjusting the advance deposits) from beneficiaries for the houses sold against the construction cost of the houses. And finally, it should have shown the difference between construction cost and sale cost (ceiling cost) as 'Subsidy Receivable from Government' on the Liability side or as 'Loss to GHB' on the Assets side of the Balance Sheet.

Though GHB had started allotting the houses constructed during three phases in 23 schemes, sale of these houses was not recorded in the Financial Statements. Consequently, the Financial Statements of GHB do not exhibit the appropriate balances either under 'Subsidy Receivable from Government' or 'Loss to GHB' on sale of the houses made under three phases of 23 schemes implemented.

3. Expenditure on Capital Works - ₹ 2,454.45 cr

The accounting policy regarding the accounting method adopted for calculation of 'Expenditure on Capital Works' and charging of interest overhead needs to be properly disclosed in the Notes to Accounts.

C. Grants in aid

The GHB received a grant of ₹ 193.44 crore from Government of Gujarat and Government of India for Affordable Houses during the year ended on 31st March 2016.

v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet, the Capital Account and the Revenue 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 statements read together with the Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure to this Audit Report give 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 **Gujarat Housing Board, Ahmedabad** as at 31st March 2016 and

b. In so far as it relates to Revenue Account of the deficit for the year ended on that date.

For and on behalf of C&AG of India,

(K. R. SRIRAM)
Principal Accountant General (G&SSA)
Gujarat, Rajkot

Place: Rajkot
Date:

ANNEXURE-A

1. **Adequacy of Internal Audit System**

   The Board had no adequate internal audit system.

2. **Adequacy of internal control system**

   The Board was not having adequate internal control system.

3. **System of Physical verification of fixed Assets**

   The Authority had no system of physical verification of assets.

4. **System of Physical verification of inventory**

   Physical verification of inventories was not applicable to Board.

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

   All the Statutory dues were being paid in time.

Deputy Accountant General/SS-II