शीघ्र डाक द्वारा

संख्या:तकनीकी सहयोग सेल/एस-5/एसएआर/GUDA/2019-20/OW-93
कार्यालय प्रधान महालेखाकार (लेखा परीक्षा-I)
एनेक्सी भवन, रेस कोर्स मार्ग, पोस्ट बैग सं. 27, राजकोट – 360001
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ई-मेल: pagau1Gujarat@cag.gov.in
दिनांक: 15.06.2021

Dedicated to Truth in Public Interest

श. वि. अने श. गृ. नि. वि.
21 JUN 2021
266306

सेवा में,
सचिव, गुजरात सरकार,
शहरी विकास एवं शहरी आवास विभाग,
नया सचिवालय,
गांधीनगर 382010

विषय – गांधीनगर शहरी विकास प्राधिकरण, गांधीनगर के वर्ष 2019-20 के लेखों पर पृथक लेखा परीक्षा प्रतिवेदन (Separate Audit Report)

महोदय,

उपर्युक्त विषय के संदर्भ में मुझे यह कहना है कि नियंत्रक एवं महालेखापरीक्षक के (कर्तव्यों, शक्तियों एवं सेवा शर्तों) अधिनियम, 1971 के खंड 20(1) के तहत गांधीनगर शहरी विकास प्राधिकरण, गांधीनगर के वर्ष **2019-20** के लेखाओं की स्थानीय नमूना जांच दिनांक **01-03-2021 से 09-03-2021** के बीच की गयी।

आपकी ओर से आवश्यक कार्यवाही हेतु निम्न कागजातों की प्रति को इस पत्र के साथ संलग्न किया गया है।

1. वर्ष 2019-20 के लेखा परीक्षा प्रतिवेदन (Audit Report)
2. वर्ष 2019-20 के प्रमाणित लेखा (Certified Accounts)

कृपया संलग्नक के साथ इस पत्र की पावती भेजी जाए।

भवदीय,

संलग्न:- यथोपरि

15/6/21

उप महालेखाकार
(लेखा परीक्षा प्रबंधन समूह -I)

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19/6/21

23/6/2021

Separate Audit Report of the Comptroller and Auditor General of India on the Accounts of Gandhinagar Urban Development Authority (GUDA), Gandhinagar for the year ended 31 March 2020

1. We have audited the attached Balance Sheet of Gandhinagar Urban Development Authority (GUDA), Gandhinagar as on 31 March 2020 and the Income & Expenditure Account for the year ended on that date. The audit has been entrusted under Section 20(1) of the Comptroller and Auditor General's (Duties Powers and Conditions of Service) Act, 1971 read with Section 22(1) of the Gujarat Town Planning and Urban Development Act 1976. These financial statements are the responsibility of the GUDA'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, in 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 and Income & Expenditure Account dealt with by this Report have not been drawn up in the format approved by the State Government** under Section 95 of the Gujarat Town Planning and Urban Development Act 1976.

iii. In our opinion, proper books and other relevant records have been maintained by the Gandhinagar Urban Development Authority, Gandhinagar as required under Section 95 of the Gujarat Town Planning and Urban Development Act 1976 in so far as it appears from our examination of such books.

iv. We further report that:

A. Income & Expenditure Account

1 Income

1.1 Fee collected (Schedule No. 13) ₹ 771.28 lakh

GUDA has been charging 'Impact Fee' for regularization of unauthorized constructions from the developers/individuals as per Gujarat Regularization of Unauthorized Development Act, 2011 (GRUDA 2011). It should be recovered at the rates notified by the State Government under Section 7 of GRUDA, 2011 and be credited to a separate fund called 'Infrastructure Development Fund' as stipulated in Section 13 of the GRUDA, 2011.

The Authority included Impact fees as Income in current year as well as previous years. Hence, the amount of Impact fee recovered up to 2019-20 should be recognised and separately shown as 'Impact Fee' under 'Capital Receipts' till the same is approved for transfer to Infrastructure Development Fund' by GUDA.

The Impact fee amounting to ₹ 0.08 lakh recovered during the year 2019-20 was included as Income under the head 'Fee Collected'. This amount should have been separately shown as 'Impact Fee' under 'Capital Receipts' till the same is approved for transfer to Infrastructure Development Fund' by GUDA. This led to overstatement of Income in Income & Expenditure Account and understatement of Capital Receipts under Liabilities in the Balance Sheet by ₹ 0.08 lakh.

2. Expenditure

2.1 Expenditure (Schedule No. 12) ₹ 602.97 lakh

As per the prescribed format (Form Q) for preparation of Annual Accounts by the Urban Development Authorities as per Rule 48 of GTP&UD Rules, 1979, the establishment and other expenditure, including depreciation are to be transferred to the Balance Sheet as Development (Capital) Expenditure under Assets.

