



**REPORT
OF THE
COMPTROLLER AND
AUDITOR GENERAL OF INDIA**

FOR THE YEAR ENDED 31 MARCH 2002

(CIVIL)

GOVERNMENT OF MAHARASHTRA

REPORT
OF THE
COMPTROLLER AND
AUDITOR GENERAL OF INDIA

FOR THE YEAR ENDING 31 MARCH 1957

(PART I)

GOVERNMENT OF INDIA

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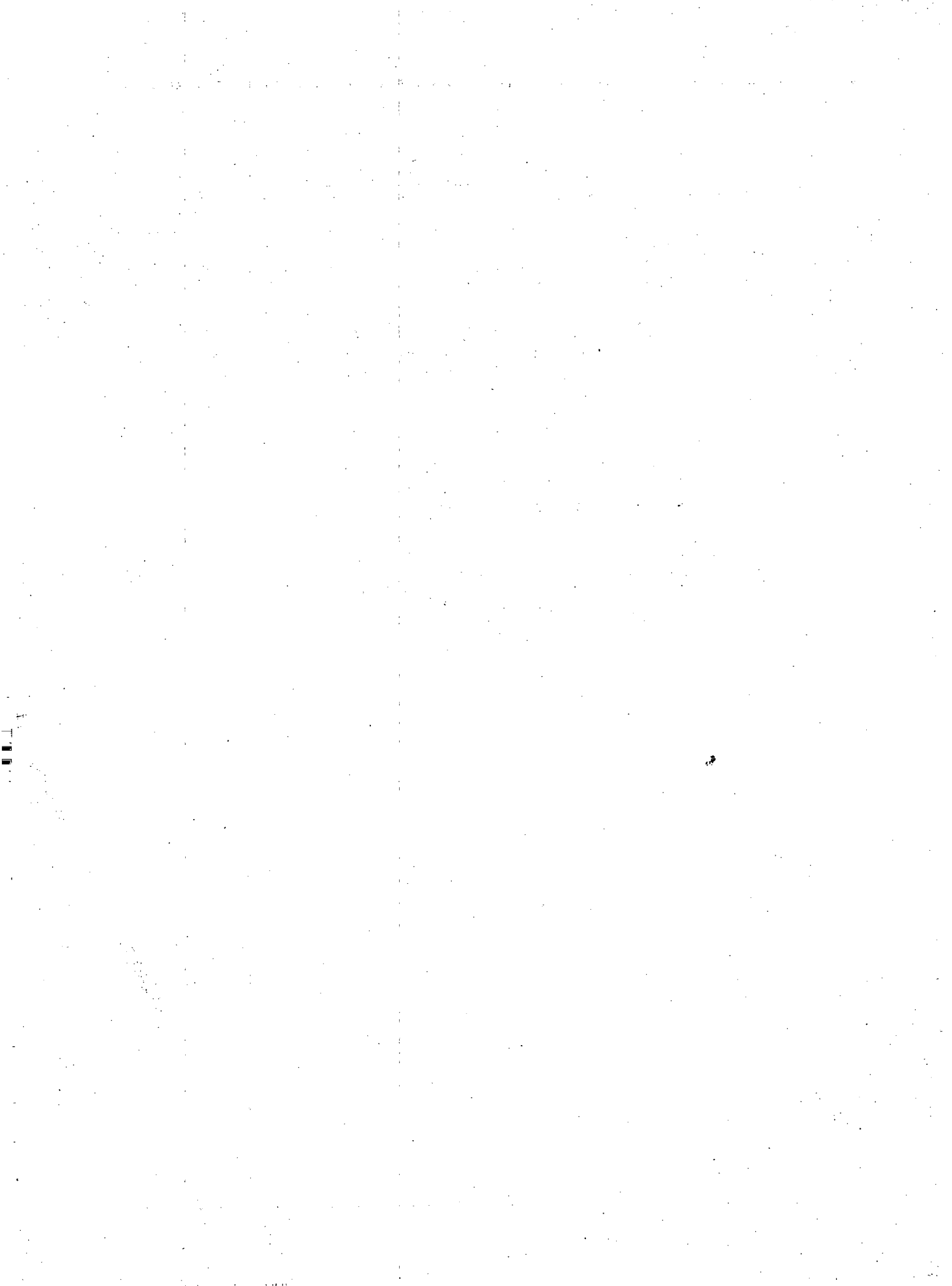
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P R E F A C E

- 1 This Report has been prepared for submission to the Governor under Article 151 of the Constitution
 - 2 Chapters I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the Year ended 31 March 2002.
 - 3 The remaining chapters deal with the findings of performance audit and audit of transactions in the various departments including the Public Works and Irrigation, audit of Autonomous Bodies and departmentally run commercial undertakings.
 - 4 The Report containing the observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing such observations on Revenue Receipts are presented separately.
 - 5 The cases mentioned in the Report are among those which came to notice in the course of test-audit of accounts during the year 2001-02 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 2001-02 have also been included wherever necessary.
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The first part of the report is devoted to a general
 description of the country and its resources. It
 is followed by a detailed account of the
 various industries and occupations of the
 population. The report then proceeds to a
 description of the climate and the
 diseases which are prevalent in the
 country. The last part of the report
 contains a list of the names of the
 various places and a description of the
 roads and other public works.

OVERVIEW

This Audit Report contains 51 Audit Paragraphs including Audit Reviews apart from comments on the Finance and Appropriation Accounts. As per existing arrangement, copies of the draft Audit Paragraphs and draft Audit Reviews are sent to the concerned Secretary to the State Government by the Principal Accountant General (Audit), demi-officially with a request to furnish replies within six weeks. Despite such efforts, for 48 out of 51 Audit Paragraphs and Reviews, no response was received from the concerned Secretary of the State Government.

I An overview of the Finances of the State Government

- The revenue receipts of the Government increased from Rs 20317 crore in 1997-98 to Rs 30093 crore in 2001-02 registering an average trend rate of 10.54 *per cent per annum*.
 - The revenue expenditure increased from Rs 22897 crore in 1997-98 to Rs 38282 crore in 2001-02, showing an average trend rate of 14.21 *per cent per annum*. The revenue expenditure (Rs 38282 crore) during the year exceeded the revenue receipts (Rs 30093 crore) resulting in a revenue deficit of Rs 8189 crore. The Revenue Deficit increased from Rs 2580 crore in 1997-98 to Rs 8189 crore in 2001-02, an increase by 217 *per cent*.
 - Fiscal Deficit increased from Rs 6443 crore in 1997-98 to Rs 10898 crore in 2001-02.
 - The revenue receipt to GSDP ratio after reaching a peak of 11.45 *per cent* in 2000-01 declined to 11.09 *per cent* in 2001-02 with a five year average ratio being 10.65 *per cent*. The revenue expenditure to GSDP ratio witnessed an increase from 12.56 *per cent* in 1997-98 to 14.48 *per cent* in 2000-01 but declined to 14.11 *per cent* in 2001-02 with a five year average ratio being 12.90 *per cent*.
 - The share of economic services in total expenditure declined sharply from 29.84 *per cent* in 1997-98 to 20.96 *per cent* in 2001-02, while the share of general services, interest payments and social services increased. Interest payments and expenditure on general services considered as non developmental, together accounted for nearly 43 *per cent* of total expenditure in 2001-02 as compared to about 34 *per cent* in 1997-98.
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- Return on capital investments in various Government Companies and Corporations was insignificant. On an investment (including loan) of Rs 11155.07 crore at the end of 2001-02, the Government received dividend/interest of Rs 4.53 crore which was less than even one *per cent*.
- The ratio of State's own tax receipts to the Gross State Domestic Product averaged 7.23 *per cent* during 1997-98 to 2001-02 suggesting that it was possible to raise more resources through better tax compliance. The State Government, however, preferred to go in for more borrowings to meet its increasing revenue deficit with adverse implications for the finances of the Government.
- State Government disbursed House Building Advance to the Government employees at an average interest rate of 8.4 *per cent per annum* by taking loan from Housing and Urban Development Corporation, at 12 *per cent per annum*, entailing an extra interest liability of Rs 126.02 crore.
- During the past five years, all the four indicators of fiscal imbalances showed continuous deterioration over time indicating increasing unsustainability and vulnerability of State finances. Increasing ratio of fiscal liabilities to GSDP and revenue receipts, together with a growing revenue deficit indicated that the State is gradually getting into a debt trap. Similarly, the higher buoyancy of the debt both with regard to its revenue receipts and own resource indicated its increasing unsustainability. There has also been a decline in net availability of funds from its borrowings due to a larger portion of these funds being used for revenue expenditure including debt servicing. The State's low return on investment indicates an implicit subsidy and use of high cost borrowing for investments, which yields very little. The ratio of State's total financial assets to liabilities has also declined indicating that increasingly a greater part of liabilities are without any asset back-up. The balance for current revenue (BCR) of the State continued to be negative.

(Paragraph 1.1 to 1.13 and 1.15)

II Management of guarantees given by the State Government

State Government gives guarantees to promote certain economic enterprises by reducing the credit risk for investors, especially in those activities where the nature of investment involves long gestation periods. While guarantees do not form part of debt as conventionally measured, however, in the eventuality of default by the loanee, this has the potential of aggravating the debt position

of the Government. The details of guarantees provided, invocation of guarantees, maintenance of records etc, reviewed in Finance department, and 7 administrative departments disclosed that:

- The guarantees outstanding have increased significantly in recent years and were Rs 52922 crore (175.86 *per cent* of the revenue receipt of the State) as on March 2002, indicating that guarantees given by the Government outstripped the ability to honour them.
- The State Government Corporations/Autonomous bodies/Boards floated Government guaranteed Bonds resulting in increase in guarantees during 1999-2002 by Rs 20109.30 crore. Out of this Rs 924 crore of guarantees were for repayment of previous debts. The Corporations could not raise the entire funds proposed due to poor response by the market on account of the defaults of the Maharashtra Krishna Valley Irrigation Development Corporation and the downgrading of the State Government's credit rating.
- Despite cumulative loss of Rs 2028.32 crore sustained by the Maharashtra State Co-operative Marketing Federation due to operation of the Cotton Monopoly Procurement Scheme, the Government guaranteed Rs 7026.86 crore raised by the Federation.
- The State Government has yet to honour guarantees worth Rs 334.47 crore invoked by three financial institutions and also negotiations were in progress with the financial institutions.
- The State Government extended further guarantees of Rs 251.66 crore to 20 sugar factories despite earlier defaults and invocation of guarantees, during the period 1996-2002.

(Paragraph 1.14)

III Appropriation Audit and Control over expenditure

- The expenditure exceeded the budget provision in 37 grants and 20 appropriations by Rs 2719.11 crore and Rs 963.34 crore respectively. The excess expenditure required regularisation by the State Legislature under Article 205 of the Constitution.
- The Supplementary provision of Rs 10938.58 crore constituted 19.31 *per cent* of the original provision of Rs 56635.40 crore. In 73 grants/appropriations, supplementary provision totalling Rs 1249.73 crore proved unnecessary. Supplementary grants and appropriations totalling Rs 3321.68 crore were obtained in 43 other

grants/appropriations when the additional requirement of the fund was Rs 1684.26 crore only. Savings in each of these cases was in excess of Rs 10 lakh.

- Supplementary grants aggregating Rs 5964.28 crore in 20 grants/appropriations proved insufficient by more than Rs 10 lakh in each grant/appropriation leaving an aggregate uncovered excess expenditure of Rs 2970.47 crore.
- Persistent savings in excess of Rs 10 lakh in each grant/appropriation and also 20 *per cent* or more of the provisions occurred in 12 grants/appropriations during 1999-2002.
- Savings of Rs 1 crore and above in each grant/appropriation aggregating Rs 1631.48 crore (16.24 *per cent* of total savings) in 58 grants and appropriations were not surrendered before the close of the financial year.
- Corpus of the Contingency Fund was temporarily increased from Rs 150 crore to Rs 400 crore with effect from 7 November 2001. Advances totalling Rs 15.80 crore made from the Fund were not recouped till the close of the year.

(Paragraph 2.1 to 2.14)

IV PERFORMANCE REVIEW OF SCHEME/PROJECT

1. *Rural Housing Scheme (Indira Awaas Yojana)*

Indira Awaas Yojana was the main Rural Housing Scheme implemented in the State. To supplement it five other housing schemes were introduced by Government of India from 1999-2000. A test check of implementation of the schemes revealed that:

- There was short release of additional State share amounting to Rs 49.67 crore under Indira Awaas Yojana resulting in less construction of 17428 houses. There were also delays ranging from two to six months in the release of State matching grants.
- District Rural Development Agencies of Beed, Raigad and Solapur lost Rs 5.04 crore Central assistance due to non-submission of Utilisation Certificates.
- The State lost Rs 4.59 crore of Central assistance due to submission of incorrect claims for houses constructed in hilly areas.

-
- District Rural Development Agencies diverted Indira Awaas Yojana funds amounting to Rs 1.58 crore.
 - Pradhan Mantri Gramodaya Yojana (Gramin Awaas) and Credit-cum-subsidy were poorly implemented in the State.

(Paragraph 3.7)

2. *Swarnajayanti Gram Swarozgar Yojana*

Government of India restructured the self-employment programmes as "Swarnajayanti Gram Swarozgar Yojana" from 1 April 1999, covering all aspects of self employment.

A test-check of the implementation of the scheme revealed that :

- Scheme funds Rs 1.92 crore were diverted for District Rural Development Agency Administration.
- An excess expenditure of Rs 1.29 crore was incurred on training by eight District Rural Development Agencies in contravention to prescribed norms.

(Paragraph 3.8)

3. *Functioning of hostels for Backward Class Students*

In pursuance of the constitutional obligation, various educational schemes were being implemented by Central and State Government for providing educational facilities to Backward Class students which included the scheme of opening and running of hostels by Government as well as providing financial assistance to Non-Government Organisations for running the hostels.

A test check of the implementation of the scheme revealed that:

- Facility of free lodging/boarding were extended to 43 inmates though they were not actually staying in the hostel.
- Overlapping benefits of supply of books and stationeries were availed of by Medical and Engineering students under three different schemes.
- Non provision of funds for balance work rendered Rs 26.55 lakh incurred on hostel buildings unfruitful.
- Recognition was accorded to 155 new aided hostels without fulfillment of prerequisite conditions.

(Paragraph 3.9)

4. *National Scheme of Liberation and Rehabilitation of Scavengers*

Government of India launched the National Scheme of Liberation and Rehabilitation of Scavengers and their dependants in 1980-81. A test-check of the implementation of the scheme revealed that:

- Ineffective implementation and lack of proper monitoring mechanism resulted in poor achievement of the objectives of the scheme.
- Beneficiaries given training in one trade were not rehabilitated in that trade. Moreover the Corporation did not have any data of total beneficiaries trained and rehabilitated, trade-wise.
- 337 beneficiaries imparted training and given subsidy in Pune and Mumbai did not feature in Survey list of Scavengers.
- In six test-checked districts Corporation extended financial assistance of Rs 31.39 lakh to 233 persons not involved in Scavenging of dry latrines. Survey of Scavengers conducted through two private agencies at a cost of Rs 10.85 lakh was not found correct.

(Paragraph 6.9)

5. *Integrated Audit of Irrigation Department*

The Irrigation Department failed to achieve any noticeable impact in the utilisation of irrigation potential. Budgetary and expenditure control in the department was grossly deficient; large number of projects were languishing for want of funds and Government was yet to evolve a clear strategy to complete the projects where heavy investments have already taken place. Some of the significant findings are given below:

- Unauthorised financial assistance of Rs 19.72 crore was paid to 6 contractors in violation of contract agreement.
- Out of 32 major and medium projects, 22 projects were still under execution, with a cost overrun of 10 times the original cost.
- Additional irrigation benefit from Wambhori and Bhagda piped canal systems of Mula project may not be possible since the project was undertaken on the basis of estimated yield of water instead of actual available yield of water. Rs 109.01 crore spent on the project would have poor rate of return.
- Contrary to its own decision taken in 1978, Government sanctioned 42 Lift Irrigation Schemes at a cost of Rs 582 crore.
- Rs 2393.19 crore are due to department on account of: i) water charges (Rs 970.93 crore), ii) cost of inter-state projects (Rs 131.98 crore), iii) proportionate capital cost of water reserved for non-irrigation use from other agencies (Rs 762.87 crore), iv) lease rent from Maharashtra State Electricity Board on account of hydroelectric projects (Rs 525.43 crore) and v) Kharland cess (Rs 1.98 crore).

- Out of 57 schemes aided by European Economic Community 21 schemes were left incomplete after incurring an expenditure of Rs 25.26 crore. In 36 schemes programme objectives were not achieved.
- Despite the disagreement of the Finance and Planning Departments, Government created five Irrigation Development Corporations but failed to provide agreed capital contribution. Additional funds raised by these Corporations from the market necessitated release of Rs 2693.79 crore by the Government to meet the interest liability.
- Store management was poor resulting in huge inventory of Rs 41.90 crore including 42550 old spare parts (Rs 27.42 crore), MS pipes (Rs 12.45 crore) and unserviceable steel (Rs 2.03 crore).

(Paragraph 4.1)

V AUDIT PARAGRAPHS

Avoidable expenditure

i) Three hospitals constructed by Employees State Insurance Corporation at a cost of Rs 25.2 crore at the instance of the State Government were not occupied anticipating huge expenditure for running these hospitals. Though unoccupied, the Corporation deducted Rs 7.68 crore on account of rent from the dues payable to the State Government.

(Paragraph 3.5)

ii) Maharashtra Housing and Area Development Authority released Rs 101 crore to Government/Government Statutory body by obtaining a short term loan from a bank which resulted in a loss of Rs 3.16 crore.

(Paragraph 6.16)

iii) Maharashtra Krishna Valley Development Corporation prepared the estimates without detailed survey and made irregular payment beyond the scope of tender resulting in avoidable additional expenditure of Rs 3.15 crore.

(Paragraph 6.18)

iv) Maharashtra Housing and Area Development Authority's failure to prepare basic documents and Property Registration Cards for plots transferred to individual allottees resulted in avoidable payment of Rs 3.15 crore towards non-agricultural assessment.

(Paragraph 6.15)

v) Despite legal advice, an Executive Engineer failed to file objection before a court within the statutory period, which resulted in avoidable expenditure of Rs 2.43 crore.

(Paragraph 4.2)

vi) The Brihanmumbai Municipal Corporation undertook the work of construction of Aerated Lagoons at Bhandup and Ghatkopar during the year 1995-96. Incorporation of a contradictory clause in the contract resulted in an avoidable extra expenditure of Rs 1.84 crore.

(Paragraph 6.12)

Excess expenditure

i) Incorrect implementation of provisions of Government order resulted in excess release of subsidy of Rs 3.44 crore to Municipal Councils.

(Paragraph 6.10)

ii) Incorrect computation of the price of 100 police Light Vans procured for modernisation of the State Police force on Director General of Supplies and Disposal rate contract resulted in excess payment of Rs 48.90 lakh to the supplier.

(Paragraph 3.4)

Loss of revenue

i) Maharashtra Housing and Area Development Authority lost Rs 7.09 crore in five cases due to unauthorised regularisation of sale of plot, extension of concessions and unintended benefits by flouting rules and regulations, exercise of powers not conferred and beyond authority etc.

(Paragraph 6.14)

ii) Maharashtra Housing and Area Development Authority irregularly allotted land to private developers without proper planning and framing guidelines resulting in loss of Rs 3.92 crore, non-recovery of Rs 5.91 crore and virtual alienation of prime land worth Rs 32 crore with the remote chances of its resumption to the Authority.

(Paragraph 6.17)

iii) Arrears accumulated to Rs 1.54 crore due to non-recovery of license fees from Government employees on overstay in staff quarters.

(Paragraph 3.1)

Unproductive expenditure/Blocking of funds

i) Improper planning/execution of schemes, non-adherence to the provisions contained in the Maharashtra Public Works Manual/Code and mismanagement of contracts by the Maharashtra Jeevan Pradhikaran resulted in excess quantities/extra items and unfruitful expenditure of Rs 17.35 crore.

(Paragraph 6.19)

ii) Abandonment of the already completed Ghatkopar tunnel system under taken by the Sewerage Project department of the Brihanmumbai Municipal Corporation, non-completion of the work of the new tunnel, the subsequent non-commissioning of the completed components of the scheme and non-provision of items in the estimates resulted in wasteful and avoidable expenditure of Rs 4.57 crore.

(Paragraph 6.11)

iii) Inability to take possession of the completed Smarak hall due to paucity of funds resulted in infructuous expenditure and blockage of funds to the tune of Rs 2.60 crore.

(Paragraph 3.10)

iv) Faulty execution of a minor irrigation tank resulted in expenditure of Rs 2.24 crore remaining largely unfruitful for over 7 years.

(Paragraph 4.3)

CHAPTER-I

AN OVERVIEW OF THE FINANCES OF THE STATE GOVERNMENT

Page

1-31

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
WASHINGTON, D. C.

CHAPTER I

I An Overview of the Finances of the State Government

This chapter discusses the financial position of the State Government, based on the information contained in the Finance accounts. The analysis is based on the trends in the receipts and expenditure, the quality of expenditure and the financial management of the State Government. In addition, the Chapter also contains a section on analysis of indicators of financial performance of the Government. Some of the terms used in this chapter are explained in Appendix-I.

1.1 Financial position of the State

The Government accounting system does not attempt a comprehensive accounting of fixed assets ie land and building etc, owned by the Government. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred by the Government. Exhibit-I presents an abstract of such liabilities and the assets as on 31 March 2002, compared with the corresponding position on 31 March 2001. While the liabilities in this statement consist mainly of moneys owned by the State Government such as internal borrowings, loan and advances from the Government of India, receipts from the Public Account and Reserve Fund, the assets comprise mainly the capital expenditure and loans and advances given by the State Government. Exhibit-I shows that while the liabilities grew by 15 per cent, the assets grew by only 4 per cent during 2001-02, mainly as a result of a very high (46 per cent) growth in the deficit on the Government account. This shows an overall deterioration in the financial condition of the Government.

Exhibit-II gives details of the receipts and disbursements by the State Government while Exhibit-IV depicts the time series data on State Government Finances for the period 1997-2002.

1.2 Sources and application of funds

Exhibit-III gives the position of sources and application of funds during the current and the preceding year. The main sources of funds include the revenue receipts of the Government, recoveries of the loan and advances, public debt and the receipts in the Public Account. These are applied mainly on revenue and capital expenditure and on lending for developmental and other purposes. Revenue receipts constituted the most significant source of fund for the State Government. Their relative share remained stagnant during 2001-02. The

share of recoveries of loans and advances decreased from 6.18 *per cent* to 0.69 *per cent*. The share of net receipts from public debt increased from 14 *per cent* in 2000-01 to 17 *per cent* in 2001-02. The share of net receipts from the Public Account declined from 9 to 6 *per cent*.

The revenue expenditure accounted for 89 *per cent* of total funds available during 2001-02. This was higher than the share of the revenue receipts (70 *per cent*) in the total receipts of the State Government. This led to a Revenue Deficit. Non-plan revenue expenditure on pay and allowances during the year was Rs 5327.15 crore (13.92 *per cent* of total revenue expenditure). The increase in the revenue expenditure was mainly due to more expenditure on interest payments by Rs 1204.54 crore, on taxes on vehicles following increase in contribution to State Road Fund and book adjustment of passengers tax by Rs 860.95 crore and on Pension and other Retirement Benefit by Rs 466.71 crore in comparison to previous year. Percentage of capital expenditure decreased from 11 *per cent* to 7 *per cent* during the year. The lending for development purposes increased from (-) 1.75 *per cent* to 0.14 *per cent* of total application of funds.

1.3 Revenue Receipts

The Revenue Receipts of the State consists mainly of its own tax and non-tax revenues, central tax transfers and grants-in-aid from the Government of India. Over all revenue receipts of the State increased from Rs 20317 crore in 1997-98 to Rs 30093 crore in 2001-02, at an average trend rate of 10.54 *per cent per annum*. There were, however, significant inter year variations in the growth rates. Annual growth of revenue receipts, increased from 5.52 *per cent* in 1997-98 to 17.01 *per cent* in 2000-01 but declined to 1.78 *per cent* in 2001-02 mainly due to less interest received from Maharashtra State Electricity Board (Rs 1316.04 crore). Overall revenue receipts, its annual and trend rate of growth, ratio of these receipts to the State's gross domestic product (GSDP) and its buoyancy is indicated in Table 1.

Table 1 : Revenue Receipts - Basic Parameters (Value Rupees in crore and others in *per cent*)

	1997-98	1998-99	1999-2000	2000-01	2001-02	Average
Revenue Receipts	20317	21737	25269	29567	30093	25397
Rate of Growth	5.520	6.990	16.250	17.010	1.780	10.540
Revenue Receipt/ GSDP	11.150	9.070	10.520	11.450	11.090	10.650
Revenue Buoyancy	0.698	0.222	77.439	2.264	0.350	1.028
GSDP Growth	7.900	31.500	0.210	7.510	5.090	10.260

The revenue receipts to GSDP ratio after reaching a peak of 11.45 *per cent* in 2000-01 declined to 11.09 *per cent* in 2001-02, with a five year average ratio,

being 10.65 *per cent*. A moderate GSDP growth in 1999-2000 and 2000-01 and higher growth in revenue receipts resulted in high revenue buoyancy in these two years. Revenue buoyancy however declined substantially in 2001-02 due to low growth of revenue receipts. The average revenue buoyancy indicates that for every one *per cent* increase in GSDP, the revenue receipts increased by only 1.028 *per cent*.

