



विकास आयुक्त का कार्यालय
OFFICE OF THE DEVELOPMENT COMMISSIONER
सी.एस.ई. बिल्डिंग, चेन्नई-600 018 (044-682037)

31 DEC 2019

D.No: 83

Dated: 02/01/2020

महानिदेशक लेखापरीक्षा (केंद्रीय)

चेन्नै

लेखापरीक्षा भवन

361, अण्णा सालै, तेनामपेट, चेन्नै - 600 018.

DIRECTOR GENERAL OF AUDIT (CENTRAL)

Chennai

"LEKHA PARIKSHA BHAVAN"

361, Anna Salai, Teynampet, Chennai - 600 018.

अ. स. नं. / D.O. No: CRLA/G/9-5/SAIR/2018-19/32

27 December 2019

दिनांक / Date :

एस. सुनीललता, आ.डी.ए. जी.पी. सं.डी

S. Snehalatha, I.A.D.A.S.

Dear

Shri D.V. Swarnig,

मैंने विशेष आर्थिक क्षेत्र प्राधिकरण के वर्ष 2018-19 की वार्षिक लेखाओं की लेखापरीक्षा की है तथा लेखापरीक्षा के दौरान निम्नलिखित कमियां पाई हैं, जो लेखापरीक्षा रिपोर्ट में शामिल नहीं किए गए हैं।

I have audited annual accounts of Cochin Special Economic Zone Authority for the year 2018-19 and during the course of Audit, the following deficiencies were noticed but not included in the Audit Report.

1. सामान्य / General

पावर के संबंध में स्थायी परिसंपत्तियों की अनुसूची 5 की स्थायी परिसंपत्तियों के पूंजीकरण का वर्ष दिखाते हुए उप-अनुसूची द्वारा समर्थित नहीं किया गया है। अतः अलग-अलग वर्षों के दौरान पूंजीकृत परिसंपत्तियों की शेष कालावधि, जिसके आधार पर 2018-19 के दौरान अवमूल्यन का हिसाब लगाया गया है, का सुलझा लेखाओं में नहीं किया गया है।

The Schedule 5 of Fixed Assets in respect of Power is not supported with sub-schedule giving year of capitalisation of fixed assets. Hence, the balance life of assets capitalised during different years based on which depreciation was worked out during 2018-19 is not disclosed in the Accounts.

2. लेखाओं पर टिप्पणियां / Notes on accounts

एएसआईसीई योजना के अधीन रु. 2.31 करोड़ की अत्युत्त सहायता-अनुदान की राशि, मजदी-लेवल प्रकिय के तहत 2018-19 के दौरान प्राप्त हुई थी। लेखाओं पर टिप्पणी में इस राशि को व्यक्त नहीं किया गया है। कि यह राशि सहायता-अनुदान के प्राप्ति के तब सात बरस भी उपयुक्त ही नहीं हुई है तथा इसके औपचारिक एवं वैधानिकरण के कारणों को भी व्यक्त नहीं किया गया है।

The Unutilised Grant-in-aid of Rs.2.31 crore under ASIDE scheme was received in 2011-12 for Construction of Multi-level car parking. The fact that the amount was pending utilisation for six years after receiving the Grant-in-aid and the reason for non-utilisation or non-surrender of the same has not been disclosed in the Notes on accounts.

3. **स्थायी परिसंपत्ति पंजी /Fixed Asset Register**

सामान्य वित्त नियम के नियम 192 (1) के अनुसार वर्ष में कम से कम एक बार स्थायी परिसंपत्तियों का प्रत्यक्ष सत्यापन अनिवार्य है तथा संगत पंजी में सत्यापन का परिणाम भी दर्ज किया जाना चाहिए। विसंगतियां, अगर पाई जाती हैं, तो उसकी जांच यथासमय करके उसका हिसाब किया जाना चाहिए।

As per Rule 192 (1) of General Financial Rules, physical verification of Fixed Assets should be conducted at least once in a year and the outcome of the verification recorded in the corresponding register. Discrepancies, if any, shall be promptly investigated and brought to account.

