

Rapid Metro audit will take at least 6 months, CAG says

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GURUGRAM: The Comptroller and Auditor General of India (CAG) has sought a period of six months from the Punjab and Haryana high court (HC) for submitting its forensic audit of the Rapid Metro's finances, citing the extensive scope of work involved. The high court, in September, originally gave the CAG 30 days to carry out the exercise, beginning with defining the scope of the audit and appointing a team of auditors.

In an affidavit submitted to the court on November 22 (a copy of which is with HT), the CAG confirmed the undertaking would take a minimum of two months. "The primary audit, being quite large, is likely to take couple of months provided all the requisite records are made available promptly without any delay," the CAG said. The CAG requested that the court "grant an extension of at least six months to complete the audit." The CAG on Friday also floated a request for proposal (RFP) to engage an accounting firm for the project and is expected to award the work by December 2.

The firm is expected to provide an 'inception report', with an initial risk assessment and audit methodology within the first two weeks of being awarded the work, while a draft report of the audit is required to be submitted in three

months, with another two months required for its vetting and finalisation.

The HC, though, has instructed that the task be completed in three months, officials privy to the matter confirmed.

"The scope of the audit has also been decided after a meeting held with both parties on November 8," said Chetan Mittal, advocate for the Haryana Mass Rapid Transport Corporation and Haryana Shahri Vikas Pradhikaran.

"The Haryana government is satisfied with the scope determined," Mittal added.

In its scope of the audit (a copy of which is with HT), the CAG has clarified that it will only determine the amount of 'debt due' as per the original concessionaire agreement between Haryana and the Rapid Metro. According to the original contract between the two parties, the minimum amount to be paid by the Haryana government (in case of breach of contract by either party) is 80% of the total debt accrued by the project.

"The CAG will also look into the utilisation of funds by the concessionaire to examine whether they were used for the project in question, and scrutinise the annual reports to ensure that the information contained has been subject to required accounting standards," Mittal added.

An IL&FS spokesperson declined to comment. Officials of HMRTC and HSVP did not respond to requests for comment.