Composition of the revenue receipts of the State and relative share of the four components over last 5 years is indicated in table 2. On an average, around 85 *per cent* of the revenue had come from the State's own resources. While proportion of non-tax revenue declined over the period 1997-2002, contribution of grants-in-aid increased during the current year. Further, the contribution of central tax transfers also declined from the peak attained in 1998-99.

Table 2 : Components of Revenue Receipts - relative share in *per cent*

	1997-98	1998-99	1999-2000	2000-01	2001-02	Average
Own Taxes	67.53	65.34	68.32	66.72	70.74	67.73
Non-Tax Revenue	17.92	16.44	15.58	18.93	15.47	16.87
Central tax Transfers	8.52	13.44	10.33	9.40	8.20	9.98
Grants-in-aid	6.03	4.78	5.77	4.95	5.59	5.42

Over all growth of the four components of revenue during 1997-2002 had also differed significantly. While the State's own taxes recorded a trend growth of 12.98 *per cent* during 1997-2002, the non-tax revenue recorded a growth of 7.28 *per cent* only. The trend growth of revenue from central taxes and grants-in-aid was 5.03 and 4.10 *per cent* respectively. The trend annual growth of these components of the State's revenue, buoyancy, average ratio as percentage to GSDP and average annual rate of shift in their relative contribution is indicated in Table-3.

Table 3 : Components of Revenue Receipts - Basic Parameters 1997-2002 (*per cent*)

	ROG	Buoyancy	GSDP Share	Relative Share	Shift Rate
Own Taxes	12.98	1.265	7.23	67.73	2.20
Non-Tax Revenue	7.28	0.710	1.80	16.87	- 2.95
Central tax Transfers	5.03	0.490	1.05	9.98	- 4.99
Grants-in-aid	4.10	0.400	0.58	5.42	- 5.83

State's own taxes had the highest buoyancy of the four components of its revenue. Buoyancy of non tax revenue and central tax transfers was moderate, while the Grants-in-aid had a buoyancy of only 0.40 indicating that for every

one percentage increase in the State's GSDP its Grants-in-aid grew by only 0.40 *per cent*. This indicates that the State requires to focus on increasing non-tax revenue. State's own taxes averaged 7.23 *per cent* of the GSDP during 1997-2002. The central tax transfer to GSDP ratio was 1.05 *per cent* during this period. Differing growth of these components of revenue resulted in shift in their relative share in total revenue receipt of the State. Average annual increase in the relative contribution of State's own taxes was 2.20 *per cent*, while the contribution from its non-tax revenue declined by 2.95 *per cent*, central tax transfers decreased by 4.99 *per cent* and the grants-in-aid from Government of India, by 5.83 *per cent* annually.

1.4 Expenditure

Overall expenditure of the State comprising of the revenue expenditure, capital expenditure and the loans and advances increased from Rs 26953 crore in 1997-98 to Rs 41289 crore in 2001-02, at an average trend rate of 12.52 *per cent per annum*. The rate of growth of total expenditure was only marginally higher than the rate of growth of revenue receipt during this period. There was also a continuous decline in the rate of growth of expenditure in the last two years. After reaching its peak of 26.32 *per cent* in 1999-2000 it declined to a low of 0.37 *per cent* during 2001-02. Total expenditure to GSDP ratio, however, continued to increase from 14.79 *per cent* in 1997-98 to 15.93 *per cent* in 2000-01 but decreased to 15.21 *per cent* during 2001-02, due to a moderate growth of the latter. There was decline in the ratio of the revenue receipts to total expenditure from 75.38 *per cent* in 1997-98 to 72.88 *per cent* in 2001-02 indicating that the major portion of the total expenditure was being financed by borrowings. Total expenditure of the State, its trend and annual growth, ratio of expenditure to the State's GSDP and revenue receipts and its buoyancy with regard to GSDP and revenue receipt is indicated in table 4 below :

Table 4 : Total Expenditure - Basic Parameters (Value Rupees in crore and others in *per cent*)

	1997-98	1998-99	1999-2000	2000-01	2001-02	Average
Total Expenditure	26953	29470	37226	41138	41289	35215
Rate of Growth	10.38	9.34	26.32	10.51	0.37	12.52
TE/GSDP Ratio	14.79	12.29	15.50	15.93	15.21	14.77
Revenue Receipts/TE Ratio	75.38	73.76	67.88	71.87	72.88	72.36
Buoyancy of Total Expenditure with						
GSDP	1.314	0.296	125.428	1.399	0.072	1.221
Revenue Receipts	1.882	1.336	1.620	0.618	0.206	1.187

Average buoyancy of the total expenditure with GSDP during 1997-2002 was 1.221, indicating that for every one-percentage point increase in GSDP, expenditure increased by 1.221 *per cent*. Despite a decline in buoyancy of

total expenditure with revenue receipts, the average buoyancy remained greater than one.

In terms of the activities, total expenditure could be considered as being composed of expenditure on general services, interest payments, social and economic services and the loans and advances. The relative share of these components in total expenditure is indicated in table 5.

Table 5 : Components of Expenditure - Relative Share (in per cent)

	1997-98	1998-99	1999-2000	2000-01	2001-02	Average
General Services	23.31	23.81	20.77	23.15	27.46	23.70
Interest Payments	10.77	12.46	13.12	12.70	15.57	12.93
Social Services	32.40	32.94	30.52	35.18	34.56	33.12
Economic Services	29.84	28.11	23.54	29.06	20.96	26.30
Loans and Advances	3.13	2.08	10.55	- 1.76	0.14	2.83

The movement of relative share of these components of expenditure indicated that while the share of economic services in total expenditure declined sharply from 29.84 per cent in 1997-98 to 20.96 per cent in 2001-02, the relative share of general services, interest payments and social services increased. Interest payments and expenditure on general services considered as non-developmental, together accounted for nearly 43 per cent of total expenditure in 2001-02 as compared to about 34 per cent in 1997-98.

Overall revenue expenditure, its rate of growth, ratio of revenue expenditure to State's GSDP and revenue receipts and its buoyancy with both GSDP and revenue receipts is indicated in table 6.

Table 6 : Revenue Expenditure - Basic Parameters (Value Rupees in crore and others in per cent)

	1997-98	1998-99	1999-2000	2000-01	2001-02	Average
Revenue Expenditure	22897	25663	29538	37401	38282	30756.20
Rate of Growth	9.840	12.080	15.100	26.620	2.360	14.210
RE/GSDP	12.560	10.710	12.300	14.480	14.110	12.900
RE as per cent of TE	84.950	87.080	79.350	90.920	92.720	87.340
RE as per cent to Revenue Receipt	112.700	118.060	116.890	126.500	127.210	121.100
Buoyancy of Revenue Expenditure with						
GSDP	1.245	0.383	71.962	3.543	0.463	1.386
Revenue Receipts	1.784	1.728	0.929	1.565	1.324	1.348

Revenue expenditure is incurred to maintain the current level of services and does not represent any addition in the State's services network. Revenue expenditure of the State increased from Rs 22897 crore in 1997-98 to

Rs 38282 crore in 2001-02, at an average trend rate of 14.21 per cent per annum. Rate of growth of revenue expenditure reached its maximum in 2000-01 at 26.62 per cent but dipped to 2.36 per cent during 2001-02. The revenue expenditure to GSDP ratio witnessed an increase from 12.56 per cent in 1997-98 to 14.48 per cent in 2000-01 but declined to 14.11 per cent in 2001-02. The ratio of revenue expenditure to total expenditure increased from 84.95 per cent in 1997-98 to 92.72 per cent in 2001-02. On an average 87.34 per cent of total expenditure of the State was in the nature of expenditure on current consumption. The ratio of revenue expenditure to revenue receipt was also on the rise indicating increasing dependence of the State on borrowing for even meeting the current expenditure.

The growth in revenue expenditure (14.21 per cent) exceeded the rate of growth of State's GSDP (10.26 per cent) and revenue receipt (10.54 per cent). Average buoyancy of revenue expenditure to GSDP during 1997-2002 was 1.386 indicating that for each one-percentage increase in GSDP, revenue expenditure increased by 1.386 per cent. Similarly, for each one percentage increase in the State's revenue receipts, revenue expenditure increased by 1.348 per cent.

The expenditure of the State in the nature of plan expenditure, capital expenditure and developmental expenditure reflect its quality. Higher the ratio of these components to total expenditure better is the quality of expenditure. Table 7 below gives the ratio of these components of expenditure to States total expenditure.

Table 7 : Quality of Expenditure (per cent to total expenditure)

	1997-98	1998-99	1999-2000	2000-01	2001-02	Average
Plan Expenditure	24.05	20.39	16.45	15.79	10.57	16.69
Capital Expenditure	12.30	11.07	11.29	10.66	7.15	10.26
Development Expenditure	64.25	62.34	60.44	63.12	55.60	60.83

(Total expenditure does not include Loans and Advances.)

All the three components of quality of expenditure show a relative decline during 1997-2002. Plan expenditure declined from 24.05 per cent of total expenditure in 1997-98 to 10.57 per cent in 2001-02. Similarly, capital expenditure also declined from 12.30 per cent in 1997-98 to 7.15 per cent in 2001-02. There was also a decline in the share of development expenditure.

Activity wise trend growth, ratio to GSDP, relative share of the various activities, shift in their relative share and buoyancy with GSDP and revenue receipt is indicated in table - 8. Activity wise expenditure during 1997-2002 further revealed that the average trend growth of its various components had significant variations. Interest payments were the fastest growing component

with an average growth of 21.71 *per cent per annum* followed by general services at 15.35 *per cent*. Loans and advances of the State had a negative growth and economic services was growing by only 4.69 *per cent per annum*.

Table 8 : Activitywise Expenditure - Basic Parameters (in *per cent*)

	ROG	GSDP Share	Relative Share	Share Shift	Buoyancy with	
					GSDP	Revenue Receipt
General Services	15.35	3.51	23.70	2.51	1.496	1.456
Interest Payments	21.71	1.94	12.93	8.17	2.117	2.059
Social Services	14.95	4.91	33.12	2.16	1.457	1.418
Economic Services	4.69	3.83	26.30	- 6.96	0.458	0.445
Loans and Advances		0.40	2.83			

The relative share of expenditure on interest increased by an average of 8.17 *per cent per annum*. Interest payments also had the highest buoyancy of 2.117 with regard to GSDP and 2.059 with revenue receipts, indicating that for each one *per cent* increase in GSDP or revenue receipts, interest liabilities grew by 2.18 and 2.06 *per cent* respectively. While there was only a moderate increase in the share of expenditure on general services and social services, share of expenditure on economic services and loans and advances actually declined. Economic services had very low buoyancy indicating that bulk of the burden of fiscal management was borne by these services.

1.5 Fiscal Imbalances

The deficits in the Government accounts represent the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources so raised are applied are important pointers to the fiscal health. The revenue deficit of the State, which is the excess of its revenue expenditure over revenue receipts, increased from Rs 2580 crore in 1997-98 to Rs 8189 crore in 2001-02. The fiscal deficit, which represents the total borrowing of the Government and its total resource gap, increased from Rs 6443 crore in 1997-98 to Rs 10898 crore in 2001-02.

The persistent existence of revenue deficit indicated that the State Government had to borrow funds to meet its current obligation. The ratio of revenue deficit to fiscal deficit have also been continuously increasing from 40.04 *per cent* in 1997-98 to 75.14 *per cent* in 2001-02 indicating about 75 *per cent* of the borrowings were used for meeting the non productive revenue expenditure reflecting a continuous deterioration of fiscal health of State Government. As a

proportion of State's gross domestic product, revenue deficit had increased to 3.02 per cent in 2001-02 and fiscal deficit to 4.02 per cent.

Table 9 : Fiscal Imbalances - Basic Parameters (Value Rupees in crore and Ratios in per cent)

	1997-98	1998-99	1999-2000	2000-01	2001-02	Average
Revenue deficit	2580	3926	4269	7834	8189	5360
Fiscal deficit	6443	7463	11706	8976	10898	9097
Primary Deficit	3539	3790	6822	3751	4469	4474
RD/GSDP	1.42	1.64	1.78	3.03	3.02	2.25
FD/GSDP	3.53	3.11	4.87	3.48	4.02	3.82
PD/GSDP	1.94	1.58	2.84	1.45	1.65	1.88
RD/FD	40.04	52.61	36.47	87.28	75.14	58.91

1.6 Fiscal Liabilities - Public Debt

The Constitution of India provides that State may borrow within the territory of India, upon the security of its consolidated funds, within such limits, as may from time to time, be fixed by an Act of Legislature. However, no such law was passed by the State to lay down any such limit. Table 10 below gives the fiscal liabilities of the State, its rate of growth, ratio of these liabilities to GSDP revenue receipts and own resources and the buoyancy of these liabilities with respect to these parameters. It would be observed that the over all fiscal liabilities of the State increased from Rs 35103 crore in 1997-98 to Rs 74209 crore in 2001-02 at an average annual rate of 20.31 per cent. These liabilities as ratio to GSDP increased from 19.30 per cent in 1997-98 to 27.30 per cent in 2001-02 and stood at 2.47 times of its revenue receipts and 2.86 times of its own resources comprising its own tax and non tax revenue during the year 2001-02.

In addition, to these liabilities Government had guaranteed loans availed by its various Corporations and others which in 2001-02 stood at Rs 33974.20 crore. The guarantees are in the nature of contingent liabilities of the State and in the event of non payment, the State has to honour these commitments. (A review of the 'Management of Guarantees given by the State Government' is included in Para 1.14). Currently, the fiscal liabilities including the contingent liabilities exceed nearly two and half times the revenue receipt of the State. The direct fiscal liabilities of the State have grown much faster compared to its rate of growth of GSDP, revenue receipts and own resources. On an average for each one per cent increase in GSDP, Revenue Receipts and Own resources the direct fiscal liabilities of the State have increased by 1.98, 1.93 and 1.92 per cent respectively.

Table 10 : Fiscal Liabilities - Basic Parameters

(Value Rupees in crore and Ratios in per cent)

	1997-98	1998-99	1999-2000	2000-01	2001-02	Average
Fiscal Liabilities	35103	42886	51993	62826	74209	53403
Rate of Growth	17.09	22.17	21.24	20.84	18.12	20.31
Ratio of Fiscal Liabilities to						
GSDP	19.3	17.9	21.6	24.3	27.3	22.4
Revenue Receipt	172.8	197.3	205.8	212.5	246.6	204.3
Own Resources	202.2	241.3	245.2	248.1	286.0	241.6
Buoyancy of Fiscal Liabilities to						
GSDP	2.162	0.704	101.204	2.773	3.563	1.980
Revenue Receipt	3.098	3.172	1.307	1.225	10.184	1.926
Own resources	1.399	9.275	1.101	1.072	7.400	1.922

Increasing liabilities of State Government had raised the issue of their sustainability. Fiscal liabilities are considered sustainable if the average interest paid on these liabilities is lower than the rate of growth of GSDP. However, in case of Maharashtra average interest rate on fiscal liabilities at 9.42 per cent during 1997-2002 was lower than the rate of growth of GSDP by 0.84 per cent as indicated in table 11.

Table 11 : Debt Sustainability - Interest Rate and GSDP Growth (in per cent)

	1997-98	1998-99	1999-2000	2000-01	2001-02	Average
Weighted Interest Rate	8.92	9.42	10.30	9.10	9.38	9.42
GSDP Growth	7.90	31.50	0.21	7.51	5.09	10.26
Interest spread	-1.02	22.08	-10.09	-1.59	-4.29	0.84

Another important indication of debt sustainability is net availability of the funds after payment of the principal on account of the earlier contracted liabilities and interest thereon. Table 12 below gives the position of the receipt and repayment of internal debt over the last 5 years.

Table 12 : Net Availability of Borrowed Funds (Rupees in crore)

	1997-98	1998-99	1999-2000	2000-01	2001-02	Average
Internal debt						
Receipt	712	800	1155	1343	2335	1269
Repayment (Principal + Interest)	519	655	825	958	2298	1051
Net Fund Available	193	145	330	385	37	218
Net Fund Available (per cent)	27.11	18.12	28.57	28.67	1.58	17.18
Loans and Advances from GOI						
Receipt	3785	4717	4903	5401	6337	5028
Repayment (Principal + Interest)	2624	3178	3853	4470	4017	3628
Net Fund Available	1161	1539	1050	931	2320	1400
Net Fund Available (per cent)	30.67	32.63	21.42	17.24	36.61	27.84
Total Public Debt						
Receipt	4497	5517	6058	6744	8672	6297
Repayment (Principal + Interest)	3143	3833	4678	5428	6315	4679
Net Fund Available	1354	1684	1380	1316	2357	1618
Net Fund Available (per cent)	30.11	30.52	22.78	19.51	27.18	25.69

The net funds available on account of the internal debt and loans and advances from Government of India after providing for the interest and repayments varied from 19.51 per cent to 30.52 per cent during 1997-2002. However, the net funds available during 2001-2002 was 27.18 per cent.

1.7 Avoidable interest liability on borrowings

The State Government with the consent of the Government of India raised (February 2002) Rs 337 crore as loan from Housing and Urban Development Corporation (HUDCO) for providing House Building Advance (HBA) to Government employees. The loan was repayable in 10 years including moratorium period of 2 years. The entire loan drawn in February 2002 formed a part of consolidated fund of the State which improved the ways and means position of the state.

The total liability on account of interest was Rs 269.70 crore besides processing charges of Rs 84.25 lakh. HBA interest rates applicable to the employees varied between 6.5 and 11 per cent. On an average interest rate of 8.4 per cent per annum, the interest receivable by Government from the employees on Rs 337 crore for 10 years would be Rs 143.68 crore. Thus the interest differential on HUDCO loan amounted to Rs 126.02 crore.

Apart from interest differential State Government had diverted the loan raised to help the employees to improve its own ways and means position.

Government contented (November 2002) that the scheme was for the welfare of its employees and the loan was temporarily diverted.

The reply is not tenable, because Government could have facilitated employees obtaining loan directly from HUDCO by underwriting the interest differential. Instead it borrowed at higher rates and diverted it to itself because of adverse liquidity position.

1.8 Diversion of funds

The Government of India (GOI) guidelines of September 1985 for utilisation of Special Central Assistance (SCA) for Special Component Plan for Scheduled Castes and Scheduled Tribes envisaged that SCA is meant for family oriented income generating schemes which give adequate weightage to infrastructure incidental to such schemes. Under Education Sector, funds can be utilised for establishment of residential schools in tribal areas and improving and strengthening inspection of tribal area schools. The guidelines also stipulated that the SCA was an additive to State Plan Schemes and not substitute for the State funds.

State Tribal Development Department sanctioned Rs 2.64 crore out of SCA for the purchase of shoes and socks for the students of Government Ashram Schools which was in violation of the guidelines being part of expenditure on uniform for students and not covered under establishment/strengthening of tribal schools.

The Department justified the action stating (November 2001) that funds can be utilised as an additive to State Plan and the action was proper. The reply is not tenable as the purchase of shoes and socks was neither income generating nor helped infrastructure creation and in the instant case has been used as a substitute for State funds. Further, scrutiny of records in Tribal Commissionerate (January 2002) revealed that the tenders for purchase of shoes/socks were invited (March 2001) and technical bids were opened on 31 March 2001 and the funds were drawn by the Commissioner (31 March 2001) and paid to Maharashtra State Co-operative Tribal Development Corporation Limited (MSCTDC), Nashik (June 2001) for procurement of shoes merely to avoid lapse of budget funds as per Government directives. However, the tenders were not finalised and shoes/socks were not purchased and supplied till August 2002 on the plea that samples had been sent to Kanpur for testing. Thus, the irregularly diverted funds of Rs 2.64 crore were also lying idle for a period of over one year with consequential loss of interest of Rs 30.42 lakh at 11.5 per cent per annum and undue benefit to the procuring agency, MSCTDC, Nashik.

1.9 Investments and returns

As on 31 March 2002, Government had invested Rs 11155.07 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives. Government's return on this investment was not only meagre (less than one *per cent*), it was also on a continuous decline as indicated in Table 13 below. As on March 2002, 45 Government companies with an aggregate investment of Rs 3819.39 crore (Rs 615.69 crore by way of equity and Rs 3203.70 crore by way of loan) were incurring a loss and their accumulated losses amounted to Rs 930.05 crore. Low returns compared to the average rate of interest on government borrowing amounted to an implicit subsidy, which based on the difference between the interest rates on borrowing and return on investment was Rs 3290 crore during 1997-2002.

Table 13 : Return on Investment

Year	Investment at the end of the year	Return	Percentage of Return	Average rate of Interest on Government Borrowing (<i>per cent</i>)
(Rupees in crore)				
1997-98	2003.43	9.33	0.47	8.92
1998-99	5440.01 [#]	6.01	0.11	9.42
1999-2000	6784.45 [#]	3.96	0.06	10.30
2000-01	9685.85 [#]	3.95	0.04	9.10
2001-02	11155.07	4.53	0.04	9.38

In addition, Government has also been providing loans and advances to many of these parastatals. Total outstanding balance of the loans advanced was Rs 8458 crore as on 31 March 2002. Overall interest received against these advances had declined to 3.98 *per cent* during 2001-02 (Table 14). There was, therefore, an implicit subsidy amounting to Rs 1013 crore during 1997-2002. Further, in most cases, Government orders sanctioning the loans did not specify the terms and conditions for these loans.

Table 14 : Average Interest Received on Loans Advanced by the State Government

(Rupees in crore)

	1997-98	1998-99	1999-2000	2000-01	2001-02
Opening Balance	7348	7998	8342	12018	8697
Amount advanced during the year	844	614	3927	-726	59
Amount repaid during the year	193	270	251	2595	298
Closing Balance	7999	8342	12018	8697	8458
Net addition	651	344	3676	-3321	-239
Interest Received	424	262	245	1685	341
Interest received as <i>per cent</i> to Loans advanced	5.53	3.21	2.41	16.27	3.98
Average interest paid by the State	8.92	9.42	10.30	9.10	9.38
Difference between interest paid and received	-3.40	-6.21	-7.89	7.17	-5.41

[#] Differs from previous year due to *pro forma* correction.

1.10 Financial results of irrigation works

The financial results of 4* major irrigation projects with a capital expenditure of Rs 296.70 crore at the end of March 2002 showed that revenue realised from these projects during 2001-02 (Rs 41.86 crore) was only 14.11 *per cent* of the capital expenditure. After meeting the working and maintenance expenditure (Rs 8.54 crore) and interest charges (Rs 31.09 crore), the schemes gained a net profit of Rs 2.23 crore during 2001-02.

1.11 Incomplete Projects

As per information received from the State Government, as of 31 March 2002, there were 117 incomplete projects in which Rs 3258.16 crore were blocked. Of these, 6 projects amounting to Rs 64.34 crore remained incomplete for period ranging from 5 to 10 years, 2 projects amounting to Rs 24.55 crore remained incomplete for period ranging from 15 to 20 years and 2 projects amounting to Rs 48.10 crore remained incomplete for more than 20 years. Details in respect of 15 Projects involving capital of Rs 191.90 crore are not available. This showed that the Government was spreading its resources thin, which failed to yield any return. Reasons for incomplete projects were paucity of funds, works left incomplete by contractors, change in site/design of the project(s), defective planning etc. Comments on some incomplete projects had been included in the Civil Audit Reports.

1.12 Arrears of revenue

Comparing the arrears for the years 1997-98 (Rs 4265 crore) to 2001-02 (Rs 5141 crore), there had been an increase of 21 *per cent*. Main arrears were in respect of Taxes on Sales, Trade etc (Rs 5116 crore), Electricity Duty (Rs 18 crore) and State Excise (Rs 7 crore). The deterioration in the position of arrears of revenue showed a slackening of the revenue realising efforts of the State Government. The figure of arrears of revenue as of March 2002 do not reflect the total arrears, as particulars from all departments were not made available.

1.13 Management of Cash Balances

It is generally desirable that State's flow of resources should match its expenditure obligations. However, to take care of any temporary mis-matches in the flow of resources and the expenditure obligations, a mechanism of Ways and Means Advances (WMA) from Reserve Bank of India has been put in place. However, State has been increasingly using this mechanism over the

* Balance 14 major irrigation projects have been transferred to the Corporation as per GOM letter dt. 30.1.2002

years. Normally these advances should be liquidated during the year. Any outstanding balances of WMA indicate mis-match in the revenue and expenditure, which is not transient in nature. Resort to overdraft, which is over and above the WMA limits, is all the more undesirable. The State has increasingly been drawing in excess of its WMA limits from RBI as indicated in Table 15.