अनुरक्षित स्थायी परिसंपत्ति पंजी के सत्यापन पर यह पाया गया है कि स्थायी परिसंपत्ति पंजी में प्रत्यक्ष सत्यापन का प्रमाणपत्र दर्ज नहीं किया गया है।

On verification of the Fixed Asset Register maintained, it was observed that no certificate of physical verification was recorded in the Fixed Asset Register.

Regards

भवनिष्ठ /Yours sincerely,



सेवा में /To

श्री डी वी स्वा मी, भ प्र से

Shri. D V Swamy, IAS

अध्यक्ष/Chairperson

विशेष आर्थिक क्षेत्र कोचीन /Cochin Special Economic Zone Authority (CSEZA)

वाणिज्य एवं उद्योग मंत्रालय/Ministry of Commerce and Industry

काक्कनाड, कोच्ची /Kakkanad, Kochi 682037



महानिदेशक लेखापरीक्षा (केंद्रीय) चेन्नै का कार्यालय
लेखापरीक्षा भवन, 361, अण्णा सालै, तेनामपेट, चेन्नै - 600 018,

OFFICE OF THE DIRECTOR GENERAL OF AUDIT (CENTRAL)
Chennai

"LEKHA PARIKSHA BHAVAN", 361, Anna Salai, Teynampet, Chennai - 600 018.

No. CRA/G/9-5/CSEZA/SAR/19-20/31

Dated: December 2019

सेवा में /To

भारत सरकार के सचिव /The Secretary to Government of India,
वाणिज्य एवं उद्योग मंत्रालय/Ministry of Commerce and Industry,
वाणिज्य विभाग/Department of Commerce,
भारत सरकार/Government of India
नई दिल्ली /New Delhi - 110 001.

महोदय/Sir,

विषय : 31 मार्च 2019 को समाप्त वर्ष के लिए विशेष आर्थिक क्षेत्र प्राधिकरण कोचीन के लेखाओं की लेखापरीक्षा पर पृथक लेखापरीक्षा रिपोर्ट

Sub:- Separate Audit Report on the accounts of Cochin Special Economic Zone Authority, for the year ended 31 March 2019.

31 मार्च 2019 को समाप्त वर्ष के लिए विशेष आर्थिक क्षेत्र प्राधिकरण कोचीन के लेखाओं की लेखापरीक्षा पर पृथक लेखापरीक्षा रिपोर्ट इसके साथ अद्योषित की जाती है। पृथक लेखापरीक्षा रिपोर्ट को अंतिम रूप देते समय मसौदा एसएआर पर प्राधिकरण से प्राप्त उत्तरों को ध्यान में रखा गया था।

Separate Audit Report on the accounts of Cochin Special Economic Zone Authority, for the year ended 31 March 2019 is forwarded herewith. Replies to the Draft SAR from the Authority were taken into account while finalising the Separate Audit Report.

अनुलग्नकों सहित पत्र के प्राप्ति की पावती कृपया दी जाए।

Receipt of the letter with enclosures may please be acknowledged.

भवदीय /Yours faithfully,

महानिदेशक लेखापरीक्षा (केंद्रीय)

Director General of Audit (Central)

अनुलग्नक /Encl. Separate Audit Report and certified accounts.

दूरभाष / Phone : 044 - 2431 6400

फैक्स / Fax : 044 - 2433 8924

तार / E-mail : dgacchennai@cag.gov.in

प्रतिलिपि अग्रेषित /Copy forwarded to:

✓ The Chairperson, Cochin Special Economic Zone Authority with copy of Separate Audit Report for the year ended 31 March 2019 for necessary action.



महानिदेशक लेखापरीक्षा(केंद्रीय)
Director General of Audit (Central)

Separate Audit Report of the Comptroller & Auditor General of India on the accounts of the Cochin Special Economic Zone Authority for the year ended 31 March 2019

We have audited the attached Balance Sheet of Cochin Special Economic Zone Authority as on 31 March 2019, the Income & Expenditure Account and Receipts & Payments Account for the year ended on that date under Section 19(2) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 37(2) of the Special Economic Zones Act, 2005. The preparation of the financial statements are the responsibility of the Authority. 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. 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 authority, 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 , which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii The Balance Sheet, Income & Expenditure Account and Receipts & Payments Account dealt with by this report have been drawn up in the format of accounts prescribed by Ministry of Finance, Government of India, under section 37 (1) of the Special Economic Zone Act 2005.

iii In our opinion, proper books of accounts and other relevant records have been maintained by the Authority as required under section 37(1) of the Special Economic Zones Act, 2005 in so far as it appears from our examination of such books.

iv We further report that :

A. Balance Sheet

A.1. Assets

(a) Schedule 3 – Fixed Assets – Power – Net Block – ₹ 10.60 crore

The above is understated by ₹ 1.41 crore due to excess provision of depreciation for Sub-station.