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GUDA incurred the following expenses during 2019-20, which were shown under the Expenditure in the Income & Expenditure Account:

Particulars	₹ in lakh
Salary and Allowances	160.46
Administrative Expenditure	108.94
Other Expenditure	295.35
Depreciation	38.22
Total	**602.97**

However, the Authority did not transfer the above expenditure to the Balance Sheet as Development (Capital) Expenditure under Assets as required. This resulted in overstatement of Expenditure in the Income & Expenditure Account, Consequential understatement of surplus being taken to the 'Reserve and Surplus' on the Liability side and also corresponding understatement of Development (Capital) Expenditure by ₹ 602.97 lakh for the year 2019-20.

C. Significant Accounting Policies & Note on Accounts

1. Significant Accounting policies (Schedule No. 15)

The Authority has disclosed Significant Accounting policies and Notes to Accounts forming part of preparation of books of accounts. It was however observed that these are not proper and self explanatory in nature. The Authority has given a reference for basis of accounting in Point A in its accounting policies (Schedule No. 15) that the Financial Statements have been prepared under historical cost convention generally adopting accrual system of accounting except Capital Expenditure and Capital Receipt, which are accounted in Cash system. However, the Authority has made a provision for capital expenditure and adopted accrual system of accounting for Capital Expenditure which is contradiction to disclosure of accounting policies. Therefore, adequate (proper and self explanatory) disclosure of Accounting policies and notes to Accounts necessary as these promote better understanding of financial statements, procedures, methods set up for accounts preparation and providing necessary disclosure wherever required.

3.2 Significant Accounting policies (Schedule No. 15)

A reference is given in Point C for Depreciation in its accounting policies (Schedule No. 15) that the authority has been providing depreciation on fixed assets since 1st April, 2008 at Written Down Value (WDV) Method.

It was observed that though the WDV method has been followed in providing the deprecation, rates used to depreciate some assets differ from the rates as mentioned in Significant Accounting Policies as per the details given below:

Asset	Depreciation as per policy	Depreciation Charged
Air Conditioners	10%	15%
Computer LCD Projector	60%	15%
Computer & Printer	60%	40%
Computer Software	60%	40%
Laptop	60%	40%
LED TV Sony	60%	40%
Pay & Use Toilet	15%	10%
Water Purifier	No Rate Specified	15%

GUDA should ensure that the rates of depreciation actually charged in the financial accounts should always match with the rates as shown in the Significant Accounting Policies.

D. General

1. Non Establishment of the Consolidated Infrastructure Fund

The Section 91 A was added in the GTP & UD Act, 1976 in July 2014 which stated that any amount received towards development charges and fees collected under Section 7(1)(vii-a), Section 12(2)(m) and Section 23(1)(vi-a), (ix-a) shall be credited to a fund called the "Consolidated Infrastructure Fund" which shall be held by the appropriate authority in the trust for the purpose of augmentation, improvement or creation of any infrastructure facility.

Based on the above amendment to the Act, Form Q should have been revised, but the same was not yet done by the State Government Consequently, development charges and other fees under the relevant sections of Act collected by GUDA during the year 2019-20 had not been shown under the head 'Consolidated Infrastructure Fund'.

2. Non-maintenance of Accounts in prescribed Proforma (Form-Q)

As per Section 95(1) of the Gujarat Town Planning & Urban Development Act, 1976, the appropriate Authority shall prepare proper books of accounts and other relevant records and prepare annual statements of accounts including Balance Sheet in such form as the State Government may prescribe. The State

Government has prescribed preparation of accounts vide Rule 48 of the Gujarat Town Planning & Urban Development Rules, 1979 in Form Q which consists of Income & Expenditure Statement, Balance Sheet accompanied with Schedules I, II, III and IV. GUDA however, has not prepared the Annual Accounts in Form-Q along with Schedules I, II, III and IV as required under the rule *ibid*.

E. Grants-in-aid

Out of the total grants of ₹ 1,942.10 lakh (including Nil interest earned) received during the year together with carryover from the previous years' grant of ₹ 11,592.97 lakh, GUDA could utilized a sum of ₹ 10,061.40 lakh, leaving a balance of ₹ 3,473.67 lakh as unutilized grant as on 31 March 2020.

v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and Income & Expenditure Accounts 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 'Accounting Policies and 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 Gandhinagar Urban Development Authority (GUDA), Gandhinagar as at 31st March 2020; and

b. In so far as it relates to Income &Expenditure accounts of the surplus for the year ended on that date.

For and on behalf of the C&AG of India,

(YASHWANT KUMAR)
Principal Accountant General (Audit-I)
Gujarat, Rajkot

Place: Rajkot
Date: 15.06.2021