Table 15 : Ways and Means and Overdrafts of the State and interest paid thereon (Rupees in crore)

	1997-98	1998-99	1999-2000	2000-01	2001-02	Average
Ways and Mean Advances						
Taken in the Year	--	--	298.97	4415.13	7739.88	4151.33
Outstanding	--	--	--	--	--	--
Interest Paid	--	--	--	12.18*	33.99	23.08
Overdraft						
Taken in the year	--	--	--	1536.54	4691.87	3114.20
Outstanding	--	--	--	--	--	--
Interest Paid	--	--	--	--	7.04	7.04
Number of Days State was in Overdraft	--	--	--	49	76	

1.14 Management of guarantees given by the State Government

1.14.1 Introduction

Government gives guarantees to promote certain economic enterprises by reducing the credit risk for investors, especially in those activities where the nature of investment involves long gestation periods. While guarantees do not form part of debt as conventionally measured, however, in the eventuality of default by the loanee, this has the potential of aggravating the debt position of the Government. The issue of guarantees assumes significance in the context of growing need for infrastructure projects requiring huge investments.

Under Article 293(i) of the Constitution of India, the State Government is required to give guarantees in respect of funds raised by the local bodies, co-operative institutions, companies, corporations etc, upon the security of the Consolidated Fund of the State within the limits fixed by the Legislature. The guarantee cover is for repayment of principal and interest and constitutes a contingent liability on the revenues of the State. The State Legislature has not prescribed any statutory limits on the executive powers of the State to give guarantees. In consideration of the guarantees given, the loanee institutions are required to pay guarantee fee at the rates prescribed by Government from time to time.

* Rs 12.18 crore includes interest paid on ways and means and overdraft.

1.14.2 Procedure for issue of guarantees in the State

Sanctions for Government standing guarantee are accorded by the Administrative Departments concerned, on the recommendations of the Heads of the departments, with the concurrence of the Finance department and with approval of the High Power Committee (HPC) in case of Bonds and Expenditure Priority Committee (EPC) in case of loans and other borrowings. Specific approval of the Cabinet is to be obtained for extending further guarantees in case of defaulters of earlier guarantees or doubtful ability of the borrowing institutions in repayment of the loan/interest liability.

1.14.3 Audit coverage

The details of guarantees provided, invocation of guarantees, maintenance of records etc, were reviewed in Finance department, 7* administrative departments (out of 20 departments) and 3** controlling officers during May-June 2002. The observations of the review are given in the following paragraphs.

1.14.4 Outstanding guarantees

Total guarantees issued by the State Government and outstanding as on March 2002 along with the sectorwise guarantees issued during the period 1997-98 to 2001-02 is given below :

(Rupees in crore)

Year	Amount guaranteed by State Government		Total amount of guarantees	Sums guaranteed outstanding†
	Economic Sector includes Co-operatives	Social Sector		
Upto 1996-97			33099.71	7636
1997-98	3604.26	224.54	3828.80	9933
1998-99	1204.42	280.83	1485.25	19729
1999-2000	10784.71	1632.35	12417.06	32146
2000-01	14833.92	1161.24	15995.16	45979
2001-02	7482.35	506.31	7988.66	52922
Total			74814.64	

Note : Guarantees given include guarantees given by government to three* loss making Irrigation Development Corporations and nine† other State Government Corporations

* Co-operation and Textiles, Housing and Special Assistance, Industries and Energy, Irrigation, Public Works, Urban Development and Water Supply and Sanitation

** Commissioner of Sugar, Registrar of Co-operative Societies and Director of Marketing, Maharashtra State, Pune

† Does not agree with figures of Finance Account of respective years due to non-availability of information from various departments

* Konkan Irrigation Development Corporation, Godavari Marathwada Irrigation Development Corporation and Maharashtra Krishna valley Development Corporation.

† Development corporation of vidharba limited, Maharashtra land development corporation, Marathwada Ceramics Corporation, Maharashtra State Textile Corporation, Textile Corporation of Marathwada, Maharashtra State Financial Corporation, Maharashtra State Handlooms Corporation, Mahatma Phule Backward Class Development Corporation and Maharashtra State Farming Corporation.

1.14.4.1 The State Government stood guarantees for Rs 74814.64 crore as on March 2002 of which the guarantees outstanding were Rs 52922 crore which was nearly 175.86 *per cent* of the Revenue Receipts of the State .It is thus evident that the State finances are overstretched.

1.14.4.2 The increase in guarantees during 1999-2000 to 2001-02 by Rs 20109.30 crore was due to Government guaranteed Bonds floated by the State Government Corporations/Autonomous bodies/Boards

1.14.5 *Guarantees given to State Corporations*

The main objective in forming State Corporations was to enable them to raise funds from the public to finance various infrastructure projects. The State guarantees were meant to give security to the public for the repayment of their investments. It was however, observed that part of the funds raised by the State Corporations were utilised for retiring previous debts. Two such instances are mentioned below:

1.14.5.1 Maharashtra State Road Development Corporation (MSRDC) raised (January 1998) Rs 1170.81* crore (Series 1) with repayment due in 2002-03.

They were permitted to further raise Rs 850 crore (December 2001) for repayment of the earlier bonds (Series 1). The Corporation incurred a loss of Rs 63.90 crore in 2000-01.

1.14.5.2 Similarly, Maharashtra Krishna Valley Development Corporation (MKVDC) was permitted to raise Rs 400 crore (January 2001), which included repayment of previous debts of Rs 84 crore on which they had defaulted in repayment to the banks. The accumulated loss of the corporation was Rs 738.85 crore as at the end of 2000-01.

Thus despite accumulated losses, Government extended guarantee to the bonds raised by these corporations for the repayments of old debts which have further increased the contingent liability of the State.

Despite the State Government guarantee, the MSRDC could raise only Rs 137.22 crore till November 2002 as against Rs 850 crore proposed whereas the MKVDC could raise only Rs 157.24 crore till March 2002 as against Rs 400 crore proposed. The lackluster response of the market to the bonds floated by the State corporations was due to interest payment defaults by the MKVDC and downgrading of the State Government's credit rating by the CRISIL (Credit Rating Agency).

* Infrastructure bonds of Rs 374.67 crore and regular return bond of Rs 796.14 crore

1.14.6 Cotton Monopoly procurement scheme

Observations regarding the increasing debt and interest liability of the Cotton Monopoly Procurement Scheme and the loss sustained by the Maharashtra State Co-operative Marketing Federation (MSCMF) have been commented in para 1.12.3.1.4 of the Comptroller and Auditor General's Report for the year ended 31 March 2001, Government of Maharashtra (Civil). The Government had not initiated any action (June 2002) to recover the principal and interest from the Federation in view of the poor financial condition of the Federation.

In spite of cumulative loss of Rs 2028.32 crore sustained by the Federation during the period 1996 to 2000^v, guarantees amounting to Rs 7026.86 crore had been extended during the period 1996-2002, adding to the increasing contingent liability on the State exchequer.

1.14.7 Non-maintenance of records

The Finance Department issued (August 1983) directions to the Administrative departments, requiring them to maintain the records of guarantees given by them. It was, however, noticed that:

1.14.7.1 Industries, Energy, Irrigation, Public Works, Urban Development, Water Supply and Sanitation Departments had not maintained the register of guarantees.

1.14.7.2 The report on the guarantees extended during the last financial year, was not submitted by any of the Administrative departments till June 2002.

1.14.7.3 Recovery of guarantee fees was neither watched nor the amounts reported as paid by the borrowers reconciled, with the Treasury.

The Finance Department replied that the registers are to be maintained by the Administrative departments and that a Central Control register is maintained by them. Administrative departments, in response to the audit observation agreed to maintain/update the register. As regards the instructions of sending the copies of challans of payments into Government account, the Finance Department has not taken any follow up action for implementation of these instructions.

In the absence of proper maintenance of records, correctness of outstanding loan/open market borrowing through bonds etc against guarantees extended by the State Government and guarantee fee recoverable there against could not be verified in audit.

^v Further losses not available as accounts not finalised

1.14.8 Conditions of guarantee not fulfilled

There was no monitoring of the guarantees by any of the Administrative departments and the guidelines of Finance Department have been flouted.

Scrutiny of the files of the Administrative departments revealed that:

1.14.8.1 The credit worthiness/solvency of the loanee institutions and submission of periodical statement of assets and liabilities and annual accounts, creation of sinking fund for amortisation of loans; cancellation of guarantees where loans have been repaid or the unavailed portion of the guarantee where it was not fully utilised by the borrower were not ensured/monitored.

1.14.8.2 The audited accounts and annual reports of the institutions have not been scrutinised to watch the subsequent performance of the institutions/loan repayments.

1.14.8.3 The only security taken from the borrowers was a second mortgage on their fixed assets, the first mortgage thereon having already been given in favour of the creditors.

In reply, the Administrative departments stated (June 2002) that the scrutiny of the audited accounts and annual reports will be done henceforth and report will be submitted to the Finance Department.

1.14.9 Discharging of guarantee liabilities – sugar factories

Out of Rs 120.72 crore paid by the Government upto March 2002 as guarantee liability, Rs 54.25 crore was in respect of 63 guarantees extended to co-operative sugar factories/spinning mills. Despite that further guarantees were extended for Rs 251.66 crore to 20 defaulting sugar factories during 1996-97 and 2001-02.

1.14.10 Non-honouring of invoked guarantees by the State Government

The State Government had stood guarantee for loans amounting to Rs 118.87# crore availed by 10 co-operative sugar factories and 12 spinning mills from financial institutions namely Industrial Development Bank of India, Industrial Credit and Investment Corporation of India (ICICI) and Industrial Finance Corporation of India. When the financial institutions invoked the guarantees for the outstanding amount of Rs 143.89 crore between November 1992 and April 2000, the Government did not honour the commitments. The financial institutions filed suits against the Government and the co-operative institutions

Excluding loan advanced by ICICI Bank and total interest due on loans taken not considered as figures are not available.

for Rs 334.47 crore before the Debt Recovery Tribunal (DRT) between May 1997 and February 2002.

In respect of one[^] sugar factory and 3* spinning mills, the Government was directed to pay Rs 90.37 crore. Government is yet to make the payment (August 2002). Other cases are under consideration of DRT.

Arising out of these developments, the Government has constituted a committee under the chairmanship of Principal Secretary (Finance) for negotiations with the financial institutions for repayment of outstanding dues of Rs 143.89 crore in respect of 10 defaulting sugar factories. The Government has also issued instructions vide its circular (October 2001) to the Commissioner (Sugar) to recover the outstanding dues and the Co-operative sugar factories had been directed to avail the concessions for one time repayment of loan offered by the financial institutions.

On the other hand, despite previous defaults, the State Cabinet extended further guarantee of Rs 13.45 crore to the Solapur Spinning Mills for rehabilitation of the mill, though Finance and Co-operation and Textiles Departments had not recommended the extension of the Government guarantee.

Further scrutiny of records in December 2002, in Co-operation and Textiles Department, based on a Press Report, revealed that another financial institution namely National Bank for Agriculture and Rural Development had also approached the State Government to recover dues of Rs 750 crore which was extended by way of loan to 15 Land Development Banks across the State. It has been confirmed that the State Government is saddled with this liability also as the apex and the 15 district banks were proposed to be liquidated by the State Government.

1.14.11 *Lacunae in the deed of guarantee*

A scrutiny of the deed of guarantee revealed that blanket guarantees are issued without stipulating time limits, termination clauses and financial limits and consequently Government is exposed to unlimited financial risk.

1.14.12 *Action taken on recommendations of State Committees*

The State Government appointed the Madhav Godbole Committee to prepare a report on "Budget Transparency" to initiate reforms in the budget making process. The recommendations of the committee in regard to guarantees are as follows :

[^] Sindkheda Taluka Sahakari Sakhar Kharkhana

* Vasantdada Patil Co-operative Spinning Mill, Yavatmal Zilla Sahakari Kapad Wa Soot Girni, Renuka Adivasi Spinning Mill

- Sponsor a legislation to put a ceiling on guarantees to be given.
- Setting up a Guarantee Reserve Fund to pay for guarantees invoked.
- Publishing Finances of Government of Maharashtra Some Significant Pointers to include the total contingent liabilities of the State Government.

The Technical Committee appointed by the Reserve Bank of India also recommended guarantee reserve fund and ceiling on guarantees.

The Budget speech of 2002-03, included a statement that commercial enterprises in the co-operative sector will no longer be given guarantees and fresh guarantees will be available to Public Sector Undertakings only as a credit enhancement measures for loans. No further steps have been taken as suggested by the Godbole Committee.

1.14.13 Outstanding guarantee fees

Observations have been made in the Comptroller and Auditor General's Audit Report (Revenue Receipts) for the year 1999-2000 and 2000-01 regarding non-maintenance of records, arrears of guarantee fee and non-levy/non-recovery of guarantee fee.

The outstanding guarantee fee as reported by the Administrative departments/controlling officers stood at Rs 823.44 crore as of March 2002. The recovery there against for the years 1999-2000 to 2001-02 was Rs 297.59 crore. Thus there was no significant improvement in the recovery of guarantee fees as compared to the outstanding amount. Despite earlier recommendations of the Public Accounts Committee on recovery of guarantee fee and maintenance of proper records for guarantees, none of the departments reviewed had yearwise data of outstanding guarantee fees. Further, no significant efforts were made to recover the outstanding fees either as arrears of land revenue or otherwise, except some recoveries made in cases of State Corporations who came to Government for guarantees for raising of funds.

In this context the State Government needs to examine the futility of charging guarantee fees from State Corporations who due to paucity of funds/unviable projects are not in a position to repay even the principal sums borrowed.

1.14.14 Conclusion

- The outstanding guarantees have increased significantly in recent years and were Rs 52922 crore as on March 2002. The guarantees outstanding were 175.86 per cent of the Revenue Receipts of the State, indicating that guarantees outstripped the ability to honour these guarantees.

- The increase in guarantees during 1999-2000 to 2001-02 by Rs 20109.30 crore was due to Government guaranteed bonds floated by the State Government Corporations/Autonomous bodies/Boards. Out of this, Rs 924 crore of guarantees were for repayment of previous debts. The Corporations could not raise the entire funds proposed due to poor response by the market on account of the defaults of the MKVDC and the downgrading of the State Government's credit rating.
- Government guaranteed Rs 7026.86 crore raised by the Maharashtra State Co-operative Marketing Federation despite cumulative loss of Rs 2028.32 crore sustained by the federation due to operation of the Cotton Monopoly Procurement Scheme.
- Three financial institutions invoked guarantees worth Rs 334.47 crore which the State Government has yet to honour and negotiations were in progress with the financial institutions.
- Despite earlier defaults and invocation of guarantees, the State Government extended further guarantees of Rs 251.66 crore to 20 sugar factories during the period between 1996-97 and 2001-02.
- The State Government had not taken any action for imposing ceiling on guarantees and setting up of the Guarantee Reserve Fund or publication/presentation to the Legislature of the Finances of Government of Maharashtra, which would include the contingent liabilities as recommended by the Godbole Committee and the Technical Committee of Reserve Bank of India.
- The maintenance of records on guarantees and recovery of guarantee fees outstanding to the tune of Rs 823.44 crore, continued to be poor.

The matter was referred to the Secretary to the Government in September 2002. No reply has been received (December 2002).

1.15 Financial Indicators of the Government of Maharashtra

The finances of a State should be sustainable, flexible and non-vulnerable. Table 16 below presents a summarised position of Government finances over 1997-2002, with reference to certain key indicators that help assess the adequacy and effectiveness of available resources and their applications, highlights areas of concern and captures its important facts.

The ratios of revenue receipt and State's own taxes to GSDP indicate the adequacy of the resources. The buoyancy of the revenue receipt indicates the nature of the tax regime and the State's increasing access to resources. Revenue receipts comprises not only the tax and non-tax resources of the State but the transfers from Union Government. It indicates sum total of the State's access to the resources for which there is no direct service provision

obligations, recovery of users charges for the social and economic services provided by it and its entitlement from the central pool of resources. These ratios, showed an erratic trend during 1997-2002.

Various ratios concerning the expenditure management of the State indicate quality of its expenditure and sustainability of these in relation to its resource mobilisation. The ratio of revenue expenditure to total expenditure has increased while its capital expenditure and development expenditure as percentage to total expenditure has declined. Both its revenue and total expenditure have been buoyant compared to its revenue receipts and revenue expenditure has shown a comparatively greater buoyancy. All these indicate State's increasing dependence on borrowings for meeting its revenue expenditure and inadequate expansion of its developmental activities.

Table 16 : Indicators of Fiscal Health (in per cent)

Fiscal Indicators	1997-98	1998-99	1999-2000	2000-01	2001-02	Average
Resource Mobilisation						
Revenue Receipt/GSDP	11.15	9.07	10.52	11.45	11.09	10.65
Revenue Buoyancy	0.698	0.222	77.439	2.264	0.350	1.028
Own Tax/GSDP	7.53	5.92	7.19	7.64	7.84	7.22
Expenditure Management						
Total Expenditure/GSDP	14.79	12.29	15.50	15.93	15.21	14.77
Total Expenditure/ Revenue Receipts	132.66	135.58	147.32	139.13	137.20	138.38
Revenue Expenditure/ Total Expenditure	84.95	87.08	79.35	90.92	92.72	87.34
Capital Expenditure	12.30	11.07	11.29	10.66	7.15	10.26
Development Expenditure	64.25	62.34	60.44	63.12	55.60	60.83
Buoyancy of TE with RR	1.88	1.34	1.62	0.62	0.21	1.19
Buoyancy of RE with RR	1.783	1.728	0.929	1.565	1.326	1.348
Management of Fiscal Imbalances						
Revenue deficit (Rs in crore)	-2580	-3926	-4269	-7834	-8189	-5360
Fiscal deficit (Rs in crore)	-6443	-7463	-11706	-8976	-10898	-9097
Primary Deficit (Rs in crore)	-3539	-3790	-6822	-3751	-4469	-4474
Revenue Deficit/ Fiscal Deficit	40.04	52.61	36.47	87.28	75.14	58.91
Management of Fiscal Liabilities						
Fiscal Liabilities/ GSDP	19.3	17.9	21.6	24.3	27.3	22.4
Fiscal Liabilities/ RR	172.8	197.3	205.8	212.5	246.6	204.3
Buoyancy of FL with RR	3.098	3.172	1.307	1.225	10.184	1.926
Buoyancy of FL with OR	1.399	9.275	1.101	1.072	7.400	1.922
Interest spread	-1.02	22.08	-10.09	-1.59	-4.29	0.84
Net Fund Available	30.11	30.52	22.78	19.51	27.18	25.69
Other Fiscal Health Indicators						
Return on Investment	0.47	0.11	0.06	0.04	0.04	0.14
BCR (Rs in crore)	226	-660	-2186	-5644	-6501	-2953
Financial Assets/ Liabilities	0.99	0.93	0.85	0.74	0.67	0.84

Increasing revenue and fiscal deficit indicates growing fiscal imbalances of the State. Similarly, increase in ratio of revenue deficit and fiscal deficit indicates

that the application of borrowed funds has largely been to meet current consumption. All the four indicators of fiscal imbalances show continuous deterioration over the time indicating increasing unsustainability and vulnerability of State finances.

It is not uncommon for a State to borrow for increasing its social and economic infrastructure support and creating additional income generating assets. However, increasing ratio of fiscal liabilities to GSDP and revenue receipts, together with a growing revenue deficit indicate that the State is gradually getting into a debt trap. Similarly, the higher buoyancy of the debt both with regard to its revenue receipts and own resource indicate its increasing unsustainability. There has also been a decline in net availability of funds from its borrowings due to a larger portion of these funds being used for current expenditure including debt servicing. The State's low return on investment indicates an implicit subsidy and use of high cost borrowing for investments, which yields very little. The ratio of State's total financial assets to liabilities has also deteriorated indicating that increasingly a greater part of liabilities are without any asset back-up. This indicates that either the State has to generate more revenue from out of its existing assets or need to provide from its current revenues for servicing its debt obligations. The Balance from Current Revenue (BCR) of the State has also continued to be negative. The BCR plays a critical role in determining its plan size and a negative BCR adversely affects the same and reduces availability of fund for additional infrastructure support and other revenue generating investment.

EXHIBIT - I
SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT OF MAHARASHTRA
AS ON 31 MARCH 2002

(Rupees in crore)

As on 31.03.2001	LIABILITIES		As on 31.03.2002
6482.40	Internal Debt		8587.24
5202.92	Market Loans bearing interest	6432.26	
14.56	Market Loans not bearing interest	21.46	
16.72	Loans from LIC	15.76	
1248.20	Loans from other institutions	2117.76	
--	Ways and Means Advances/Overdrafts from Reserve Bank of India	--	
31688.57	Loans and Advances from Central Government		37064.26
512.42	Pre 1984-85 Loans	429.51	
23038.84	Non-Plan Loans	28125.93	
8007.14*	Loans for State Plan Schemes	8354.32	
13.36	Loans for Central Plan Schemes	12.70	
116.81	Loans for Centrally Sponsored Plan Schemes	141.80	
444.55	Contingency Fund		134.20
6508.81	Small Savings, Provident funds etc		7143.39
7081.73	Deposits		8371.27
11064.64	Reserve Funds		13042.88
2062.78	Suspense and Miscellaneous Balances		890.22
65333.48	TOTAL		75233.46
As on 31.03.2001	ASSETS		As on 31.03.2002
37218.39	Gross Capital Outlay on Fixed Assets		40166.27
9681.35	Investments in shares of Companies, Corporations etc	11155.07	
27537.04	Other Capital Outlay	29011.20	
8697.14	Loans and Advances		8458.44
2632.68	Loans for Power Projects	3054.46	
5782.05	Other Development Loans	4978.60	
282.41	Loans to Government servants	425.38	
13.07	Advances		13.17
884.58¹	Remittance Balances		1005.98
1466.95	Cash		697.70
7.14	Cash in Treasuries	8.76	
547.53	Deposits with Reserve Bank	(-)53.81 ²	
(-)96.61 [^]	Local remittances	(-)78.01 [^]	
14.48*	Departmental Cash Balance	7.18	
0.41	Permanent Advances	0.42	
681.83	Cash Balance Investments	375.61	
312.17	Investment of earmarked balances	437.55	
17053.35	Deficit on Government Accounts		24891.90
7834.03	(i) Revenue Deficit of the Current Year	8188.57	
1366.28	(ii) Pro forma correction	--	
(-)351.38 ¹	(iii) Other adjustments	(-)350.02	
8204.42	Accumulated deficit upto 31 March 2001	17053.35	
65333.48	TOTAL		75233.46

* Higher rounding

¹ Lower rounding

² Minus balance is due to payments made by the agency bank being more than the receipts collected by them and late reporting of transactions through the Reserve Bank of India, Nagpur

[^] Minus balance is due to non-adjustment of remittances between treasuries and currency chests on 31.3.2001

EXHIBIT- II
ABSTRACT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 2001-02

(Rupees in crore)

Receipts				Disbursements						
2000-01			2001-02	2000-01			Non-Plan	Plan	Total	2001-02
		Section-A: Revenue								
29566.92	I.	Revenue receipts	30092.95	37400.95 ¹	I.	Revenue expenditure	35400.49	2881.03	38281.52	38281.52
19726.94		-Tax revenue	21287.64	14702.13		General services	17668.41	62.13	17730.54	
				14350.71		Social services	12507.90	1628.91	14136.81	
5596.26 ¹		-Non-tax revenue	4655.08	9408.42		-Education, Sports, Art and Culture	9076.07	305.91	9381.98	
				1595.34		-Health and Family Welfare	1302.20	481.61	1783.81	
2781.01		-State's share of Union Taxes	2468.76	1443.24		-Water Supply, Sanitation, Housing and Urban Development	586.95	400.70	987.65	
				19.22		-Information and Broadcasting	16.16	0.46	16.62	
597.33		-Non-Plan grants	355.29	752.66		-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	501.04	228.61	729.65	
				212.84		-Labour and labour Welfare	161.41	21.05 ¹	182.46	
155.81		-Grants for State Plan Scheme	601.85	891.58		-Social Welfare and Nutrition	842.36	189.23	1031.59	
				27.41		-Others	21.71	1.34*	23.05	
709.57 ¹		-Grants for Central and Centrally sponsored Plan Schemes	724.33	7655.86		Economic Services	4686.89	1188.82	5875.71	
				2625.95		-Agriculture and Allied Activities	2026.65	365.53	2392.18	
				507.28		-Rural Development	5.27 ¹	517.09	522.36	
				46.01		-Special Areas Programmes	0.15	34.31	34.46	
				1857.93		-Irrigation and Flood control	1780.39	93.31	1873.70	
				2405.06		-Energy	646.09	77.32	723.41	
				39.08		-Industry and Minerals	117.24	15.76	133.00	
				45.76		-Transport	69.95	3.65	73.60	
				8.87		-Science, Technology And Environment	0.01	0.77	0.78	
				119.92		-General Economic Services	41.14	81.08	122.22	
				692.25		-Grants-in-aid and Contributions	537.29	1.17	538.46	