(b) Capital work in progress -- Aside Fund -- ₹7.19 crore

(i) The above is understated by ₹ 6.50 crore due to accounting of expenditure of ₹ 6.50 crore from ASIDE Fund under "Other capital work in progress", instead of accounting under the above head.

(ii) The above is overstated by ₹ 3.77 crore due to accounting of outstanding Mobilisation advance under Capital work in progress, instead of accounting under the head - Current Assets, Loans and Advances

(c) Other Capital work in progress - Rs.18.54 crore

The above is overstated by ₹ 6.5 crore due to wrong accounting of expenditure of ₹ 6.5 crore from ASIDE Fund under "Other Capital Work in Progress".

(d) Current Assets – Loans and Advances. – Nil

The above is understated by ₹ 3.77 crore due to wrong accounting of outstanding Mobilisation Advance under capital work in progress.

B. Income and Expenditure Account

Depreciation – ₹5.12 crore

The above is overstated by ₹1.41 crore on account of 'excess provision of depreciation' towards Sub-station resulting in understatement of "Income over Expenditure" in the Income and Expenditure Account.

C. Grant-in-Aid

Unutilised Grant-in-Aid of ₹2.31 crore received during the year 2011-12 under ASIDE Scheme was carried forward from previous year. The Authority received ₹ 6.50 crore as grant-in-aid under TIES during the year and

Annexure I

1. Adequacy of Internal Audit System

Internal Audit of the Authority for the year 2014-15 to 2017-18 has been conducted.

2. Adequacy of Internal Control System

a. The Internal control of the Authority is inadequate to the extent mentioned below

No recruitment policy and Rules have been framed for recruiting necessary staff to the Authority.

b. As per Rule 11 of SEZ Authority Rules 2009, the Annual Accounts with necessary Schedules and Notes on Account and Accounting Policies as mentioned in Schedule II, is being prepared in accordance with common format of Financial Statement for Central Government Autonomous Bodies prescribed by Government of India.

3. System of Annual Physical verification of assets

Physical verification of the Fixed Assets of the Authority has not been conducted so far.

4. System of Physical verification of Inventory

Physical verification of Inventories of operative segments of power distribution and IWMS has not been conducted so far, however operations and maintenance of power distribution and IWMS has been carried out by the approved O&M agency.

5. Regularity in payment of statutory dues

The Authority is regular in payment of statutory dues.


Deputy Director (CS/GST) II

a portion of the same was utilized during the year 2018-19 leaving a balance of ₹ 2.31 crore as unutilised grant as on 31 March 2019.

D. Management Letter

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

v Subject to our observations in the preceding paragraphs, we report that the Balance Sheet, Income & Expenditure Account and Receipts & Payments 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 I 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 Cochin Special Economic Zone Authority as at 31 March 2019; and

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

For and on behalf of the C& AG of India



Director General of Audit, Central, Chennai

Place: Cochin

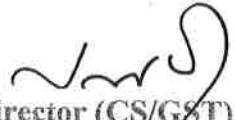
Date: 27 December 2019

Annexure II
Cochin Special Economic Zone, Kochi
Grants- in- Aid

Project wise details of Receipt and Utilisation of Grant – in- Aid during the year 2018-19 is given below.

Rs. In Crore

Sl No	Name of the Project for which Grants were received or General Grants	Amount of Grant brought forward from previous year	Amount of grant received during the year	Total Grant received	Amount utilized during the year	Amount unutilized as on 31.03.2019 carried forward to next year	Remarks. i. Target date of the project ii. Audit comment on delay etc.
1	TIES (New SDF Building)	2.31	6.5	8.81	6.5	2.31	Nil


Deputy Director (CS/GST) II