¹ Lower rounding * Higher rounding

Receipts				Disbursements							
2000-01			2001-02	2000-01			Non-Plan	Plan	Total	2001-02	
7834.03	II.	Revenue deficit carried over to Section B	8188.57	--	II.	Revenue Surplus carried over to Section B				--	
1026.44 ⁺	III.	Opening Cash balance including Permanent Advances and Cash Balance Investment	1466.95	--	III.	Opening Overdraft from RBI				--	
--	IV.	Miscellaneous Capital receipts		4463.01	IV.	Capital Outlay	1472.49	1475.39	2947.88	2947.88	
				45.95		General Services	12.00*	26.15	38.15*		
				120.46		Social Services	5.21	127.90	133.11		
				11.83		-Education, Sports, Art and Culture	--	5.93	5.93		
				38.94		-Health and Family Welfare		50.93	50.93		
				36.06		-Water Supply, Sanitation, Housing and Urban Development	6.20	16.82	23.02		
				18.69		-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	-0.01	38.90	38.89 ¹		
				2.53		-Social Welfare and Nutrition	-0.98	3.66	2.68		
				12.41		-Others	--	11.66	11.66		
				4296.60		Economic Services	1455.28	1321.34	2776.62		
				415.06		-Agriculture and Allied Activities	249.55	251.67	501.22		
				965.39		-Irrigation and Flood Control	991.33	187.62 ¹	1178.95		
				2194.83		-Energy	0.01	282.86	282.87		
				13.13		-Industry and Minerals	-0.01	13.34	13.33		
				704.52		-Transport	215.07	585.19	800.26		
				3.55		-General Economic Services	-0.67	0.60*	-0.07		
				0.12		-Science Technology and Environment	--	0.06	0.06		

⁺ Differs from the Closing balance of Finance Accounts (in Chapter I) 1999-2000 by Rs 112.14 crore due to *Pro forma* correction

* Higher rounding

¹ Lower rounding

Receipts				Disbursements						
2000-01			2001-02	2000-01			Non-Plan	Plan	Total	2001-02
2595.20	V.	Recoveries of Loans and Advances-	298.09	(-)726.04	V.	Loans and Advances disbursed-				59.39
2206.66		-From Power Projects	100.51	231.40		-For Power Projects			522.29	
55.79		-From Government Servants	68.50	134.39		-To Government Servants			132.87	
332.75		-From others	129.08	(-)1091.83 ^a		-To Others			(-)595.77	
--	VI.	Revenue surplus brought down	--	7834.03	VI.	Revenue deficit brought down				8188.57
6744.15	VII.	Public debt receipts	8671.33	1070.27	VII.	Repayment of Public Debt-				1190.80
--		-External debt	--	--		-External debt				--
1342.76		-Internal debt other than ways and means Advances and Overdraft	2334.73	209.60		-Internal debt other than Ways and Means Advances and Overdraft			229.89	
-- ⁺		-Net transactions under Ways and Means Advances including overdraft	A	-- ⁺		-Net transactions under Ways and Means Advances including Overdraft			A	
5401.39		-Loans and Advances from Central Government	6336.60	860.67		-Repayment of Loans and Advances to Central Government			960.91	
700.00	VIII.	Appropriation from Contingency Fund	600.00	350.00	VIII.	Appropriation to Contingency Fund				250.00
367.29	IX.	Contingency Fund	305.45	755.45	IX.	Contingency Fund				615.80
38318.68	X.	Public Account receipts	42368.85	34538.09	X.	Public Account disbursements-				39760.53
1564.91		-Small Savings and Provident Funds	1812.68*	859.37		-Small Savings and Provident Funds			1178.10	
3436.37		-Reserve funds	4173.95	1993.46		-Reserve Funds			2195.71	
22677.76		-Suspense and Miscellaneous	24553.82	22530.51		-Suspense and Miscellaneous			25726.37	
5514.88		-Remittances	6032.93	5560.98		-Remittances			6154.32	
5124.76		-Deposits and Advances	5795.47	3593.77		-Deposits and Advances			4506.03	

⁺ Represent receipts Rs 5951.67 crore and disbursements Rs 5951.67 crore

^A Represent receipts Rs 12431.75 crore and disbursements Rs 12431.75 crore

^a Minus debit is on account of adjustment of grants due to Zilla Parishads against Ways and Means Advances paid during previous year

* Higher rounding

Receipts				Disbursements						
2000-01			2001-02	2000-01			Non-Plan	Plan	Total	2001-02
--	XI.	-Closing Overdraft from Reserve Bank of India	--	1466.95	XI.	Cash Balance at end-				697.70
				7.14		-Cash in Treasuries			8.76	
--	XII.	Inter State Settlement	--	(-)96.61 ^B		-Local Remittances			(-)78.01 ^B	
				547.53		-Deposits with Reserve Bank			(-)53.81 ²	
				14.48*		-Departmental Cash Balance			7.18	
				0.41		-Permanent Advances			0.42	
				681.83		-Cash Balance Investment			375.61	
				312.17		-Investment of earmarked balances			437.55	
49751.76		Total	53710.67	49751.76		Total				53710.67

^B Minus balance is due to non-adjustment of remittance between treasuries and currency chests on 31 March 2001

* Higher rounding

² Minus balance is due to payments made by the agency bank being more than the receipts collected by them and late reporting of transactions through the Reserve Bank of India, Nagpur

EXHIBIT III
SOURCES AND APPLICATION OF FUNDS

(Rupees in crore)

2000-01	Sources		2001-02
29566.92	1.	Revenue receipts	30092.95
2595.20	2.	Recoveries of Loans and Advances	298.09
5673.88	3.	Increase in Public debt other than overdraft	7480.53
3779.20	4.	Net receipts from Public account	2608.30
705.54		Increase in Small Savings and Provident Funds	634.58
1530.99		Increase in Deposits and Advances	1289.44
1441.51		Increase in Reserve funds	1978.24
(-)46.10		Net effect of Remittances	(-)121.40
147.26		Net effect of Suspense and Miscellaneous transactions	(-)1172.56
351.39	5.	Adjustment closed to Government Accounts	350.02
--	6.	Decrease in closing cash balance	769.25
41966.59		Total	41599.14
		Application	
37400.95	1.	Revenue expenditure	38281.52
4463.01	2.	Capital expenditure	2947.88
(-)726.04	3.	Lending for development and other purposes	59.39
388.16	4.	Net effect of contingency fund transactions	310.35
440.51	5.	Increase in closing cash balance	--
41966.59		Total	41599.14

Explanatory notes for Exhibit I, II and III:

1. The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts.
2. Government accounts being mainly on cash basis, the deficit on Government account, as shown in Exhibit I, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures etc, do not figure in the accounts.
3. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlement etc.
4. There was a difference of Rs 3336.69 lakh (credit) between the figures reflected in the accounts and that intimated by the RBI under "Deposit with Reserve Bank". The difference is under reconciliation (November 2002).

EXHIBIT IV
TIME SERIES DATA ON STATE GOVERNMENT FINANCES

(Rupees in crore)

	1997-98	1998-99	1999-2000	2000-01	2001-02
Part A. Receipts					
1. Revenue Receipts	20316.57	21737.09	25269.47	29566.92	30092.95
(i) Tax Revenue	13719.26(68)	14202.36(65)	17264.95(68)	19726.94(67)	21287.64(71)
Taxes on Agricultural Income	--	--	0.12(00)	--	0.16(00)
Taxes on Sales, Trade, etc	7825.48(57)	8066.61(57)	10509.02(61)	12196.39(62)	12131.38(57)
State Excise	1650.88(12)	1748.74(12)	1875.68(11)	1779.51(09)	1787.26(08)
Taxes on Vehicles	752.07(05)	636.95(05)	708.30(04)	785.84(04)	947.79(04)
Stamps and Registration fees	1690.35(12)	1607.87(11)	1939.83(11)	2200.92(11)	2442.67(12)
Land Revenue	92.09(01)	112.46(01)	177.87(01)	214.72(01)	260.46(01)
Other Taxes	1708.39(13)	2029.73(14)	2054.13(12)	2549.56(13)	3717.92(18)
(ii) Non-tax Revenue	3640.89(18)	3572.70(16)	3936.87(16)	5596.26 ¹ (19)	4655.08(15)
(iii) State's share of Union taxes and duties	1732.06(08)	2921.90(14)	2608.67(10)	2781.01(09)	2468.76(08)
(iv) Grants-in-aid from GOI	1224.36(06)	1040.13(05)	1458.98(06)	1462.71(05)	1681.47(06)
2. Misc. Capital Receipts	--	--	--	--	--
3. Total revenue and Non-debt capital receipts (1 + 2)	20316.57	21737.09	25269.47	29566.92	30092.95
4. Recoveries of Loans and Advances	193.43	269.76	250.90	2595.20	298.09
5. Public Debt Receipts	4496.53	5516.50	6058.04	6744.15	8671.33
Internal Debt (excluding Ways and Means Advances and Overdrafts)	711.92	799.94	1154.80	1342.76	2334.73
Net transactions under Ways and Means Advances and Overdraft	--	0.01	--	--	--
Loans and Advances from Government of India ⁵	3784.61	4716.55	4903.24	5401.39	6336.60
6. Appropriation from Contingency Fund	--	300.00	1000.00	700.00	600.00
7. Inter State settlement	--	0.99	--	--	--
8. Total receipts in the Consolidated Fund (3+4+5+6+7)	25006.53	27824.34	32578.41	39606.27	39662.37
9. Contingency Fund Receipts	208.34	131.44	1772.94	367.29	305.45
10. Public Accounts receipts	28375.02	30342.06	37749.44	38318.68	42368.85
11. Total receipts of the State (8+9+10)	53589.89	58297.84	72100.79	78292.24	82336.67
Part B. Expenditure/Disbursement					
12. Revenue expenditure (% of 15)	22896.51(85)	25663.02(87)	29538.22(79)	37400.95¹(91)	38281.52(93)
Plan	3276.54(14)	3397.75(13)	2840.56(10)	2921.20 ¹ (08)	2881.03(08)
Non-Plan	19619.97(86)	22265.27(87)	26697.66(90)	34479.75(92)	35400.49(92)
General Services (incl. Interests payments)	9136.91(40)	10614.12(41)	12538.73(42)	14702.13(39)	17730.54(46)
Social Services	8596.26(38)	9427.81(37)	11181.28(38)	14350.71(38)	14136.81(37)
Economic Services	5018.34(22)	5445.29(21)	5257.72(18)	7655.86(21)	5875.71(16)
Grants-in-aid and Contribution	145.00(00)	175.80(01)	560.49(02)	692.25(02)	538.46(01)
13. Capital Expenditure (% of 15)	3211.79(12)	3192.51(11)	3761.32(10)	4463.01(11)	2947.88(07)
Plan	3001.24(93)	2484.77(78)	2637.86(70)	3688.30(83)	1475.39(50)
Non-Plan	210.55(07)	707.74 [*] (22)	1123.46(30)	774.71(17)	1472.49(50)
General Services	50.51(02)	74.71(02)	74.78(02)	45.95(01)	38.15(01)
Social Services	137.53(04)	278.40(09)	181.14(05)	120.46(03)	133.11(05)
Economic Services	3023.75(94)	2839.40(89)	3505.40(93)	4296.60(96)	2776.62(94)

* Higher rounding

¹ Lower rounding

⁵ Includes Ways and Means Advances from GOI

	1997-98	1998-99	1999-2000	2000-01	2001-02
14. Disbursement of Loans and Advances (% of 15)	843.91(03)	613.70(02)	3926.98(11)	(-726.04(-2)	59.39(00)
15. Total (12+13+14)	26952.21	29469.23	37226.52	41137.92	41288.79
16. Repayments of Public Debt	722.94	847.95	1017.09	1070.27	1190.80
Internal Debt (excluding Ways and Means Advances and Overdrafts)	75.00	116.00	199.48	209.60	229.89
Net transactions under Ways and Means Advances and Overdrafts	0.01	--	--	--	--
Loans and Advances from Government of India ^s	647.93	731.95	817.61	860.67	960.91
17. Appropriation to Contingency Fund	200.00	100.00	1700.00	350.00	250.00
18. Total disbursement out of Consolidated Fund (15+16+17)	27875.15	30417.18	39943.61	42558.19	42729.59
19. Contingency Fund disbursements	31.44	372.94	1017.29	755.45	615.80
20. Public Account disbursements	25438.33	26739.82	32925.27	34538.09	39760.53
21. Total disbursement by the state (18+19+20)	53344.92	57529.94	73886.17	77851.73	83105.92
Part C. Deficits					
22. Revenue Deficit(-)/Surplus (+) (1-12)	(-)2579.94	(-)3925.93	(-)4268.75	(-)7834.03	(-)8188.57
23. Fiscal Deficit (3+4-15)	6442.21	7462.38	11706.15	8975.80	10897.75
24. Primary Deficit (23-25)	3538.62	3789.25	6822.56	3751.26	4468.67
Part D. Other data					
25. Interest Payments (included in revenue expenditure)	2903.59	3673.13	4883.59	5224.54	6429.08
26. Arrears of Revenue (Percentage of Tax and non-tax Revenue Receipts)	4264.87(25)	4563.52(26)	6511.54(31)	7953.69(31)	5140.68(20)
27. Financial Assistance to local bodies etc	8763.62	7943.93	9471.59	7300.59	10979.92
28. Ways and Means Advances/Overdraft availed (days)	--	--	19	244	10776
29. Interest on WMA/Overdraft	--	--	--	12.18	41.03
30. Gross State Domestic Product (GSDP)	182295	239721	240224	258272 ^c	271406
31. Outstanding Debt (year end)	22787.59	27456.14	32497.09	38170.97	45651.50
32. Outstanding guarantees (year end)	8417.77	11152.15	1079.79	2924.81	1534.96 ^A
33. Maximum amount guaranteed (year end)	24441.62	27423.01	29214.78	35540.20	33974.20
34. Number of incomplete projects	123	115	68	95	117
35. Capital blocked in incomplete projects	2681.77	3099.23	1705.95	2850.12	3258.16

Note: Figures in brackets represent percentages (rounded) to total of each subheading

^s Includes Ways and Means Advances from GOI

^c Based on Economic Survey of Maharashtra 2001-02.

^A Information about outstanding guarantees in respect of 53 institutions/concerns is awaited (October 2002)

CHAPTER-II

**APPROPRIATION AUDIT
AND CONTROL OVER
EXPENDITURE**

Page

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CHAPTER II

APPROPRIATION AUDIT AND CONTROL OVER EXPENDITURE

2.1 Summary of appropriation accounts 2001-02

Appropriation Accounts : Government of Maharashtra

Total Number of grants and appropriations (334+94) : 428

Total provisions and actual expenditure

(Rupees in crore)

Provision	Amount	Expenditure	Amount
Original	56635.40		61208.18
Supplementary	10938.58		
Appropriation to Contingency Fund	250.00		250.00
Total Gross Provision	67823.98	Total Gross Expenditure	61458.18
Deduct-Estimated recoveries in reduction of expenditure	7166.87	Deduct-Actual recoveries in reduction of expenditure	6296.84
Total net provision	60657.11	Total net expenditure	55161.34

Voted and Charged provision and expenditure

(Rupees in crore)

	Provision		Expenditure	
	Voted	Charged	Voted	Charged
Revenue	33871.38*	10554.07	30630.90	10501.67
Capital	6029.40	0.96	4080.73 ⁺	3.25
Public debt and Loans and Advances	3906.94	13211.23	2369.08	13622.55
Appropriation to Contingency Fund	250.00	--	250.00	--
Total Gross	44057.72	23766.26	37330.71	24127.47
Deduct-Recoveries in reduction of expenditure	7126.17	40.70	6266.74	30.10
Total : Net	36931.55	23725.56	31063.97	24097.37

2.2 Introduction

The Appropriation Accounts prepared annually indicate the details of amounts on various specified services actually spent by Government *vis-à-vis* those authorised by the Appropriation Acts.

* Lower rounding

⁺ Higher rounding

The objective of appropriation audit is to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Acts and whether the expenditure required to be charged under the provisions of the Constitution is so charged. It also verifies whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.3 Summary of Expenditure

The summarised position of actual expenditure during 2001-02 against 428 grants/appropriations was as follows:

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving(-)/ Excess(+)
		(Rupees in crore)				
Voted	I. Revenue	29842.66	4028.72	33871.38	30630.90	(-)3240.48
	II. Capital	5758.42	270.98	6029.40	4080.72	(-)1948.68
	III. Loans and Advances	2454.55	1452.39*	3906.94	2369.08	(-)1537.86
Total (Voted)		38055.63	5752.09	43807.72	37080.70	(-)6727.02
Charged	IV. Revenue	10184.46	369.61	10554.07	10501.67	(-)52.40
	V. Capital	0.82	0.14	0.96	3.26	(+)2.30
	VI. Public debt	8394.49	4816.73	13211.22	13622.55	(+)411.33
	VII. Loans and Advances	--	0.01	0.01	--	(-)0.01
Total (charged)		18579.77	5186.49	23766.26	24127.48	(+)361.22
Appropriation to Contingency Fund		250.00	--	250.00	250.00 [®]	--
Grand Total		56885.40	10938.58	67823.98	61458.18	(-)6365.80

2.4 Results of Appropriation Audit

2.4.1 Excess expenditure requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularized by the State Legislature. However, the excess of Rs 2719.11 crore under 37 grants and Rs 963.34 crore under 20 appropriations required regularisation. Details of these are given in Appendix II. Besides, the excess expenditure amounting to Rs 6406.43 crore for the years 1996-2001 in respect of 359 grants/appropriations was also to be regularised, as shown below :

* Lower rounding

[®] Represents the amount appropriated from Consolidated Fund to the Contingency fund. The corpus was temporarily increased during 2000-01 from Rs 150 crore to Rs 400 crore with effect from 7 November 2001 under the Maharashtra Contingency Fund (Amendment) Ordinance No. XXXV of 2001. Rs 15.80 crore drawn from the Maharashtra Contingency Fund during 2001-02 remained unrecouped at the close of the year.

Year	Number of grants/ appropriations	Amount of excess (Rupees in crore)
1996-97	68	256.16
1997-98	69	895.47
1998-99	72	1118.10
1999-2000	83	1837.90
2000-01	67	2298.80
Total	359	6406.43

It can be seen that excess expenditure requiring regularisation is continuously increasing and such excess expenditure is a matter of breach of Legislative Control.

2.4.2 The overall saving of Rs 6365.80 crore was the result of saving of Rs 10048.25 crore in 365 grants and appropriations, offset by excess of Rs 3682.45 crore in 56 grants/appropriations.

2.4.3 Supplementary provisions made during the year constituted 19.31 *per cent* of the original provision as against 39.75 *per cent* in the previous year.

2.4.4 Unnecessary/insufficient/excessive supplementary provisions

2.4.4.1 Supplementary provision of Rs 1249.73 crore made in 73 grants/appropriations during the year proved entirely unnecessary in view of aggregate saving of Rs 4037.57 crore as detailed in Appendix III. Of these supplementary grants, Rs 66.97 crore were obtained in the month of March 2002.

2.4.4.2 In 43 other grants/appropriations, against additional requirement of Rs 1684.26 crore, supplementary grants of Rs 3321.68 crore were obtained, resulting in savings aggregating to Rs 1637.42 crore and also savings in each grant/appropriation exceeding Rs 10 lakh. Details of these grants/appropriations are given in Appendix IV.

2.4.4.3 In 20 grants/appropriations, supplementary provision of Rs 5964.28 crore proved insufficient by more than Rs 10 lakh each, leaving an aggregate uncovered excess expenditure of Rs 2970.47 crore as per details in Appendix V.

2.5 Savings

2.5.1 In 115 grants/appropriations, expenditure fell short by Rs 1 crore or more in each grant/appropriation and also by 10 *per cent* or more of the total provision as indicated in Appendix VI.

2.5.2 In 12 grants/appropriations there were persistent savings in excess of Rs 10 lakh in each grant/appropriation and 20 *per cent* or more of the provision during last three years. Details are given in Appendix VII.

2.6 Excess expenditure

Persistent excess occurred in 6 grants/appropriations as detailed in Appendix VIII. In five of these cases the excess was significant during the last three years and required investigation by the Government for remedial action.

2.7 Excessive/unnecessary reappropriation of funds

Reappropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. 143 grants/appropriations where reappropriation of funds proved excessive or insufficient by over Rs 10 lakh are as given in Appendix IX.

2.8 Expenditure without provision

As envisaged in the Budget Manual, expenditure should not be incurred on any item without provision of funds. However, expenditure of Rs 179.03 crore was incurred in 50 grants/appropriations, as detailed in Appendix X, without any provision in the original estimates/supplementary demands and no reappropriation orders were issued for such cases either.

2.9 Anticipated savings not surrendered or injudicious surrender

2.9.1 According to rules, the spending departments are required to surrender the grants/appropriations or portion thereof to Finance Department as and when the savings are anticipated. However, at the close of the year 2001-02 there were 53 grants/appropriations in which large savings occurred but no part of which had been surrendered by the concerned departments. The amount involved in these cases was Rs 153.36 crore (1.53 *per cent* of the total savings). In 58 other grants/appropriations, the amount of available savings of Rs 1 crore and above in each grant/appropriation not surrendered aggregated Rs 1631.48 crore (16.24 *per cent* of total savings). Details are given in Appendices XI and XII respectively. Thus in these cases, Government could not utilise the unspent funds for other activities when more funds could be utilised.

2.9.2 Besides the above, in 217 grants/appropriations, Rs 4930.31 crore were surrendered on the last two days of March 2002 indicating

inadequate financial control over expenditure. Details are given in Appendix XIII.

2.9.3 In 34 grants/appropriations, the amount surrendered was in excess of actual savings, indicating inadequate budgetary control. As against the actual savings of Rs 3542.55 crore, the amount surrendered was Rs 4548.70 crore resulting in excess surrender of Rs 1006.15 crore. Details are given in Appendix XIV. The excess savings indicated that the Controlling Officers did not have adequate control over expenditure flow. These irregularities could be minimised if the precautions envisaged in Appendix 10 (Para 179) of the Maharashtra Budget Manual are taken by all the departments.

2.10 Advances from Contingency Fund

The Contingency Fund of the State was established under the Bombay Contingency Fund Act, 1956, as per the provisions of Articles 267 (2) and 283 (2) of the Constitution of India. Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent character, the postponement of which, till its authorisation by the Legislature would be undesirable.

The Fund is in the nature of an imprest and its corpus is Rs 150 crore which was temporarily raised to Rs 500 crores with effect from 31 January 2001. The balance at the beginning of the year was Rs 444.55 crore with an unrecouped balance of Rs 55.45 crore. The corpus of the Fund was again temporarily raised to Rs 400 crore with effect from 7 November 2001. The ordinance ceased to operate after six weeks from the reassembly of the Legislature. During 2001-02, advances drawn but not recouped to the Fund amounted to Rs 15.80 crore. The closing balance of the Fund as on 31 March 2002 was Rs 134.20 crore.

According to the provisions in the Maharashtra Budget Manual, the Controlling Officers (COs) should submit to the Accountant General (A&E) every month details of expenditure incurred by them from the advances sanctioned from the Contingency Fund so that the same can be correctly classified. COs are also required to reconcile the expenditure booked by the Accountant General (A&E) with the accounts of the Contingency Fund maintained by them. However, the monthly statements of expenditure were not sent by the COs and reconciliation was not done with the Accountant General's books.

The Budget Manual lays down that proposals for sanctioning advances from the Contingency Fund may be made by the Administrative departments of the State Government when they are in a position to justify the circumstances under which (a) provisions could not be made in the Annual or Supplementary budget, (b) the expenditure could not be foreseen, and (c) the expenditure

could not be postponed till the necessary approval of the Legislature is obtained.

During 2001-02, 107 sanctions were issued for withdrawal of Rs 777.96 crore. A review of the operation of Contingency Fund disclosed that (i) two sanctions amounting to Rs 277.50 crore were subsequently reduced to Rs 16.75 crore and (ii) nine sanctions amounting to Rs 94.28 crore were subsequently increased to Rs 159.47 crore.

A few illustrative grants/appropriations detailed in Appendix XV show that advances from Contingency Fund were obtained (for Rs 191.43 crore in 10 cases) though the expenditure was not unforeseeable.

2.11 Trend of recoveries and credits

Under the system of gross budgeting followed by Government, the demands for grants presented to the Legislature are for gross expenditure and exclude all credits and recoveries which are adjusted in the accounts as reduction of expenditure. The anticipated recoveries and credits are shown separately in the budget estimates.

In 108 grants/appropriations, the actual recoveries adjusted in reduction of expenditure (Rs 3710.51 crore) exceeded the estimated recoveries (Rs 2603.14 crore) by Rs 1107.37 crore and in 41 grants/appropriations the actual recoveries (Rs 2586.33 crore) were less than the estimated recoveries (Rs 4563.73 crore) by Rs 1977.40 crore. More details are given in Appendix II of Appropriation Accounts.

2.12 Non-receipt of explanations for savings/excesses

For the year 2001-02, explanations for savings/excesses were not received in respect of 1162 heads of account which form 70.21 *per cent* of the number of heads. The percentage was 53 for the year 2000-01.

2.13 Unreconciled expenditure

Financial rules require that the COs should periodically reconcile the departmental figures of expenditure with those booked by the Accountant General. In respect of 17 departments, expenditure of Rs 1656.86 crore pertaining to 2001-02 remained unreconciled till April 2002. Details are given in Appendix XVI.

2.14 Persistent excess expenditure

The demands for Grant No. D-9, Major Head 2702 Minor Irrigation pertaining to Agriculture, Animal Husbandry, Dairy Development and Fisheries

Department and Grant No. S-1 Major Head 2210 Medical and Public Health pertaining to Medical Education and Drugs Department were reviewed in audit and the results of scrutiny are indicated below :

Agriculture, Animal Husbandry, Dairy Development and Fisheries Department

2.14.1 General

Agriculture, Animal Husbandry, Dairy Development and Fisheries Department was operating D-9 Major Head 2702 Minor Irrigation from 1999-2000 onwards. Commissioner of Agriculture, Pune is the controlling officer for the grant and is responsible for controlling the expenditure from the allotted grants.

Budget proposals for the ensuing year are formulated by the field units of the department and are submitted to the Commissioner who verifies and consolidates the same and submits to the Administrative department. These budget proposals are scrutinised by the Administrative department and are submitted to the Planning Department in respect of plan grants and to the Finance Department in respect of non-plan grants. The Planning Department scrutinises the proposals on the basis of annual plan allocations, resources available, priority of development sectors and sends its recommendations to the Finance Department. The Finance Department finalises the budget proposals for the entire State which are placed before the State Legislature in budget session for approval as required under Article 203 of the Constitution of India.

The summarised position of the final grant and actual expenditure during the year 1999-2000 to 2001-02 relating to Grant D-9 Major Head 2702-Minor Irrigation is given below:

Year	Name of the department	Final modified grant	Actual expenditure	Variation (+) Excess (-) Saving	Percentage of excess
		Rupees	in	crore	
1999-2000	Agriculture, Animal Husbandry, Dairy Development and Fisheries	2.37	10.81	(+) 8.44	356
2000-01	Agriculture, Animal Husbandry, Dairy Development and Fisheries	2.23	15.20	(+) 12.97	582
2001-02	Agriculture, Animal Husbandry, Dairy Development and Fisheries	2.25	13.10	(+) 10.85	482
	Total	6.85	39.11	32.26	

The above table shows that the department incurred excess expenditure of Rs 32.26 crore against total grants of Rs 6.85 crore between 1999-2002 and it ranged between 356 per cent and 582 per cent.

Rule 153 of Maharashtra Treasury Rules provides that the Treasury Officer may make payment against bills presented if funds are available for the purpose provided and that he does not refuse payment when the Drawing and Disbursing Officer (DDO) has undertaken to obtain funds by supplementary grant and the claim is otherwise in order. It was observed in audit that although excess expenditure was being incurred every year no instruction were issued by the Finance Department to the Treasury Officer for not releasing the amount to the concerned DDO. The Planning as well as Finance Department did not provide additional funds to cover the excess expenditure. This excess expenditure was yet to be regularised.

2.14.2 Excess expenditure under 104-Ayacut development without augmenting the provision

Financial rules provide that the budget controlling officers should exercise effective control over the progress of expenditure so as to ensure that the excess expenditure under any unit of appropriation is augmented by reappropriation of funds from other units of appropriation where savings are available or by seeking supplementary grants.

It was observed that the excess of expenditure over final modified grants was mainly under the minor head of account "104-Ayacut development" operated by Agriculture Department under plan scheme. For execution of the works of Ayacut development by the Commissioner of Agriculture, Pune 2163 posts sanctioned were continued upto March 2002. It was, however, observed that though the posts were continued from time to time and the Commissioner of Agriculture demanded funds, the Planning Department, did not provide adequate funds for pay and allowances of the establishment in the Budget Estimate/Revised Estimates for the years 1999-2000 to 2001-02.

The details of grant required, sanctioned and expenditure incurred thereon in respect of above were as under :

(Rupees in crore)

	1999-2000	2000-01	2001-02
Grants asked for by the Department	22.45	23.00	23.74
Grant sanctioned by Planning Department (RE)	1.50	1.50	1.50
Expenditure incurred	8.91	14.08	12.84
Excess expenditure	7.41	12.58	11.34
Percentage of excess	494.00	838.66	756.00

It may be seen from the above table that the Planning Department sanctioned only Rs 1.5 crore as against demand ranging between Rs 22.45 crore and Rs 23.74 crore projected by the department against which actual expenditure ranged between Rs 8.91 crore and Rs 14.08 crore during 1999-2002. Though the department projected it's requirement with reference to proposals made by

the controlling officer, the Planning Department has allocated the grants with reference to plan outlay which was approved by the Finance Department. The requirement of funds projected by the department were not considered by the Planning Department/Finance Department even at the stage of sanctioning final modified grant in the month of March. Thus, the budget estimates placed before the Legislature presented a misleading picture of the requirement of funds of the department.

Finance Department stated (August 2002) that as far as the schemewise plan allocation was concerned and in absence of proper plan allocation, Finance Department has no role in allotment of plan grants to make required provisions. Planning Department stated (August 2002) that taking into consideration limited resources available and according to priority the Planning Department had to accommodate all the commitments within the allocation made. While making the department-wise allocation it might not be possible to fulfil every department's additional demand of funds due to State's financial resources constraint.

Thus, while finalising the grants, the Planning Department ignored the proposals of the department which consisted of items of inevitable expenditure resulting in persistent excess expenditure during the years 1999-2000 to 2001-02.

2.14.3 Control of Expenditure

The Commissioner of Agriculture being the controlling officers distributes grants to the DDOs through Superintending Agriculture Officers. The monthly reports regarding progress of expenditure were received in "Form 9" of the Budget Manual from the DDOs and were consolidated by the Controlling Officers. Similarly, register of expenditure in "Form 10" of Budget Manual for watching progress of expenditure on the scheme with its breakup into different objects of expenditure against corresponding sanctioned budget allocation was also maintained by the Controlling Officer. However Planning Department did not take cognizance of the excess expenditure being incurred by the department year after year. Monthly progressive expenditure were also not being received in Finance Department.

Medical Education and Drugs Department

2.14.4 General

The grant is operated and controlled by the Medical Education and Drugs Department which has five Directorates under it, namely (i) Director of Medical Education and Research, Mumbai, (DMER), (ii) Director of Ayurved, Mumbai, (iii) Commissioner of Food and Drugs Administration, Mumbai (FDA), (iv) Director of Maharashtra Mental Institute, Pune and (v) Director of Haffkine Institute, Mumbai.

The Budget proposals for the ensuing years are formulated by the field units of the Department and submitted by them to the Directorates who verify and consolidate the same and submit to the Administrative department for approval. These Budget proposals are scrutinised by the Administrative department and are submitted to the Planning Department in respect of plan grants and to the Finance Department in respect of non-plan grants. The Finance Department finalises the budget proposals for the entire State, which are placed before the State Legislature in budget session for approval as required under Article 203 of the Constitution of India.

A summarised position of the final modified grant and actual expenditure during the period 1998-99 to 2001-02 relating to the Grant S-1 Major Head - 2210 Medical and Public Health is as follows: -

(Rupees in crore)

Year	Final Modified Grant (FMG)	Actual expenditure	Excess expenditure over FMG	Percentage of excess to FMG
1998-99	277.61	296.37	18.76	6.76
1999-2000	401.38	418.59	17.21	4.29
2000-01	414.79	435.17	20.38	4.91
2001-02	394.37	399.37	5.00	1.27
Total	1488.15	1549.50	61.35	

The above table shows that during the period 1998-2002 the Department incurred expenditure of Rs 1549.50 crore against grants of Rs 1488.15 crore resulting in excess expenditure of Rs 61.35 crore, the percentage of excess expenditure ranged from 1.27 to 6.76. The reasons for the excess expenditure are explained hereafter.

2.14.5 Budget estimates and actual expenditure

The Maharashtra Budget Manual envisages careful preparation of the budget estimates so that the estimates prepared are as close and accurate as possible, realistic, not abnormally excessive or substantially less. For this purpose the estimate should be based on the average of the actuals of the past three years. Details of departmental estimates, final modified grant, and actual expenditure of the grant for the period 1998-99 to 2001-02 are as follows: -

(Rupees in crore)

Period	Departmental estimate (Revised)	F.M.G.	Difference between Col.2 and 3	Percentage of Col.3 to Col.2	Actual expenditure	Excess with reference to FMG
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1998-99	324.79	277.61	47.18	85.47	296.37	18.76
1999-2000	446.81	401.38	45.43	89.83	418.59	17.21
2000-01	469.82	414.79	55.03	88.29	435.17	20.38
2001-02	565.52	394.37	171.15	69.74	399.37	5.00

i) **Excess Expenditure due to non-provision of Funds of Revised Estimates:**

It can be seen from the above that the FMG sanctioned by Finance Department ranged from 69.74 per cent to 89.83 per cent compared to the department estimates (Revised). The Finance Department reduced the grants of even the inevitable items of expenditure like pay and allowances and office expenses. The position of the grants for pay and allowances demanded by the three Directorates (DMER, Director of Ayurved and Commissioner of FDA) and the FMG sanctioned by Finance Department were as detailed below:

(Rupees in crore)

Details	1998-99	1999-2000	2000-01	2001-02
Departmental Estimate (Revised)	169.45	267.28	315.88	562.02
FMG/(Percentage to Departmental Estimate)	157.89 (93.18)	246.48 (92.21)	278.72 (88.24)	392.05 (69.76)
Actual Expenditure/(Percentage to Departmental Estimate)	166.39 (98.19)	265.25 (99.24)	295.25 (93.47)	392.78 (69.89)

From the above given table it can be seen that even though the department projected their requirement in a realistic manner, Finance Department did not provide adequate grants for the pay and allowances resulting in excess expenditure under the grant. The excess expenditure on account of pay and allowances was necessitated due to payment of arrears on account of implementation of the V Pay Commission recommendations and University Grant Commission pay scales to the Professors of Medical Colleges.

One of the reasons for the excess expenditure are the provisions of Rule 153 of the Maharashtra Treasury Rules which authorise the Treasury Officers to make payments on the strength of an undertaking given by the DDOs to obtain supplementary funds till last day of the financial year, as the re-appropriation orders are issued till 31 March every year.

ii) **Import of Machinery and Equipment by opening Letter of Credit - booking of Expenditure against the budget provision of previous year.**

Every year budget provisions are made for procurement of machinery and equipment in the hospitals and Medical Colleges under the Administrative control of this department. The sanctions for this expenditure are accorded invariably by the Health Department at the fag end of the year. Therefore the purchase procedure formalities for opening of Letter of Credit and importing the consignments are completed in the ensuing/following financial year, which

results in booking of the expenditure in the year where there is no budget provision available for that expenditure.

Expenditure of Rs 4.50 crore, Rs 4.37 crore and Rs 3.67 crore were incurred by four State Hospitals* alone on importing machinery and equipments during the period 1998-2001 though the grants were not available in those years. The Department (August 2002) admitted that they are not making suitable provisions in the revised departmental estimates to accommodate the above expenditure.

2.14.6 Note of Error

The Controlling Offices are responsible for reconciliation of consolidated monthly expenditure booked by the department with that booked by the Accountant General (A and E) and ensure that there is no occasion to point out discrepancies in the figures of actual expenditure once accepted after the close of the year. Scrutiny of the records revealed that even after the close of the year there were huge differences between figures booked by the Accountant General (A and E) and the Department, which was rectified by Note of Error. DMER alone had proposed note of error amounting to Rs 2.98 crore and Rs 93.48 lakh during 1999-2000 and 2000-01. This resulted in variation between the FMG and the actual expenditure booked.

* Cama and Albless, G.T. Hospital, J.J.Hospital and St. George Hospital, Mumbai

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CHAPTER III

CIVIL DEPARTMENTS

AUDIT PARAGRAPHS

GENERAL ADMINISTRATION AND HOME DEPARTMENTS

3.1 Non-recovery of licence fees

Non-recovery of licence fees from Government employees on overstay in staff quarters resulted in accumulation of arrears amounting to Rs 1.54 crore.

(a) The allotment of residential quarters to Government employees is governed by the Bombay Civil Services Rules 1959 (Rules 831 to 861) and orders issued by Government of Maharashtra from time to time. Government orders of December 1985 stipulated that Government quarters allotted should be vacated within one month of death, dismissal or retirement from service. However, in case of an allottee dying in harness, the quarter could be retained by his family for a period of four months. Further, as per Government orders of September 1996, occupation in excess of prescribed time limits would attract market rate of Rs 10 per square foot for the carpet area occupied.

Scrutiny of records of General Administration Department (GAD), which is the Estate Manager for all Government quarters in Mumbai, (January 2002) and information received subsequently revealed that as of October 2002 licence fees of Rs 69.60 lakh was outstanding from 248 Group B, C and D employees who had overstayed at Government Colony, Bandra. Similarly licence fee of Rs 18.58 lakh was also due as of October 2002 from 21 Group A Officers who had overstayed.

The Under Secretary to the Department stated (January 2002) that Government stayed the eviction of the 248 B, C and D category employees upto May 1998. Subsequently, Government decided in December 1999 to evict the occupants of these quarters and initiated action in June 2000. As some of the employees approached the High Court, (the grounds for which were not available on record) and as per Court's directives action for eviction

was started after September 2000. Though, instructions were issued in November 2001 to recover the licence fee from Fifth Pay Commission arrears, the department failed to effect the recovery. The reasons for delay in taking the decision for evicting the occupants and initiating action thereafter were not on record.

(b) Similarly, scrutiny of the records of Commissioner of Police, Mumbai (June 2001) revealed that Rs 41.35 lakh was outstanding from 51 retired employees/family members of deceased employees, who had retained the quarters beyond the period of six months. On being brought to the notice of Commissioner of Police, Mumbai and the Government (September 2001) all the quarters were got vacated (July 2002) but the outstanding dues of Rs 18.67 lakh from 33 persons were not recovered. No reasons were given for non-recovery.

(c) Scrutiny of records of the Commissioner of Police, Thane (November 2001) revealed that the Commissionerate did not take any measures either to evict those who had overstayed nor recovered licence fees at market rate. The licence fee outstanding as of October 2001 was Rs 47.59 lakh approximately.

The Commissioner stated (November 2001) that notices for vacating the quarters were issued. Instructions were also issued to the Police Stations to either recover the dues immediately or from third instalment of fifth Pay Commission arrears of pension. Besides issuing notices/instructions no further follow up action was initiated by the department.

Thus, failure to enforce timely vacation of houses and regular recovery of licence fee resulted in accumulation of arrears and non-recovery of licence fee of Rs 1.54 crore.

GENERAL ADMINISTRATION DEPARTMENT

3.2 Nugatory expenditure on pay and allowances on staff of Nagpur Flying Club

Delay in taking appropriate decision to revive the Nagpur Flying Club to promote flying skills, rendered the expenditure of Rs 73.35 lakh unproductive.

The Nagpur Flying Club (NFC) was registered as a private club in the year 1947 with main objective of promoting art and science of flying and aeronautics. Owing to financial crises and request from the Board of Directors of NFC apart from imparting flying training to National Cadet Corps (NCC), Scheduled Castes/Scheduled Tribes (SC/ST) and general students and promote flying skill in Central India, Government decided (September 1990) to take

over the NFC and declared the staff working with NFC as State Government employees.

Scrutiny of records (November 1999) of Divisional Commissioner (DC), Nagpur revealed that from September 1994, the NFC virtually became defunct as all the flying activities of NFC were suspended in the absence of the Chief Flying Instructor to provide flying instructions and the Chief Engineer to maintain the aircrafts. The NFC incurred Rs 73.35 lakh from October 1994 to March 2002 on pay and allowances of the remaining technical and supporting staff working in NFC. As the staff did not perform any activity for promotion of art and science of flying and aeronautics after October 1994, the expenditure of Rs 73.35 lakh upto March 2002 was nugatory.

On this being pointed out DC stated (March 2000) that the remaining technical and supporting staff performed general duties. The DC also stated that a proposal for privatisation of the club was pending with Government since September 1995. Thus, due to delay in taking appropriate decision to revive the NFC, there was virtually no activity for promotion of art and science of flying and aeronautics in Nagpur and Central India for nearly 8 years.

The matter was referred to the Secretary to the Government in June 2002. No reply has been received (December 2002).

HIGHER AND TECHNICAL EDUCATION DEPARTMENT

3.3 Blocking of funds in Training Hotel

Non-functioning of Hotel Management training hotel since January 1999 resulted in blocking of Rs 95 lakh.

Government took up the upgradation of the Maharashtra State Institute of Hotel Management and Catering Technology (Institute), Pune in 1991-92 with the assistance of the World Bank and granted academic autonomy to the Institute in 1995 to conduct training courses and impart practical training to the students of Hotel Management Courses.

Accordingly, construction of buildings for the Institute (College and Office) and attached hotel was got executed in 1998 at a cost of Rs 7.67 crore (approximately) through the Public Works Department (PWD). The Institute was shifted to the new premises in June 1998. The Training Hotel consisting of 30 air conditioned rooms and 3 banquet halls was completed in January 1999 at a cost of Rs 95 lakh but had not started functioning as the Government was yet to decide the operational details for running such a hotel. Further, occupation certificate from PWD, permission from the Pune Municipal Corporation (PMC) and police authorities were not obtained. The requisite

staff for running the hotel was not sanctioned. The Institute has made only a part payment of property tax of Rs 10.02 lakh to PMC in April 2001.

Scrutiny by Audit in July 2000 revealed that the Government had taken important decisions in February 2000 to establish a trust for running the hotel, appoint the staff on contract basis, pay the taxes and obtain necessary approvals from PMC/Police Authorities etc for making the hotel functional. The Higher and Technical Education Department, however, circulated the minutes of the meeting after one year in February 2001 which showed lack of seriousness on the part of the department in implementing the decision.

Subsequently, in August 2001 a proposal was submitted by the Institute to run the hotel on lease basis. This was approved by the Government in October 2001 but the consultant was yet to be appointed to work out different options to operationalise the hotel (September 2002).

Indecision on the part of the Institute as well as Government to make the hotel functional resulted in blocking of funds of Rs 95 lakh for a period of nearly four years. The Government while confirming the facts, replied (September 2002) that the process of appointing a consultant was in progress and requisite NOC to start the hotel would be obtained from the concerned authorities.

HOME DEPARTMENT

3.4 Excess payment to the supplier

Incorrect computation of the price of the vehicles resulted in excess payment of Rs 48.90 lakh to the supplier.

Under the Centrally Sponsored Scheme of modernisation of State Police Force the Director General of Police (DGP), Mumbai placed (March 2001) two orders for supply of 100 Swaraj Mazda Police Light Vans, on the Director General of Supplies and Disposal.

Scrutiny of the records of the DGP, Mumbai (July 2001 and July 2002), revealed the following:

The supply orders indicated the specification as "Police Light Van WV-26A Hard Top Wheelbase 2815 mm with fully built and equipped drivers' cabin with fixed side cargo box, galvanised iron (GI) hard top instead of soft top, wiremesh stone guard for window glasses and front wind screen." The composite price per vehicle was shown as Rs 468839.16 (excluding sales tax). The price per vehicle (including sales tax at 5.4 per cent) thus worked out to Rs 494156.

However, as per rate contract as well as the *pro forma* invoice, the basic cost per vehicle worked out to Rs 445254 including sales tax. The cost of the super structure with tarpaulin cover was Rs 46397 per vehicle and the cost of GI hard top was Rs 40,236. While computing the price in the supply order, the DGP's office included the cost of both the items of super structure ie with tarpaulin cover as well as GI hard top resulting in excess payment of Rs 46397 + 5.4 *per cent* sales tax (Rs 48902) per vehicle. The total excess payment made to the supplier for 100 vehicles was Rs 48.90 lakh.

Though the point was raised by Audit (July 2001), no action was taken by the department. Only on reiteration of the point by Audit (July 2002) and further follow up, the matter was taken up with the supplier.

The matter was forwarded to the Secretary to the Government in August 2002. No reply has been received (December 2002).

PUBLIC HEALTH DEPARTMENT

3.5 Non-utilisation of hospitals and loss on account of rental charges

Non-use of three hospitals constructed at a cost of Rs 25.20 crore, resulted in a loss of Rs 7.68 crore on rent.

The Employees State Insurance Scheme (ESIS) is being implemented in the State with the approval of Employees State Insurance Corporation (ESIC), established by the Central Government. The scheme provides for extending medical facilities to the insured persons (IPs) through Insurance Medical Practitioners, ESIS Hospitals and Specialised Centres. The expenditure on the scheme is initially borne by the State Government and 7/8th of the total expenditure is reimbursed by the ESIC, subject to ceiling limits prescribed from time to time.

A scrutiny of the records of the Commissionerate of ESIS, Mumbai in July 2001 revealed that the State Government in view of the increase in number of insured persons and possibility of extension of the scheme to the shops, hotels, restaurants, theatres etc had proposed construction of three hospitals at Chinchwad, Bibwewadi and Kolhapur to ESIC in 1973 and 1976 respectively. However, before the construction of the hospital at Bibwewadi was started (July 1991) the State Government declined to go ahead with the project as the project would increase the financial burden of the State Government. Notwithstanding these facts, the ESIC constructed all the three hospitals at a cost of Rs 25.20 crore from their funds.

The State Government did not take possession of these hospitals as it was not in a position to undertake additional financial burden.

As the State Government did not take possession of the hospitals, ESIC unilaterally recovered Rs 7.68 crore, towards rental charges of these hospitals for the period from September 1998 to February 2001 from the dues payable to the State Government for the years 1999-2000 and 2001-02.

The Director (Medical) ESIS, Mumbai stated (July 2001) that the Government of Maharashtra has been requested to take up the matter with the ESIC. The Commissionerate is also pursuing the matter with the ESIC separately.

Thus, failure on the part of the State Government to prevail upon ESIC not to construct three hospitals had resulted in blocking of Rs 25.20 crore. In addition infructuous expenditure of Rs 7.68 crore on rental charges was incurred.

The matter was referred to the Secretary to the Government and Commissioner of ESIS in February 2002. No reply has been received (December 2002).

3.6 Underutilisation of facilities in Rural Hospitals

Unfruitful expenditure of Rs 62.37 lakh on Rural Hospital, Mandangad and Pendurkatta due to delay in construction/sanctioning of additional staff and delay in functioning/underutilisation of facilities.

Primary Health Centre (PHC), Mandangad, district Ratnagiri was upgraded to a Rural Hospital (RH) in May 1983, under the scheme of upgradation of PHC into RH and eight posts were sanctioned as minimal additional staff as against the 32 posts required till the construction of the hospital is completed. Sanction for the construction of RH building and staff quarters was also accorded by the Public Health Department in January 1987 at an estimated cost of Rs 12 lakh and Rs 14.34 lakh respectively.

The construction of the building commenced by the Public Works Department (PWD) in 1991 was completed in 1999 after incurring an expenditure of Rs 62.37 lakh against the estimated cost of Rs 26.34 lakh. The delay in completion of the building was attributed by the Executive Engineer, Chiplun Division (June 1998) to non-availability of contractors, material and skilled workers as the work was to be executed in a distant and remote area.

Scrutiny of records in Civil Hospital, Ratnagiri in December 2001 revealed that the RH had not been shifted to the new building and had been functioning at the old PHC building with the skeletal staff sanctioned in 1983, as the

required staff was not appointed by Government inspite of repeated requests by the Civil Surgeon.

Further, with the lapse of time the hospital building had been damaged, plumbing work rusted and electrical fittings dysfunctional. In order to make the building usable, major repairs were required as assessed in a joint survey conducted by the Public Health and PWD in October 2001. The hospital was yet to be shifted to the new building (November 2002).

Thus, besides cost overrun of Rs 36.03 lakh due to inordinate delay in construction of RH, the expenditure of Rs 62.37 lakh was rendered unfruitful due to non-appointment of additional staff by the Government despite posts being sanctioned 15 years back in January 1987.

2) Scrutiny of records of Civil Hospital, Sindhudurg in May 2001 and May 2002 revealed that construction of the RH building and staff quarters at Pendurkatta, Malvan estimated to cost Rs 97.08 lakh, commenced by the PWD in 1994 was completed in May 1998 at a cost of Rs 1.06 crore. The Civil Surgeon, Sindhudurg, took possession of the buildings after one year in June 1999, due to delay in completion of operation theatre, X-Ray room, minor electrical works, garage, sanitation etc.

Despite completion of building in all respect by June 1999 the RH was shifted only in July 2001 for which no reasons were found on record and was functioning with skeletal staff of 8 plus one medical officer thus rendering the expenditure of Rs 1.06 crore largely unfruitful.

The matter was referred to the Secretary to the Government in August 2002. No reply has been received (December 2002).

RURAL DEVELOPMENT AND WATER CONSERVATION DEPARTMENT

3.7 Rural Housing Scheme (Indira Awaas Yojana)

3.7.1 Introduction

In order to address the problem of Rural Housing, Government of India (GOI) in 1985-86 introduced Indira Awaas Yojana (IAY) as a sub scheme of the Rural Landless Employment Guarantee Programme (RLEGP) for construction of houses for Scheduled Castes (SC)/Scheduled Tribes (ST) and freed bonded labourers. IAY was made an independent scheme from January 1996. As part of IAY, a separate upgradation component for conversion of *Kutcha* house to *semi-pucca* houses at a unit cost of Rs 10000 was introduced from 1999-2000.

To supplement the efforts of IAY, five new schemes viz Pradhan Mantri Gramodaya Yojana - Gramin Awaas (PMGY-GA), Credit-cum-Subsidy (CCS), Samagra Awaas Yojana (SAY), Rural Building Centres (RBC) and Innovative Stream for Rural Housing and Habitat Development (ISRHHD) were also started in 1999-2000 by the GOI.

The status of implementation of each scheme in the State is discussed in the succeeding paras.

3.7.2 Organizational set-up

At the State level the Rural Development (RD) and Housing Department (HD) are responsible for planning, monitoring and evaluation of the Scheme. The rural housing schemes are implemented by the District Rural Development Agencies (DRDA) through the Panchayat Samitis (PSs).

3.7.3 Audit coverage

Records of ten* districts out of 33 alongwith at least three blocks in each district pertaining to the period 1997-98 to 2001-02 were test-checked from February to June 2002. An attempt was also made to cover at least one district from each of the six** Revenue Divisions of the State.

3.7.4 Indira Awaas Yojana

3.7.4.1 The primary objective of IAY was to help the rural poor in construction of the dwelling units with grant-in-aid/subsidy with 60 per cent weightage in favour of the members of SC/ST community. The non-SC/ST categories covered under the Schemes include widows or next of kin of defence personnel killed in action, ex-servicemen, retired members of paramilitary forces and disabled persons.

The GOI and Government of Maharashtra (GOM) provided scheme funds in the ratio 80:20 (revised to 75:25 from 1999-2000) to the DRDA. The ceiling limit for assistance for construction of house was Rs 20000 for plain areas and Rs 22000 for hilly areas from the year 1996-97. From March 1996, the GOM increased their share of assistance by Rs 8500 so as to increase the assistance to Rs 28500. The beneficiary's contribution was to be in the form of labour component worth Rs 1500.

3.7.4.2 Financial and physical progress

The details of funds released (Central and State) houses targeted, constructed and percentage of achievement under the scheme during the period 1997-98 to 2001-02 as reported to GOI by the GOM is as under:

* Ahmednagar, Beed, Dhule, Nashik, Nagpur, Pune, Raigad, Solapur, Thane and Yavatmal.

** Amravati, Aurangabad, Konkan, Nagpur, Nashik, and Pune.

Year	Opening balance	Central grants	State grants	Interest and other receipts	Total grants available	Expenditure	Closing balance	Houses Targeted	Houses constructed	Percentage of achievement
1	2	3	4	5	6	7	8	9	10	11
1997-98	30.01	100.44	73.58	--	204.03	168.57	35.46	61122	60709	99.32
1998-99	34.69	136.56	86.92	2.04	260.21	199.69	60.52	78092	54532	69.83
1999-2000	60.73	83.97	61.53	2.86	209.09	184.49	24.60	56451	63121	111.81
2000-01	24.66	82.05	63.73	4.66	175.10	160.28	14.82	56461	60202	107.00
2001-02	21.07	88.27	54.82	4.04	168.20	156.78	11.42	57732	62060	107.00
Total		491.29	340.58	13.60		869.81		309858	300624	97.02

The table has inconsistencies in closing and opening balances. The Additional Director, Integrated Rural Development Programme Cell, attributed (December 2002) the differences to subsequent changes made in the Accounts by the DRDAs. The reply was not tenable as the differences should have been reconciled before reporting the financial information to the GOI. The final reconciled figures were yet to be made available to GOI.

Beed, Raigad and Solapur lost the Central assistance of Rs 2.64 crore due to poor utilisation of funds

3.7.4.2.1 GOI released fifty *per cent* of the allotted funds as first instalment. Subsequent instalment was released subject to the furnishing of utilisation certificate of funds received. Audit scrutiny revealed that DRDAs, Beed, Raigad and Solapur lost Central assistance of Rs 2.64 crore due to poor utilisation of funds. This resulted in denial of benefits to 1762 beneficiaries.

Five districts lost Rs 4.59 crore due to incorrect presentation of claims

3.7.4.2.2 Test-check of records of five hilly districts viz Ahmednagar, Nashik, Raigad, Pune and Thane revealed that, due to presentation of incorrect claims at the rate of Rs 20000 instead of Rs 22000, the GOM received Rs 4.59 crore less from GOI. Information regarding the other hilly districts was not furnished by the Government (November 2002).

3.7.4.2.3 Diversion/retention of funds

DRDAs/PS diverted IAY funds amounting to Rs 1.58 crore

There was diversion of IAY funds to the tune of Rs 1.58 crore as detailed below:

DRDA/PS	District	Period	Amount (Rupees in lakh)	Purpose of diversion
DRDA, Thane	Thane	1997-98 to 1998-99	17.87	Establishment charges
DRDA, Ahmednagar	Ahmednagar	--	42.49	Establishment charges
DRDA, Nagpur	Nagpur	1997-98 2001-02	0.60 1.00	Establishment charges Construction of Panchayat Samiti Building
DRDA, Yavatmal	Yavatmal	1999-2000 to 2000-01	0.18	Construction of Panchayat Samiti Building
DRDA, Nashik	Nashik	1997-98	78.50	Jawahar Rozgar Yojana
DRDA, Pune	Pune	1997-98 to 2001-02	1.33	Establishment/ Contingency
PS, Mouda	Nagpur	1999-2000	8.00	Integrated Rural Development Programme
PS, Dindori	Nashik	2000-01	2.00	Jawahar Gram Samrudhi Yojana
PS, Malegaon	Nashik	-do-	5.98	Jawahar Gram Samrudhi Yojana
		TOTAL	157.95	

Due to such unauthorised diversion 554 IAY houses could not be constructed. The DRDAs/BDOs agreed to recoup the diversions except that of establishment charges. It was contended that establishment cost was permissible under Jawahar Rozgar Yojana of which IAY was a component. The reply was not tenable in view of the fact that under IAY no such expenses are allowed.

Occasionally houses initially sanctioned by the DRDAs were subsequently cancelled due to reasons of death, ineligibility, non-approval by Village Panchayat etc.

In 4 districts Rs 62.76 lakh were retained by PS inspite of their proposals being cancelled.

3.7.4.2.4 In Beed, Nagpur, Raigad and Yavatmal districts 326* approvals were so cancelled and Rs 62.76 lakh were retained by the Panchayat Samiti for more than two years.

3.7.4.2.5 The guidelines provide that the interest accrued on the IAY funds should be treated as part of IAY resource. Audit scrutiny revealed that five+ PSs did not remit the interest of Rs 17.26 lakh.

3.7.4.2.6 Several Panchayat Samities did not maintain separate cash books for IAY funds. Consequently the utilisation and balance of IAY funds could not be verified in audit.

3.7.4.3 Physical achievement

3.7.4.3.1 Shortfall in houses constructed

The yearly target for each district is intimated by the GOI alongwith the financial allocation of the district. The DRDA intimates the target to the VPs through PS, based on ratio of SC/ST population in a village. The table below indicates the funds made available and the shortfall in houses constructed.

Year	Total funds available (Rupees in crore)	Possible number of houses at the rate of Rs 28500 per house	Houses targeted	Number of houses actually constructed	Shortfall in houses constructed (3-5)
1	2	3	4	5	6
1997-98	204.03	71589	61122	60709	10880
1998-99	260.21	91302	78092	54532	36770
1999-2000	209.09	73365	56451	63121	10244
2000-01	175.10	61438	56461	60202	1236
2001-02	168.20	59017	57732	62060	3043 (excess)
TOTAL			309858	300624	

* Nagpur (98), Beed (193), Raigad (6) and Yavatmal (29)

+ Saoner/Nagpur (Rs 5.64 lakh), Nagpur/Nagpur (Rs 7.75 lakh), Mouda/Nagpur (Rs 2.67 lakh), Yavatmal/Yavatmal (Rs 0.80 lakh) and V.P. Belapur/Ahmednagar (Rs 0.40 lakh)

Further, due to the State Government's short release of its share of Rs 49.67 crore there was a shortfall in construction of 17428 houses during the period 1997-98 to 2001-02.

It was also noticed that there were delays ranging from two to six months in release of grants by the Government, which also affected the implementation of the scheme.

3.7.4.3.2 The guidelines are silent about the period within which a house should be completed. The information regarding the houses remaining incomplete for more than two years was not available with the Government. Audit scrutiny revealed that 714* houses were lying incomplete for more than two years in the test-checked districts.

3.7.4.3.3 In Babhulgaon PS, district Yavatmal GOI had sanctioned construction of 200 houses during 1999-2000 for the rehabilitation of persons affected by the Bebhala Project. However, upto March 2002 only 58 houses had been completed due to delay in acquisition of land.

3.7.4.4 *Selection of beneficiaries*

In Nagpur district the Guardian Minister sanctioned the list of beneficiaries for 1998-99 in March 1999, resulting in only 42 out of 2977 houses sanctioned being constructed. In Beed district, the list for 2001-02 was sanctioned only in April 2002 resulting in delay in construction of 971 houses targeted for that year.

3.7.4.5 *Purchase of materials*

DRDA, Nagpur purchased cement costing Rs 3.60 crore out of IAY funds and supplied it to the PS for various works including those under IAY. Balance of Rs 48 lakh had not been recouped to IAY account upto March 2002.

3.7.4.5.1 Audit scrutiny revealed that 173 beneficiaries*, were paid lump sum subsidy amounts ranging between Rs 20000 and Rs 28500 during 1998-to 2002, after the beneficiary had constructed the houses. The PS replied that the beneficiaries had purchased material like cement, steel, doors/windows on credit and paid the supplier later. The reply is not tenable as such payment in lump sum is against the scheme guidelines.

* Beed (135) Dhule (6) Nagpur (407) Pune (136) and Yavatmal (30)

* 23 in PS Mangaon, 34 in PS Alibag (District Raigad), 101 in PS Dindori, 4 in PS Peth (District Nashik) and 11 in PS Parali (District Beed)

3.7.4.6 Construction of houses by the Panchayat Samities/Village Panchayats

In terms of scheme guidelines, houses are not to be constructed by a contractor or by the Government Department. However, in 4 districts, 46795 houses[#] were constructed at a cost of Rs 133.37 crore by the PS/VP, which was in contravention of the Scheme guidelines.

3.7.4.7 Construction of sanitary latrines and smokeless chulhas

Construction of sanitary latrines and provision of fuel efficient chulhas is an integral part of the scheme but a number of houses were constructed without sanitary latrines and smokeless chulhas as indicated below:

Number of houses constructed			Number of houses provided with		Number of houses not provided with	
IAY	Upgradation	Total	Sanitary Latrines	Smokeless Chulhas	Sanitary Latrines	Smokeless Chulhas
300624	56459	357083	273374	241765	83709	115318

3.7.4.8 Allotment of houses

Guidelines require allotment of dwelling units in the name of a female member of the beneficiary household or in the joint names of both husband and wife. Audit observed that out of 357083 houses reported as completed (IAY and upgradation) during the period from 1997-2002, 76789 houses (21.5 per cent) were in the name of males. In the test-checked districts, 51748 houses out of 159289 constructed were in the names of male beneficiaries.

3.7.5 Upgradation component

The upgradation component was introduced in 1999-2000 for conversion of unserviceable *kutchha* houses to *pucca/semi pucca* houses at a cost of Rs 10000 to be shared by Central and State Government in the ratio of 75:25 and 20 per cent of IAY funds were earmarked for this purpose.

As per the reports of the State Government furnished to GOI following is the physical and financial progress of the scheme for the period 1999-2002.

(Rupees in crore)

GOI funds received	54.09
State's share to be released	18.03
State share released	17.58
Interest earned	0.46
Total grants available	72.13
Expenditure incurred	67.34
Closing balance-March 2002	4.79
Number of houses targeted	85322
Number of houses upgraded till March 2002	56459
Shortfall in achievements (In numbers)	28863
	(33 per cent)

[#] Dhule = 18892, Pune = 7660, Solapur = 9117, Yavatmal = 11126

In the test-checked districts it was observed that the DRDA, Raigad did not claim the second instalment under this component for the entire period 1999-2002 resulting in Rs 1.78 crore of GOI grants not being available for upgradation of 1775 houses. Similarly, the DRDA, Solapur also lost Rs 61.73 lakh under the upgradation component during 2000-01 due to less utilisation of funds in 1999-2000, resulting in 617 houses not being upgraded.

In Ahmednagar and Thane districts the implementation of IAY under upgradation component was very poor

In Ahmednagar and Thane districts where 158 houses were sanctioned, only 90 houses were repaired, 16 houses were under progress and 52 not yet started (March 2002). The BDO, Shirampur, district Ahmednagar, replied that 45 houses were not started, as the beneficiaries wanted benefits for a new house under IAY instead of upgradation.

It was seen by audit that two beneficiaries in taluka Sakri and nine in Shirpur, district Dhule, who did not own any *kutchra* houses but only a hut with grass matting were selected under the scheme. These beneficiaries should have been selected under new house category instead of upgradation category.

3.7.6 *Pradhan Mantri Gramodaya Yojana (Rural Housing Component)*

The State Government delayed the implementation under PMGY for period of more than one year

PMGY(GA) a housing scheme on the same lines as IAY was introduced by the GOI in 1999-2000. Even though the GOI released Rs 20.42 crore between March 2000 and January 2002, the GOM delayed the implementation of the scheme for more than a year. Rs 15.21 crore out of the Central grants released by the GOM in March 2002 was only demonstrative as Rs 1.53 crore was withdrawn from treasury by the DRDAs and Rs 13.68 crore lapsed. Further the GOM did not release its matching share of Rs 6.80 crore. Thus, in effect the Central grants were not used for the Scheme.

3.7.7 *Credit cum subsidy scheme*

This Scheme introduced in 1999-2000 was applicable to beneficiaries having annual income of Rs 32000. The scheme was included as a component of Gramin Niwara Yojana (Scheme name given by GOM). The total cost of the project under Scheme being Rs 40000 of which Rs 10000 would be subsidy to be shared by the GOI and GOM in the ratio of 75:25 and the rest of the project cost would be in the form of bank loan. 60 *per cent* of the available funds were earmarked for the benefit of SC/ST and bonded labourers.

During 1999-2000 the GOI released Rs 3.38 crore as first instalment of allocated funds of Rs 6.75 crore. GOM also released its matching share of Rs 1.12 crore in August 2000. The expenditure on Credit cum subsidy (CCS) Scheme and number of houses constructed in the State as a whole as of March 2002 was not available with the Government (October 2002) nor did they furnish utilisation certificates to the GOI.

Implementation of CCS in districts of Ahmednagar, Beed and Buldhana was very poor

The GOM fixed a target (for 2001-02) for construction of 125 houses in each district and advised the DRDAs to claim the State's matching share of 25 per cent from Maharashtra Housing and Area Development Authority.

From the information received from 10* DRDAs, 726 beneficiaries had been sanctioned loan by the banks and 449 had constructed their houses. The Scheme was not implemented at all in Beed. In Ahmednagar and Buldhana districts only one house in each district was constructed out of the 153 and 86 beneficiaries who had been sanctioned loans. Thus, the implementation of the scheme was poor and therefore the State did not receive the second instalment of Rs 3.38 crore from GOI.

It was also noticed that DRDA, Thane had requested for funds for ST beneficiaries but funds were not received (December 2002). Thus, despite GOI grants being available, scheme was not implemented due to wanting share of the GOM.

The matter was referred to the Secretary to the Government in September 2002. No reply has been received (December 2002).

3.8 Swarnajayanti Gram Swarozgar Yojana

Government of India (GOI) restructured the self-employment programmes as "Swarnajayanti Gram Swarozgar Yojana" (SGSY) from 1 April 1999, covering all aspects of self-employment such as organisations of the poor into Self Help Groups (SHGs), training, credit, technology, infrastructure and marketing. In Maharashtra the scheme was implemented from 1 June 1999.

3.8.1 Diversion of SGSY funds

Scheme funds of Rs 1.92 crore were diverted for DRDA-administration

(i) In nine¹ districts test-checked SGSY funds amounting to Rs 2.14 crore were utilised for administrative purpose during 1999-2002 as there was delay in receipt of funds from GOI for the scheme District Rural Development Agency (DRDA) administration. Rs 1.92 crore have not yet been recouped (December 2002).

(ii) Project Director (PD), Sindhudurg adjusted SGSY funds of Rs 33.59 lakh during 1999-2001 for payment of tool kits purchased in 1995-96 under the scheme 'Supply of Improved Tool kits to Rural Artisans' (SITRA). The expenditure was also not disclosed in the monthly progress report (MPR) submitted to GOI during 1999-2001.

* Ahmednagar, Beed, Buldhana, Dhule, Nashik, Nagpur, Osmanabad, Pune, Raigad and Yavatmal

¹ Amravati, Bhandara, Dhule, Jalna, Latur, Nagpur, Osmanabad, Sangli and Sindhudurg

3.8.2 *Risk fund for consumption credit*

To meet the small consumption needs of weaker sections of society a risk fund for consumption credit with one *per cent* of SGSY fund at district level was to be provided to the bank to the extent of 10 *per cent* of the total consumption loan (Rs 2000 per *swarozgary*) disbursed by the bank during that year to the weaker sections.

In all, the nine districts test-checked, neither the risk fund was created nor the consumption loan was disbursed resulting in denial of facility to the weaker sections.

3.8.3 *Strengthening of Development of Women and Children in Rural Areas groups under SGSY*

As per guidelines of SGSY, DRDAs were to put in concerted effort to strengthen existing Development of Women and Children in Rural Areas (DWCRA) groups by assisting them in SGSY during 1999-2000.

As of March 1999 there were 12589 DWCRA groups in the State of which 9160 groups were functioning and only 957 groups (10 *per cent*) could be strengthened under SGSY. In 9 districts test-checked only 92 (2 *per cent*) out of 3862 existing DWCRA groups were assisted under SGSY in 1999-2000. This indicated the lack of concerted efforts by DRDAs in strengthening existing DWCRA groups under SGSY.

While PDs (Amravati and Jalna) stated (March 2002) that most of the DWCRA groups have members whose names were not included in Below Poverty Line (BPL) census of 1997-98 notwithstanding the fact that GOI in September 1999 had clarified that DWCRA groups be assisted under SGSY, even though their names do not appear in the BPL list, the PD, Bhandara stated (April 2002) that some groups were not found fit by the banks for assistance.

3.8.4 *Preparation of project report*

Project Reports (PR) of Key Activity were prepared in all the nine districts test-checked. PR on dairy project in two² districts disclosed the daily milk yield by Pandharpuri buffalows at 10 litres per day as against the norms of 5 litres per day fixed by NABARD (September 2000). The over estimating the yield projected an incorrect income generation of Rs 2000 per month.

PD, Sindhudurg accepted the facts and stated (June 2001) that necessary corrections would be carried out.

² Sangli and Sindhudurg

3.8.5 *Excess release of subsidy*

3.8.5.1 *Release of excess/irregular subsidy*

Subsidy payable under SGSY was 30 per cent of the project cost subject to a maximum of Rs 7500 for general, 50 per cent of project cost limited to Rs 10000 for SC/ST and 50 per cent of the project cost subject to a ceiling of Rs 1.25 lakh for SHG. There was however, no monetary limit on subsidy for irrigation project.

Rs 17 lakh were paid in excess as subsidy to 1276 beneficiaries

In six³ of the nine district test-checked, subsidy of Rs 17 lakh was paid in excess of the prescribed limits to 1276 beneficiaries. The PDs⁴ accepted the facts (March to May 2002) and agreed to recover the excess amount paid.

3.8.5.2 *Misclassification of key activity resulted in release of excess subsidy.*

In Chandur Bazar block of Amravati district, subsidy of Rs 14 lakh (Rs 2 lakh each) was sanctioned to 7 SHGs and Rs 1.75 lakh to one SHG for community farming. Subsidy of 50 per cent of project cost without limiting to Rs 1.25 lakh was released to all 8 SHGs treating the project as an irrigation project. As the project did not involve irrigation activities, misclassification of activity resulted in excess payment of subsidy of Rs 5.75 lakh⁵.

PD, Amravati stated (March 2002) that the ultimate aim was to bring the land under irrigation. However, the project report of the activity was not made available to audit to confirm the facts.

3.8.6 *Infrastructure creation*

DRDAs, Dhule and Latur failed to adhere to the instructions of utilisation of 40 per cent of total allocation amounting to Rs 2.22 crore and Rs 1.52 crore respectively during 1999-2000 and 2000-01 for creation of infrastructure of direct relevance to *Swarojgaries* and incurred an expenditure of Rs 2.83 crore and Rs 2.53 crore respectively resulting in excess expenditure of Rs 0.61 crore and Rs 1.01 crore than the admissible limit of 40 per cent.

3.8.7 *Training*

An excess expenditure of Rs 1.29 crore was incurred on training by 8 DRDAs in contravention to prescribed norms

Guidelines provide that expenses on training are to be restricted to Rs 15 per day in addition to travelling and food expenses which was revised to Rs 30 per trainee per day in addition to travelling expenses and food by GOI (April 2001) for maximum two days training. Considering the norms prescribed for training, admissible average expenditure on training per trainee should be Rs 148 (Rs 30X2days+Rs 88 travelling expenses). In nine districts

³ Amravati, Bhandara, Dhule, Jalna, Osmanabad and Sangli.

⁴ Amravati, Bhandara, Dhule, Jalna, Osmanabad and Sangli.

⁵ (Rs 0.75 lakh x 7 SHG and Rs 0.50 lakh to 1 SHG)

test-checked 70942 *swarozgaries* were trained at an expenditure of Rs 2.34 crore as against admissible expenditure of Rs 1.05 crore. The average expenditure on training per *swarozgary* ranged between Rs 148 and Rs 1075. The excess expenditure on training in eight DRDAs was Rs 1.29 crore (Appendix XVII). No reasons were furnished by any of the PDs.

3.8.8 *Monitoring and evaluation*

Though block level committees were formed in 19 blocks of the nine districts test-checked, meetings ranging from 0 to 36 were held against 72 meetings required to be held during 1999-2000 to 2001-02. At State level one meeting was held every year during 1999-2002. In five of the nine districts test-checked the record of inspection carried by implementing agencies was not maintained indicating lack of monitoring.

3.8.9 *Other points of interest*

3.8.9.1 In Malvan block of Sindhudurg district second instalment of loan of Rs 11.80 lakh pertaining to nine *swarozgaries* was kept in a fixed deposit for a term of three years by Syndicate Bank, Dhamapur denying the *swarozgaries* the benefits of SGSY.

3.8.9.2 Records revealed that State Bank of India, Koradi had charged interest on full amount of loan including subsidy in two cases and did not pay Revolving Fund of Rs 0.40 lakh to four SHGs although money was received from Block Rural Development Agency.

Physical verification of 151 beneficiaries and 23 SHGs carried out in 19 blocks revealed that assets of Rs 3.31 lakh pertaining to 17 beneficiaries were not in existence.

The matter was referred to the Secretary to the Government in August 2002. No reply has been received (December 2002).

SOCIAL JUSTICE, CULTURAL AFFAIRS, SPORTS AND SPECIAL ASSISTANCE DEPARTMENT

3.9 *Functioning of Hostels for Backward Class Students*

3.9.1 *Introduction*

The State has a constitutional responsibility of promoting the education and economic interests of the weaker sections of society and in particular of the Scheduled Castes (SC) and Scheduled Tribes (ST).

In pursuance of this constitutional obligation, various educational schemes were being implemented by Central and State Governments for providing educational facilities to Backward Class (BC) students. One of the schemes is of opening and running of hostels by Government as well as providing financial assistance to Non-Government Organisations (NGOs) for running hostels for students of these communities for pursuing higher secondary, graduate and post graduate studies. Students admitted in Government/aided hostels continue to stay in the hostels till completion of their degree/diploma courses for periods ranging from three to five years and an additional year in case of failure to pass the exams.

Mention was made in Para 3.25.11 of Comptroller and Auditor General's Audit Report for the year ending March 1997 about the functioning of the hostels under the Social Welfare Department.

It was recounted that the first government hostel for these communities was started in 1922 and the scheme has been in existence since 1961. At the end of March 2002, 243 Government hostels (129 for Boys and 114 for Girls) having intake capacity of 19028 were being run by the State Government and financial assistance in the form of grant-in-aid was being provided to 2287 hostels run by NGOs having intake capacity of 96,828 students.

In addition to free lodging and boarding, educational books, exercise books, stationery, uniforms, subsidiary allowances etc are also provided to the inmates of the Government hostels.

Admission to the Government hostels is finalised by the Special District Social Welfare Officer (SDSWO) strictly on the basis of merit, economical background and community representation (80 *per cent* seats are reserved for SCs). Of the vacant seats, 15 *per cent* admission is granted by Government and remaining 85 *per cent* is filled in by the SDSWO by relaxing percentage quota in case of non-availability of students from a particular community. Junior and Senior College students are admitted in the hostels located at Divisional headquarters and while doing so 80 *per cent* seats are reserved for professional degrees/diplomas and remaining 20 *per cent* for other educational faculties. At the district and taluka level, 60 *per cent* seats are reserved for students studying in colleges and 40 *per cent* for the students studying in the secondary schools.

Admission to the hostels run by the NGOs for BC students studying in secondary schools is finalised by the NGO concerned by giving wide publicity in news paper and observing the income limit of parents and percentage quotas reserved for each category/community (The present income limit is Rs 24000 *per annum*).

3.9.2 Organisational set-up

Implementation of the scheme is being monitored by the Department of Social Justice and Director of Social Welfare, Maharashtra State, Pune. The Divisional Social Welfare Officer (DSWO) of each region is the controlling officer for Government hostels whereas the Chief Executive Officer of Zilla Parishad (ZP) is the controlling authority for hostels run by NGOs.

The administrative control of the 168 Government hostels functioning at taluka level has also been transferred to ZPs with effect from 1 April 2001 in pursuance of implementation of the Panchayati Raj reforms.

3.9.3 Audit coverage

Implementation of the scheme in eleven districts* from the five regions in the State covering the period from April 1996 to March 2002, apart from the records of the Department of Social Justice, Mantralaya, Mumbai, Director of Social Welfare, Pune and DSWO and SDSWO under State and local sector were taken up for audit review during March to June 2002. In each district four Government and aided hostels were reviewed.

3.9.4 Physical performance

Actual admission of students in Government and aided hostels during 1997-2002 was as under:

Year	Number of students in	Number of students in
	Government hostels	aided hostels
1997-98	19063	90736
1998-99	18054	86537
1999-2000	17258	85846
2000-01	16750	95077
2001-02	16339	93028

There is a great demand for these hostel facilities and waiting list for admissions ranged from 1000 to 3000 students in every division. But the intake capacity of hostels was not fully utilised. On an average only 15 to 25 per cent of the demand of new entrants for hostel accommodation could be met after meeting the demand of existing hostellers in their subsequent years of study. There is therefore, a felt need for expanding the coverage of the Scheme by providing new hostels and fully utilising the capacity of the existing hostels.

* Aurangabad, Ahmednagar, Dhule, Kolhapur, Mumbai, Nagpur, Nanded, Nashik, Pune, Thane, and Yavatmal.

3.9.5 Financial performance

Expenditure on running and maintenance of Government hostels is borne by the State Government. The Government also provides financial assistance to the aided hostels through the ZP at the rate of Rs 335 per inmate per month for 10 months; besides 75 per cent of the total expenditure incurred on rent and Rs 600 per month as salary of the Superintendent are reimbursed. Expenditure on construction of Government hostel buildings is shared equally by Centre and State Governments, whereas financial assistance to the NGOs for extension of existing buildings is met upto 90 per cent and shared equally by Central and State Governments. Expenditure incurred in the last five years is shown below:

(Rupees in crore)

Year	Government hostels				Aided hostels			
	Running and maintenance		Construction		Running and maintenance		Construction	
	Pro- vision	Expen- diture	Pro- vision	Expen- diture	Pro- vision	Expen- diture	Pro- vision	Expen- diture
1997-98	20.75	20.43	1.74	1.36	30.73	45.52	2.25	0.89
1998-99	21.16	21.27	1.27	1.74	31.79	44.66	2.03	0.18
1999-2000	25.44	27.37	2.29	2.33	32.84	8.37	2.75	0.90
2000-01	28.03	27.32	1.12	1.27	33.56	58.67	4.21	0.06
2001-02	24.92	24.27	0.67	0.84	32.57	63.46	2.03	Nil
Total	120.30	120.66	7.09	7.54	161.49	220.68	13.27	2.03

Excess expenditure on running and maintenance of Government hostels during 1999-2000 was on account of increased pay and allowances of the hostel staff as per recommendations of the Fifth Pay Commission. The variations in actual expenditure on aided hostels were due to assessment and adjustment of expenditure. Though the department has been depositing the estimated amount with the PWD for getting the work (construction) done, but was not maintaining the records regarding total amount deposited, total expenditure incurred against the deposited amount and so on. The excess expenditure/savings on the construction of Government/aided hostels was due to non-monitoring of the expenditure by the department.

3.9.5.1 Messing expenses

Prior to December 1989, the messing arrangement for students in Government hostels was made departmentally by employing cooks and helpers and procuring dietary articles. Messing contract system was introduced in December 1989 in 21 hostels functioning at divisional places.

Scrutiny of records revealed the following:

3.9.5.1.1 The expenditure incurred on supply of diet through departmental mess in two hostels (boys and girls) at Nashik was higher than the messing contract rates fixed in neighbouring Aurangabad Division. Extra financial burden on this account worked out to Rs 57.62 lakh.

Facilities of free lodging/boarding were extended to 43 inmates though they were not actually staying in the hostel

3.9.5.1.2 Facilities of free lodging/boarding and other educational facilities are not admissible to those inmates who remain absent or those who are not staying in the hostels. Audit scrutiny of Government hostels in Aurangabad however revealed that free lodging/boarding and all other educational facilities were being provided to 43 inmates for periods ranging from one to six years during 1996-2002 though they were not actually staying in the hostel, but were shown as present. Audit was informed that it was inconvenient for students to attend college by staying in the hostels as the location of the hostels was far away from the medical colleges.

Extending free lodging/boarding and all other educational facilities to students without their actual stay in hostels was contrary to Government directives and hence the expenditure of Rs 19.04 lakh (approximately) was irregular. Information called from other divisions regarding extension of facilities to absent inmates was not furnished (except Pune). The department has proposed that medical/engineering students should not be admitted in Government hostels as they avail college hostel facilities also. The proposal is yet to be approved by Government (November 2002).

3.9.5.2 Book bank scheme

All inmates of Government BC hostels are entitled to free supply of textbooks, exercise books and stationery at prescribed scales. The State Government incurs an annual expenditure of Rs 80 lakh (approximately) on 16000 inmates of the 243 Government hostels. Under the Government of India Post Matric Scholarship scheme, a reduced maintenance allowance is also admissible to the SC/ST inmates of Government hostels, for purchase of text books, stationery, etc. This allowance is sanctioned by the SDSWO at rates ranging from Rs 50 to Rs 141 per month per inmate depending on the courses being pursued.

In addition to above, under another Centrally Sponsored Book Bank Scheme (expenditure shared equally by State and Central) introduced from 1978-79, assistance at prescribed rates* is being paid by the DSWO to the medical, engineering, agriculture, polytechnic and veterinary colleges for purchase of one set of books for two SC/ST students studying in these colleges. During the period 1996-97 to 2001-02, an expenditure of Rs 7.40 crore was incurred for

* Rs 7500 for Medical, Engineering, Rs 5000 for Veterinary, Rs 4500 for Agriculture and Rs 2400 for Polytechnic.

25295 beneficiaries under the above scheme which included inmates of Government BC Hostels.

Overlapping benefits of supply of books and stationeries were availed by medical and engineering students under three different schemes

Thus, due to overlapping of schemes, purchase of books and stationery for SC/ST medical and engineering students in Government hostels is given under three schemes and to other inmates under two different schemes.

While accepting the fact regarding overlap of the schemes, the department agreed to submit a proposal to Government for restricting the supply of books and stationery to the inmates of backward class hostels from State funds.

3.9.5.3 Underutilisation of sanctioned strength of hostels

Audit observed that the actual admissions in Government hostels in Sindhudurg and Parbhani districts were less than 50 per cent of the reduced sanctioned capacity during the period from 1996-97 to 1999-2000 as indicated below:

Sr. No.	Name of District	No. of hostels	Sanctioned intake	Actual capacity	Actual admission			
					1996-97	1997-98	1998-99	1999-2000
1.	Sindhudurg	3	235	135	59	55	56	56
2.	Parbhani	2	150	130	6	62	62	62

This was so, despite a waiting list of 1000 to 3000 students in all the divisions. Due to less admission in Sindhudurg and Parbhani, the average *per capita* expenditure was high, ranging from Rs 22000 to Rs 34000 per head as against the normal average expenditure of Rs 10000 per year per inmate. As such the DSWOs who are empowered to transfer vacancies could have transferred the vacancies of the Parbhani district to Aurangabad and those in Sindhudurg to Mumbai division (which includes Konkan), which they failed to do.

The Department replied (June 2002) that such vacancies would be transferred to other districts in future.

3.9.5.4 Hostel buildings

Full central assistance was not availed of by the State for building hostels even though there was a need for them

As on March 2002, out of 243 Government and 2287 aided hostels only 50 Government and 759 aided hostels were housed in own buildings and the remaining were functioning in rented buildings.

Central assistance of Rs 1.55 crore was provided during the period 1996-2002 for construction of 55 Government and 35 aided hostels. Out of this 35 Government hostel buildings and 22 aided hostel buildings were completed at a cost of Rs 78.38 lakh at the end of March 2002 and the unspent balance of Rs 76.71 lakh was yet to be refunded to Government of India (GOI) (November 2002). The State Government did not forward further proposals to GOI for financial assistance.

Thus, despite need for new hostels as well as funds, full central assistance could not be availed of by the State due to non-submission of proposals.

Few instances of utilisation of funds under the Centrally Sponsored scheme are mentioned below :

3.9.5.4.1 A mention was made in para 3.25.11.3 of Comptroller and Auditor General's Audit Report for the period ending March 1997 regarding non-occupation of tenements purchased in June 1996 for Rs 31.50 lakh from Maharashtra Housing and Area Development Authority (MHADA), for boys hostel, Bhivandi.

Audit scrutiny in June 2002 further revealed that these blocks were constructed and lying vacant since 1989 and the Department had paid Rs 23.85 lakh towards cost of building and Rs 7.65 lakh towards repairs. MHADA was however insisting on an additional amount of Rs 2.36 lakh for the repairs. The Department did not pay the balance amount for want of funds resulting in the building remaining unacquired.

In the absence of watch and ward arrangements, the nearby slum dwellers removed the doors, windows and bricks and the buildings were in a dismantled condition and not fit for use.

As a result thereof the hostel continued to function in a rented building. Thus, despite the purchase of these tenements in June 1996, the department had to incur an avoidable expenditure of Rs 1 lakh on rent (June 1996 to June 2002).

Thus, non-provision of additional funds of Rs 2.36 lakh to MHADA not only resulted in unfruitful expenditure of Rs 31.50 lakh but also defeated the very purpose of providing a departmental building for the hostel, apart from avoidable expenditure on rent.

Non-provision of funds for balance work led to Rs 26.55 lakh incurred on hostel buildings unfruitful

3.9.5.4.2 With a view to provide adequate accommodation for the Government hostel for BC Boys in Mumbai at Worli, the Government approved (August 1982) construction of temporary barracks estimated to cost Rs 22.56 lakh in the campus of Beggars Home for Males, Chembur, which was also on Government owned land. Accordingly, Rs 15.73 lakh were deposited with the PWD in March 1984 against which an expenditure of Rs 26.55 lakh as on December 1988 was incurred on these works. Due to non-provision of additional funds despite repeated reminders, the work of water supply, electrification and compound wall was not taken up.

Due to non-construction of compound wall, the nearby slum dwellers had removed the doors and windows and with the passage of time the Asbestos

sheet ceilings were also damaged and the structure is now being used as a dumping ground for garbage. Thus, due to non-provision of funds for construction of balance work, Rs 26.55 lakh incurred by Government was rendered unfruitful.

3.9.5.4.3 The BC Boys' hostel, Mandangad, though completed in October 2000 had not been occupied till June 2002 due to inadequate water supply. This resulted not only in idle investment of Rs 43.27 lakh for nearly two years but also avoidable expenditure of Rs 4.52 lakh on payment of rent on the hired building.

3.9.5.4.4 (i) The work of construction of Government Boys' and Girls' hostel at Phaltan, administratively approved for Rs 133 crore in February 1996 could not be completed by the scheduled date (February 2001) due to slow progress of work by the contractor. Only Rs 69.37 lakh have been incurred as of March 2002 resulting in avoidable expenditure on payment of rent of hired building.

3.9.5.4.4 (ii) In respect of four aided hostels (Beed, Nanded and Wardha), only first instalment of Rs 25.82 lakh was released by the Directorate in 1997-98 and release of the second instalment was pending for want of valuation report by the Works Department of the ZPs.

3.9.5.5 *Supervision of hostels*

The warden/house master is responsible for close supervision of hostel activities to provide better messing and other educational facilities to the inmates and watch educational progress of the inmates and infuse discipline.

Audit scrutiny revealed that 29 (19 girls hostels and 10 boys hostels) posts of wardens (January 2002) were vacant in the last five years and day to day working was managed by giving additional charge to the wardens of other hostels or to junior clerks.

The Directorate clarified that the posts of wardens are vacant because suitable candidates are not available for promotion and the proposal to fill up the posts by direct recruitment has been sent to Government (January 2002). Government decision was awaited (June 2002). The reply of the department is an afterthought, as the vacancies have existed for more than five years. Also in Hatkanagale, district Kolhapur there was a case of suicide by one of the girl inmates because of lack of basic amenities in the hostel, but the department had not posted a regular lady warden since June 1999.

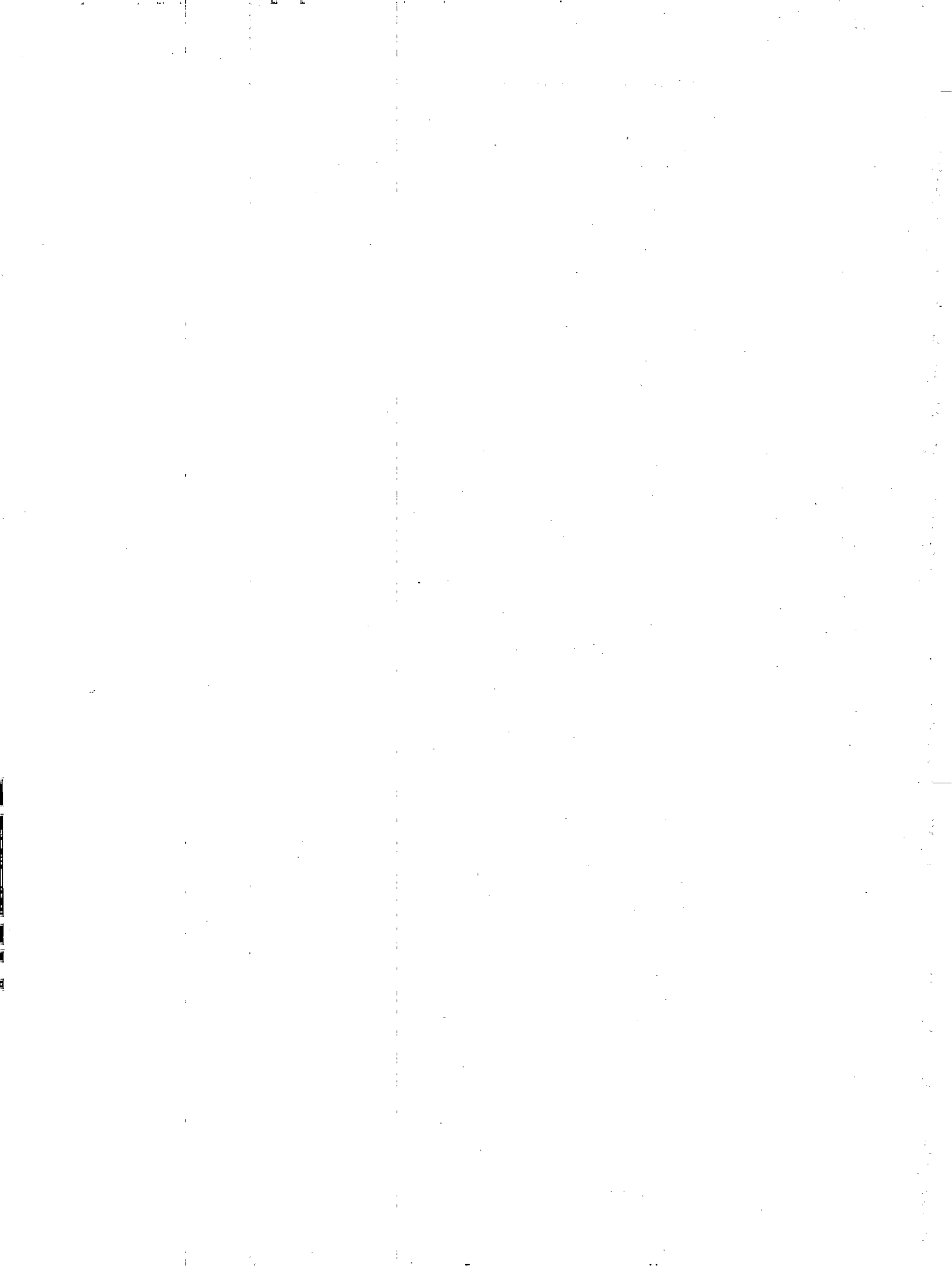
The real reason for the vacancies in warden cadre was the absence of rent free residential accommodation in 14 hostels in six* districts. In 8 of the 14 cases (Aurangabad and Nagpur) though rent free accommodation was available, the

* Ahmednagar, Dhule, Kolhapur, Mumbai, Nashik, Yavatmal

In test-checked districts 29 posts of warden were vacant for the last five years



Paragraph 3.9.5.4.2 : Government hostel barracks at Chembur, Mumbai being used for dumping garbage



same was not occupied by the house masters/wardens on the ground of unsuitability or insufficiency of accommodation resulting in avoidable payment of House Rent Allowance of Rs 7.30 lakh.

Non-provision of residential accommodation to the wardens and existence of vacancies in this cadre is one of the main reasons for less admissions in some of the hostels.

3.9.5.6 Recognition of Non-Government Organisations for aided hostels – non-fulfillment of prerequisite conditions

Government is competent to recognise new aided hostels if the NGOs desirous of starting hostels fulfil certain prerequisite conditions laid down in Government Resolution (GR) dated 16 March 1998.

Recognition was accorded to 155 new aided hostels without fulfilment of prerequisite conditions

Audit scrutiny revealed that Government accorded recognition to 155 new aided hostels during the period from August 1998 to April 1999 without ensuring fulfilment of prerequisite conditions. 62 NGOs had not been in existence for more than one year and 22 hostels in 6 districts did not have basic infrastructure facilities.

3.9.5.7 Weeding out bogus aided hostels in the State

In order to weed out such bogus aided hostels, Director ordered (August 2000) for a special drive of surprise verification which revealed that 808 aided hostels were not having adequate infrastructure facilities and also the number of inmates present was less. Consequently, recognition of 194 hostels was cancelled and sanctioned strength in 111 hostels was reduced by 1835 seats. 157 NGOs appealed against and 107 appeals were allowed while 19 appeals were rejected. Decision was pending in 31 appeals.

Audit of some of the aided hostels whose appeals were allowed, revealed that the deficiencies in infrastructural facilities were not made good by the NGOs concerned till March 2002. The Department did not ascertain the overall improvements made by NGOs in all the hostels whose appeals were allowed. Thus, the living conditions within the hostels continued to be below the prescribed standards.

Due to delay in deciding the appeals, Rs 37.86 lakh paid as advance to 18 NGOs in Nanded district remained to be adjusted. ZP authorities had also not visited the hostels during 1999-2000 and 2000-01 for verifying the strength of inmates for deciding the quantum of financial assistance payable to these NGOs.

3.9.5.8 *Inadequate internal controls*

Inspection committees at divisional, district and taluka levels were not constituted in 8 out of 11 districts

3.9.5.8.1 Government directed (March 1991) constitution of Inspection Committees at divisional, district and taluka levels, to monitor the functioning of these hostels. Representatives of Public Works, Health, and Education Departments were also members of these committees. In addition, non-official members of the committee were to be nominated by Government. It was observed that these committees were not constituted in 8 out of 11 districts visited by audit due to non-appointment of non-official members by Government. Though, the committees in the three* districts were constituted these did not function at all. Thus, monitoring the functioning of these hostels remained unattended.

3.9.5.8.2 Though separate staff for inspection and supervision of the hostels was sanctioned by Government in May 1982, the posts were not filled up resulting in shortfall in the number of inspections carried out, which ranged from 4 to 20 *per cent* of the targets fixed during the period 1996-97 to 2001-02.

Internal audit of 57 Government hostels was pending for 10 to 15 years

3.9.5.8.3 The internal audit of 57 Government hostels was pending from 10 to 15 years and in respect of 107 hostels from 5 to 10 years.

3.9.5.8.4 The Director of Social Welfare, being the Head of the department is responsible for efficient running of hostels. It was observed that periodical returns were not prescribed by the Department for the physical and financial progress of the Centrally assisted Schemes for construction of hostels, categorywise admissions given to the BC students in the hostels, position of vacant posts of hostel staff and position of infrastructure facilities available. As a result, the department was unable to ensure implementation of the scheme as per guidelines and take remedial measures for improvement on a regular basis.

3.9.5.9 *Impact of the scheme and recommendations for improvement*

The State Government appointed a Committee (October 1989) under the chairmanship of Shri Vasant Chavan for suggesting improvement measures in working of Government hostels. The Committee submitted its report in 1991. The Government implemented the recommendations regarding 2 *per cent* reservation to handicapped students and 20 *per cent* seats to the students from junior colleges in Government hostels at divisional places, increase in maintenance allowances etc. The Government appointed another committee after 10 years (October 2000) to decide on some of the recommendations of the above committee. This committee had recommended raising of the financial limits for supply of uniforms to students, sports equipment etc, raising of scale of food grains per inmate and allowing students to stay in the

* Aurangabad, Ahmednagar and Nanded.

hostels after completion of examination. Government was yet to suggest any changes (November 2002).

3.9.5.10 Audit evaluation

The scheme of aided hostels has benefited about 1.16 lakh students. The Master Plan of the Government for opening new hostels had remained unimplemented due to lack of funds. Considering the waiting list of the students for the hostels, there is a need for increasing the utilisation of the existing infrastructure of the Scheme.

About 80 *per cent* hostels are housed in rented building and that too with inadequate space and without minimum infrastructure facilities. Therefore, central assistance available for construction of Government hostels, extension of existing buildings of aided hostels needs to be availed to the maximum extent. The Government needs to take early decisions on proposals for revision of rent to ensure smooth functioning of the hostels.

The monitoring and supervision of the scheme is lacking both at Government and divisional level. This needs to be stepped up. The posts of wardens need to be filled up urgently as their regular presence is essential for the smooth running of the hostels.

Finally, though the scheme was introduced keeping in view the constitutional obligations towards these communities, the State Government now needs to review the continuance of separate hostels instead of integrated hostels. The State Government could also meet its obligations by encouraging NGOs as well as educational institutions to open more hostels through extension of financial assistance or on "Build, Operate and Transfer" basis.

The matter was referred to the Secretary to the Government in August 2002. No reply has been received (December 2002).

3.10 Blockage of funds on construction of district sports complex at Sindhudurg

Non-completion of a district sports complex and Swatantrotsav Smarak Hall resulted in blockage of funds to the tune of Rs 2.60 crore.

The Government of Maharashtra sanctioned (November 1997) Rs 0.50 crore for Golden Jubilee celebration of Indian independence for developing a District Sports Complex (DSC) and other activities in Sindhudurg district and further accorded administrative approval for construction of a district sports complex and Swatantrotsav Smarak Hall at Oras in December 1998 for Rs 2.27 crore and sanctioned further grant of Rs 1.95 crore which was released by the Directorate of Sports to the District Sports Officer (DSO), Sindhudurg.

Funds were drawn by the Collector, Sindhudurg in March 1998 and March 1999 and released to the DSO, Sindhudurg in February/June 1999. Rs15 lakh were also received from District Planning Development Council etc.

Audit scrutiny of records in the Sindhudurg Collectorate (February 2002) revealed that though the administrative approval stipulated that as far as possible, the work should be got executed through the State Public Work Department, the Committee headed by the Collector constituted for the development of the complex awarded the work to a private agency in February 1999 at an estimated cost of Rs 2.27 crore. The work of the DSC and Smarak Hall was completed by the agency (July 2000) for Rs 3.02 crore but as the balance amount of Rs 0.42 crore was not paid due to paucity of funds, the agency did not hand over the DSC and Smarak Hall to the Committee (September 2002). This resulted in blockage of funds of Rs 2.60 crore for over 18 months besides non-achievement of the objectives of the project.

The Collector and Chairman of DSC, Sindhudurg accepted that the facilities could not be used as the agency's payments have not been made due to non-availability of funds.

The matter was referred to the Secretary to the Government in June 2002. No reply has been received (December 2002).

GENERAL

3.11 Functioning of Treasuries

The major irregularities noticed during inspection of 29 treasuries by the Accountants General (Accounts and Entitlement) Mumbai and Nagpur during 2001-02 are brought out in the following paragraphs.

3.11.1 Overpayment of pension

Overpayment of pensionary benefits of Rs 46.24 lakh was made to 203 pensioners/family pensioners during 2001-02 due to incorrect calculations of dearness relief, interim relief and revision of family pension apart from non-adjustment of provisional death-cum-retirement gratuity.

3.11.2 Pending recovery from pension/gratuity

Though the Accountant General (Accounts and Entitlement) had requested for recovery of Rs 5.37 lakh from pension/gratuity, Rs 3.57 lakh in respect of 19 cases is yet to be effected in respect of Nagpur area.

3.11.3 *Misappropriation/fraud in Dhadgaon Subtreasury, District Nandurbar*

It was noticed by Accountant General (Accounts and Entitlements), Mumbai that some encashment and drawing schedules were not received from Subtreasury Officer, Dhadgaon. Investigations revealed a suspected fraud of Rs 20.89 lakh committed during the period June 1999 to February 2001. The matter has been referred to police authorities.

3.11.4 *Excess draws by the District Supply Offices*

As per Maharashtra Treasury Rules, 1968 every payment made on the authority of any Letter of Credit must be noted and progressive total must be recorded to avoid overpayment. In Raigad, Ratnagiri, Sindhudurg and Sangli, the District Supply Offices had exceeded the limit which resulted in excess draws to the tune of Rs 102.83 crore.

3.12 Follow-up on Audit Reports and Action Taken Notes

(i) *Follow-up on Audit Reports*

According to instructions issued by the Finance Department in March 1981, Administrative departments were required to furnish Explanatory Memoranda (EMs) to the Maharashtra Legislature Secretariat within one month of presenting the Audit Reports to the State Legislature. The Administrative departments were, however, not complying with these instructions. The number of outstanding EMs was as follows:

Audit Report	Date of tabling the Report	Number of paras/reviews	Number of EMs received	Balance
1996-97	7 August 1998	64/9	57/9	7/0
1997-98	20 December 1999	59/10	50/8	9/2
1998-99	30 November 2000	39/8	18/5	21/3
1999-2000	14 December 2001	49/6	22/4	27/2
2000-01	29 April 2002	36/7	0/3	36/4
Total		247/40	147/29	100/11

In addition to the above, EMs in respect of 61 paras relating to the period prior to 1995-96 were also outstanding.

(ii) *Action Taken Notes*

The Maharashtra Legislature Secretariat (MLS) Rules stipulate that the Action Taken Notes (ATN) on the recommendations of the Public Accounts Committee (PAC) are required to be forwarded to MLS duly verified in Audit. Likewise, ATNs indicating remedial/corrective action taken on the paras that are not discussed are also required to be forwarded to the PAC duly vetted by Audit. However, it was observed that there were inordinate delays and persistent failures on the part of a large number of departments in forwarding

ATNs on audit paragraphs. A review of the position regarding receipt of ATNs on the paras included in the Audit Reports upto 2000-01 revealed that ATNs in respect of 90 out of 119 paras discussed in the PAC were awaited. Yearwise details of such paragraphs are indicated as follows :

Audit Report	Total number of paras in the Audit Report	Number of paras		ATN awaited in respect of paras	
		Discussed	Not discussed	Discussed	Not discussed
1985-86 to 1990-91	407	54	353	30	353
1991-92	62	7	55	6	55
1992-93	53	5	48	5	48
1993-94	69	20	49	18	49
1994-95	65	10	55	9	55
1995-96	61	12	49	11	49
1996-97	73	11	62	11	62
1997-98	72	-	72	-	72
1998-99	47	-	47	-	47
1999-2000	55	-	55	-	55
2000-01	43	-	43	-	43
Total	1007	119	888	90	888

3.13 Misappropriation of Government monies

3.13.1 Mention was made in paragraph 3.15 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2001 (Civil) that final action was pending on 455 cases of misappropriation of Government monies upto September 2001. The position in regard to fresh cases reported during 2001-02 and disposal of pending cases upto September 2002 is as follows:

	Number	Amount (Rupees in crore)
Cases pending on 30 September 2001 out of cases reported upto 31 March 2001	455	5.80
Fresh cases reported during 2001-02	35	0.41
Cases finalised during October 2001 to September 2002	152	0.21
Cases pending on 30 September 2002	338	6.00

The departmentwise analysis of the outstanding cases is given in Appendix XVIII.

Out of 338 pending cases, 320 cases involving money value of Rs 5.53 crore were pending for more than 4 years. In 140 cases orders of recovery/write-off, were awaited, 102 cases were pending in court of law, 14 cases were awaiting investigation in respect of 55 cases, departmental action had not been concluded and 9 cases were pending due to other reasons.

HOME DEPARTMENT

3.13.2 In a misappropriation case in the Office of the Commissioner of Police, Thane, the Home Department was advised (March 2000) to take specific remedial measures such as inducting the Maharashtra Finance and Accounts Service (MFAS) officers in Police Department especially in the Commissionerates, computerisation of pay and allowances, strengthening of the internal audit, disciplinary action against delinquent officials etc. However, no response was received from the Government. On the other hand, misappropriation of Government monies continue to occur in the Department due to poor internal control systems. Details of two such cases in Pune and Mumbai further discovered at the instance of audit are given below :

(i) Audit scrutiny of the office of the Deputy Commissioner of Police (DCP) (Anti Narcotic Cell) Crime, Mumbai, (September 2001) revealed that the provisions regarding maintenance of cash book and handling of cash were not being followed and the abstract showing the cash balance was not prepared by the cashier even during handing over of cash resulting in misappropriation of Rs 1.07 lakh.

(ii) Scrutiny of the records of the Commandant State Reserve Police Force (SRPF) Group I, Pune (May 2000), revealed that out of Rs 85354 remitted by the office to the Administration Company only Rs 5354 was accounted for in the subsidiary cash book. The possibility of misappropriation of Rs 80000 cannot be ruled out.

(iii) Further scrutiny of records of the SRPF Gr. I, Pune revealed misappropriation of Rs 10.50 lakh in 'F', 'G' and Administration Companies. Out of the amount misappropriated, Rs 2.90 lakh were recovered from 'G' company and Administration company and Rs 7.60 lakh was yet to be recovered from 'F' Company (December 2002).

Thus, non-adherence to the provisions in the Financial Rules and non-existence of effective supervisory controls resulted in misappropriation of Government funds to the tune of Rs 9.47 lakh in the above two cases. Departmental enquiries were stated to be in progress against the officials involved.

The matter was referred to the Additional Chief Secretary to the Government in June 2002. No reply has been received (December 2002).

CHAPTER-IV

WORKS EXPENDITURE

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CHAPTER IV

WORKS EXPENDITURE

SECTION 'A' REVIEW

IRRIGATION DEPARTMENT

4.1 Integrated Audit of Irrigation Department

4.1.1 Highlights

The Irrigation Department failed to achieve any noticeable impact in the utilisation of irrigation potential. Budgetary and expenditure control in the department was grossly deficient; large number of projects were languishing for long periods and Government was yet to evolve a clear strategy to complete the projects where heavy investments have already taken place. Some of the significant findings are given below:

Unauthorised financial assistance of Rs 19.72 crore was paid to 6 contractors in violation of contract agreement.

(Paragraph 4.1.5.2(i))

Out of 32 major and medium projects, 22 projects were still under execution, with a cost overrun of 10 times the original cost.

(Paragraph 4.1.6)

Additional irrigation benefit from Wambhori and Bhagda piped canal systems of Mula project may not be possible since the project was undertaken on the basis of estimated yield of water instead of actual available yield of water. Rs 109.01 crore spent on the project would have poor rate of return.

(Paragraph 4.1.7(a))

Contrary to its own decision taken in 1978, Government sanctioned 42 Lift Irrigation Schemes at a cost of Rs 582 crore.

(Paragraph 4.1.7(c))

Rs 2393.19 crore are due to department on account of (i) water charges (Rs 970.93 crore), (ii) cost of inter-state projects (Rs 131.98 crore), (iii) proportionate capital cost of water reserved for non-irrigation use from other agencies (Rs 762.87 crore), (iv) lease rent from Maharashtra

State Electricity Board on account of hydroelectric projects (Rs 525.43 crore) and (v) of Kharland cess (Rs 1.98 crore).

(Paragraphs 4.1.8.2, 4.1.8.3, 4.1.8.4, 4.1.8.5 and 4.1.10(b))

Out of 57 schemes aided by European Economic Community, 21 schemes were left incomplete after incurring an expenditure of Rs 25.26 crore. In 36 schemes programme objectives were not achieved.

(Paragraph 4.1.11)

Despite the disagreement of the Finance and Planning Departments, Government created five Irrigation Development Corporations but failed to provide agreed capital contribution. Additional funds raised from the market necessitated release of Rs 2693.79 crore by the Government to meet the interest liability.

(Paragraph 4.1.12.2)

Store management was poor resulting in huge inventory of Rs 41.90 crore including 42550 old spare parts (Rs 27.42 crore), Mild Steel pipes (Rs 12.45 crore) unserviceable steel (Rs 2.03 crore).

(Paragraphs 4.1.13(i), (ii) and (iii))

4.1.2 Introduction

Maharashtra has a total cultivable area of 182 lakh hectares (ha) land of which 84 lakh ha (46 per cent) can be brought under irrigation. The Irrigation Department (ID) is responsible for increasing the irrigable areas, flood control, Command Area Development (CAD), etc and contribute to increase in agricultural production. Irrigation potential (IP) of 38.04 lakh ha was created by the end of 2001-02 from 52 major, 205 medium and 2426 minor irrigation projects against which the utilisation was 12.98 lakh ha only being 34.12 per cent of the potential created.

4.1.3 Organisational set-up

Secretary, Irrigation and Secretary, CAD Authority at Government level and the Chief Engineers (CE), Superintending Engineers (SE) and Executive Engineers (EE) at field levels were responsible for framing the policy and carrying out various activities of the department. In addition Government created five¹ Irrigation Development Corporations between February 1996 and August 1998 under the control of five Executive Directors.

¹ Maharashtra Krishna Valley Development Corporation (MKVDC), Pune, Vidarbha Irrigation Development Corporation (VIDC), Nagpur, Godavari Marathwada Irrigation Development Corporation (GMIDC), Aurangabad, Konkan Irrigation Development Corporation (KIDC), Mumbai and Tapi Irrigation Development Corporation (TIDC), Jalgaon

4.1.4 Audit coverage

A test-check of the records of Irrigation Department and three Corporations, namely, Vidarbha Irrigation Development Corporation (VIDC), Nagpur, Godavari Marathwada Irrigation Development Corporation (GMIDC), Aurangabad and Tapi Irrigation Development Corporation (TIDC), Jalgaon and in the office of five² CEs, six³ SEs and 75 EEs was conducted between April 2001 and July 2001 and January 2002 and June 2002. The findings are discussed in the following paragraphs.

4.1.5 Financial management

4.1.5.1 Budgetary performance

Details of budget grants *vis-a-vis* expenditure during the last 5 years ending March 2002 were as under:

Revenue expenditure

(Rupees in crore)

Year	Budget grant	Actual expenditure	Excess over budget grants	Percentage of excess with budget grant
1997-98	1261.91	1581.95	320.04	25.36
1998-99	1253.26	1654.08	400.82	31.98
1999-2000	728.31	1734.39	1006.08	138.14
2000-01	659.65	1685.49	1025.84	155.51
2001-02	644.57	1686.64	1042.07	161.67

Capital expenditure

(Rupees in crore)

Year	Budget grant	Actual expenditure	Savings over budget grants	Percentage of savings with budget grant
1997-98	2436.22	2247.02	189.20	7.77
1998-99	1939.22	1689.42	249.80	12.88
1999-2000	1890.66	1791.56	99.10	5.24
2000-01	2064.84	1302.71	762.13	36.91
2001-02	2121.77	1439.32	682.45	32.16

No reasons were furnished by Government for the excesses and savings for the period 2000-01 and 2001-02. It was also noticed that Controlling Officers failed to reconcile expenditure during 1997-02 with the figures booked by the Accountant General (Accounts and Entitlements)-II, Maharashtra because of which the excesses and savings under different sub heads of expenditure both under capital and revenue, could not be identified. Consequently, improper utilisation of allotments, incorrect classification and unauthorised expenditure

² CE- Amravati, Aurangabad, CADA-Aurangabad, Nagpur and Nashik (Mechanical)

³ SE – Jayakwadi Project Circle, Aurangabad, CADA, Beed, Nashik Irrigation Project Circle, Nashik, Nanded Irrigation Circle, Upper Penganga Project Circle, Nanded and Dhule.

without budget provision could not be effectively monitored by the Controlling Officer.

In the five years from 1997-02, five cases of excess supplementary grants, 23 cases of injudicious reappropriations and surrenders causing excess over allotment, 12 cases of reappropriation obtained unnecessarily or in excess of requirement, nine cases of uncovered excess, four cases of non-surrender of anticipated saving and 18 cases of defective budgeting were noticed.

Further, it would be seen from the above table that the excess revenue expenditure had increased from Rs 320.04 crore in 1997-98 to Rs 1042.07 crore in 2001-02. The increase in revenue expenditure was mainly due to inadequate provision of interest payment on the borrowings raised by Corporations for which Government stood guarantee. Provision of interest was not made on realistic basis though it was recommended by Public Accounts Committee. Also detailed reasons for savings under capital expenditure had not been furnished.

4.1.5.2 Expenditure control

Some instances of ineffective control over expenditure are given below:

(i) Irregular payment of advances

Advances of Rs 19.72 crore were paid to 6 contractors though agreements did not stipulate any such payment

EEs, Sardar Sarover Division, Jalgaon, Hatnoor Canal Division, Chopda, Medium Project Division No II, Dhule, Irrigation Division, Dhule and Ratnagiri Irrigation Division (RID), Ratnagiri paid advances of Rs 19.72 crore to 6 contractors (November 1998, June 1999, July 1999, August 2000, January 2001 and March 2002) though agreements did not stipulate payment of any such advances.

Executive Director, TIDC stated (June 2002) that the amounts were paid on the request of contractors to speed up the work as per rules and regulations framed by MKVDC, Pune. EE, RID, Ratnagiri stated (May 2002) that advance was sanctioned by Government. The reply is not acceptable as financial assistance has a bearing on offers quoted by contractor.

(ii) EE, Purna Medium Project Division, Achalpur paid machinery advance of Rs 1.76 crore (October 1996 and February 1997) to a contractor though the machinery did not belong to him. The advance of Rs 1.68 crore outstanding at the time of withdrawal of the work (June 2000) was yet to be recovered from the contractor (August 2002). On this being pointed out, the EE stated that the recovery would be effected by auctioning the machinery. The reply was not tenable as neither the machinery was owned by the contractor nor hypothecated to the Government and it would not be legally feasible to auction the machinery.

4.1.6 Time and cost overrun

In respect of 40 irrigation projects test-checked, time and cost overrun was as under. Details are given in Appendix XIX.

(Rupees in crore)

Category of the project	No. of project test-checked	Original cost	Revised cost	Time overrun	Cost overrun
Major	16	826	8249	7 to 28 years	7423
Medium	16	50	655	8 to 21 years	605
Minor	8	20	106	3 to 13 years	86

Only 16 per cent irrigation potential was created after incurring expenditure of Rs 3462.70 crore

Out of 32 major and medium projects, in 22 projects irrigation potential created was less than 72 per cent of the projected figure and are languishing for the last 7 to 28 years. Only 1.12 lakh ha (16 per cent) has been achieved against the projected irrigation potential of 6.87 lakh ha after incurring expenditure of Rs 3462.70 crore. The original estimated cost Rs 746.23 crore had in the meanwhile escalated to Rs 7140.83 crore (857 per cent). Rs 3678.13 crore would be further required to complete these 22 projects. The acute resource crunch can further delay these projects with further escalation in cost.

Some of the interesting points on 4 major projects are detailed below:

(i) Nandur Madhmeshwar Project

Department executed 128 kilometre of canal from 1972-73 without completing four component dams and ensuring availability of water in canal

The Government approved the project "Construction of four component dams at Mukne, Bhawali, Bham and Waki" and a new express canal of 128 kilometres from the existing Nandur Madhmeshwar weir to irrigate 43860 ha of land, at an estimated cost of Rs 48.70 crore (July 1979). The estimate was revised in July 1999 to Rs 578.36 crore. It was noticed that even though expenditure of Rs 103.57 crore was incurred on these 4 component dams no water could be stored due to delay in their completion apart from various problems related to Project Affected Persons (PAPs) and forest land. Besides, the Department continued construction of the new express canal and incurred an expenditure of Rs 210.54 crore on it till March 2002 without keeping pace with construction of component dams and ascertaining the availability of water. The execution of the work on the express canal to its full length without ensuring availability of water in these four storage dams was unwarranted and also indicates poor planning and lack of co-ordination amongst the various executing authorities.

(ii) Waghur Project

Three irrigation projects could not be completed even after 20 years and after incurring an expenditure of Rs 668.87 crore

The project was sanctioned in 1976 at a cost of Rs 12.28 crore to irrigate 15213 ha of land. Only 70 per cent headwork and 30 per cent of canal work was completed as of March 2002 at a cost of Rs 70.84 crore. Even after 26 years the project could not be completed due to delay in rehabilitation of

PAP's, objections from Ministry of Environment and Forest of GOI and paucity of funds.

(iii) Lower Wardha Project

The project was sanctioned in 1981 at a cost of Rs 48.08 crore to irrigate 44150 ha of land. The cost was revised to Rs 444.52 crore in January 2000. Only 73 per cent headwork and 19 per cent of canal work was completed after incurring expenditure of Rs 168.02 crore as of March 2002. No irrigation potential has been created even after 22 years due to paucity of funds.

(iv) Tillari Project

This interstate project between Maharashtra and Goa sanctioned in 1979 at a cost of Rs 45.20 crore, was revised to Rs 488.33 crore for creating IP of 23654 ha. An expenditure of Rs 430.01 crore was incurred upto March 2002. The work of gorge filling started in November 2001 was obstructed by PAPs.

The EE, Tillari Project Division, Konalkatta failed to get the land vacated even after payment of full compensation to the PAPs. EE stated that PAPs problems were under consideration at Government level, which resulted in the stoppage of work.

4.1.7 Inadequate planning

(a) Work based on unrealistic data

An irrigation project was taken up on the basis of inflated estimated yield instead of actual available yield.

The work of Wambhori and Bhagda (Chari) of Mula project approved by Government in 1987 and 1988 respectively at an estimated cost of Rs 9.32 crore was not undertaken for execution due to non-availability of adequate storage of water in the dam constructed in 1972. In February 1996 the above Charis were technically approved by Government as piped canal considering the availability of estimated yield of 24884 million cubic feet (mcft) of water at dam site. The work of piped canal was taken up for execution in February 2000 at a cost of Rs 109.01 crore and Rs 14.74 crore was spent as of March 2002. Scrutiny of records of EE, Mula Irrigation Division, Ahmednagar revealed that actual yield at dam site observed during last 20 years was only 21178 mcft. Thus, execution of the work on the basis of estimated yield of 24884 mcft instead of actual yield of 21178 mcft at a huge investment of Government capital of Rs 109.01 crore may result in poor rate of returns.

(b) Adverse effect on yield of Jayakwadi project

There was a provision of 115.50 Thousand Million Cubic feet (TMC) of water for upstream extraction for the Jayakwadi major project completed at a cost of Rs 243.44 crore in 1986. The Government, however, without considering this aspect sanctioned new irrigation projects that would utilise 156.50 TMC of water from the above mentioned catchment area thereby reducing the availability of water to the Jayakwadi project to 41 TMC. Thus, these projects in upstream of Jayakwadi reservoir had adversely affected the irrigation

potential in Jayakwadi project. Government (November 2002) accepted the shortage of water in Jayakwadi reservoir and stated that it would be compensated by taking new projects in downstream side of Jayakwadi project. Reply was not tenable as construction of projects in down stream side will not solve the problem of shortage of water in Jayakwadi reservoir which cropped up due to sanctioning of irrigation projects in excess of availability of water.

(c) *Lift Irrigation Schemes*

In contravention to its own decision of 1978 Government sanctioned 42 LIS at a cost of Rs 582 crore during 1982-2001

To solve drought situation in Maharashtra, a programme of construction of 356 Lift Irrigation Schemes (LIS) was undertaken during the period from 1971 to 1978. Subsequently, it was found that the schemes were not effective due to very low irrigation potential, continuous losses, high cost of maintenance, etc. Government in 1978 took a decision not to take up LIS in future. But during 1982-83 to 2001 Government sanctioned 42 more LIS costing Rs 582 crore. Further LIS have become costlier due to higher tariff for electrical energy.

Test-check of Vishnupuri project in Nanded district, revealed that the Government had to sustain extra financial burden of Rs 15.19 crore for the period from June 1999 to March 2002, due to levy of electricity charges at industrial rates by Maharashtra State Electricity Board (MSEB) instead of agriculture rates.

4.1.8 Utilisation of Irrigation Potential

4.1.8.1 Poor utilisation of created Irrigation Potential

Though Irrigation Potential (IP) created is less than the targeted potential, yet the utilisation was far less than what has been created. The position is as below:

Year (As of the end of June)	Type of project	No. of completed and ongoing projects	Ultimate	Potential	Potential	percentage of utilised potential
			potential	created	utilised	
			(In	Thousand	Hectare)	
1998-99	Major	51	2657.71	2072.16	845.46	40.80
	Medium	196	626.78	559.88	164.98	29.47
	Minor	2108	883.20	784.44	214.80	27.38
	Total	2355	4167.69	3416.48	1225.24	35.86
1999-2000	Major	52	2646.23	2095.70	898.27	42.86
	Medium	198	630.89	569.34	176.20	30.94
	Minor	2263	929.96	835.44	211.61	25.33
	Total	2513	4207.08	3500.48	1286.08	36.74
2000-01	Major	52	2637.48	2212.64	871.51	39.39
	Medium	203	675.52	600.32	183.26	30.52
	Minor	2323	957.79	892.56	243.02	27.23
	Total	2578	4270.79	3705.52	1297.79	35.02
2001-02	Major	52	2638	2239	872	38.95
	Medium	205	689	624	183	29.32
	Minor	2426	1008	941	243	25.82
	Total	2683	4335	3804	1298	34.12

Utilisation of IP has been almost same inspite of increase in IP created due to lack of maintenance and repairs

Even though there was an increase in creation of IP every year as seen from above table the utilisation thereof has been almost same because of poor maintenance of distributory canals. Government attributed (May 2002) less utilisation to (i) diversion of irrigation water for non-irrigation purposes, (ii) non-adherence to projected cropping pattern by beneficiaries, (iii) thin and scattered irrigation resulting in low efficiency, (iv) low utilisation in kharif season, (v) low yield in reservoir, (vi) reduction in the storage capacity due to seepages, (vii) poor/inaccurate assessment of the irrigated area, (viii) poor maintenance of the infrastructure due to financial constraints, (ix) non-participation of beneficiaries and (x) theft of water by beneficiaries etc.

Proposal to repair and modernise the distributory system of 33 major, 135 medium and 2075 minor projects to improve its efficiency has been made (February 2002) at an estimated cost of Rs 1378.86 crore. This clearly indicates that maintenance and repairs of irrigation facilities were largely neglected by the department.

4.1.8.2 Poor realisation of water charges

Water charge is assessed and levied by the department for supply of water for irrigation and non-irrigation purposes. Recovery of Rs 970.93 crore was pending as of March 2002. Position of recovery of water charges is as below:

(Rupees in crore)

Year	Opening balance (Arrears)	Demand raised	Total	Recovery effected	Closing balance (Arrears)
Irrigation:					
1997-98	137.00	41.07	178.07	24.65	153.42
1998-99	153.42	41.66	195.08	32.51	162.57
1999-2000	162.57	67.62	230.19	37.18	193.01
2000-01	193.01	74.48	267.49	41.23	226.26
2001-02	226.26	84.71	310.97	43.36	267.61
Non- Irrigation:					
1997-98	190.53	76.22	266.75	56.96	209.79
1998-99	209.79	132.25	342.04	80.97	261.07
1999-2000	261.07	208.60	469.67	135.65	334.02
2000-01	334.02	362.60	696.62	153.99	542.63
2001-02	542.63	368.82	911.45	208.13	703.32

Government attributed (June 2002) poor recovery to (i) lack of man power and machineries to enforce the powers vested with field offices and (ii) inability of the department to stop the supply of water.

This has happened even though, no revision was made to the water charges from 1975 to 1991 in case of irrigation water and from 1964 to 1991 in the case of non-irrigation. Rates of irrigation and non-irrigation water were revised only in July and September 1991 respectively and thereafter in July 1998 and again in October 2001. Belated revision coupled with poor recovery of water charges resulted in poor return on investment and considerable burden on the State exchequer.

4.1.8.3 *Non-recovery of capital share in respect of interstate projects*

Four⁴ interstate irrigation projects were executed with contributions from other States. But against the recoverable share of Rs 376.69 crore only Rs 244.71 crore was recovered and Rs 131.98 crore were yet to be recovered. In the case of State of Andhra Pradesh, recovery of Rs 11.63 crore could not be effected as no consensus was arrived for execution of agreement. Further, due to non-receipt of share from Goa Government, the progress of Tillari project was adversely affected.

4.1.8.4 *Non-recovery of capital cost towards water reservations*

Government in November 2000, decided that the proportionate capital cost of construction of irrigation projects where water had been reserved for non-irrigation use in excess of 15 per cent of storage, be recovered from the agencies eg Maharashtra Jeevan Pradhikaran, MSEB, Municipal Councils, Sugar factories etc and agreements to this effect were to be executed. A scrutiny of records in Aurangabad divisions⁵ revealed that a total of Rs 762.87 crore was yet to be recovered from the beneficiary agencies.

4.1.8.5 *Non-recovery of lease rent by Government from Maharashtra State Electricity Board*

21 hydroelectric projects have been handed over to MSEB between 1963 and 1997 on lease basis without drawing any agreement. Only recently Government initiated action for execution of the lease agreements with MSEB. The status of demand and recovery of lease rent is as under:

Rs 762.87 crore were yet to be recovered as capital cost towards water reservation

⁴ Tillari Irrigation (State of Goa) Project, (ii) Pench Hydroelectric (Madhya Pradesh) Project, (iii) Lendi Project (Andhra Pradesh), (iv) Dudhganga Project (Karnataka)

⁵ ID Region, Aurangabad; MI Dn. Pusad, JI Dn, Aurangabad

(Rupees in crore)

Year	Lease rent due	Lease rent recovered	Balance recovery
2000-01	371.18	85.00	286.18
2001-02	324.25	85.00	239.25
Total	695.43	170.00	525.43

Government (June 2002) stated that the issue of recovery of lease rent would be settled on receipt of decision from Maharashtra Electricity Regulatory Commission (MERC). Such delayed recoveries stalled the incremental investments in irrigation and completion of projects.

4.1.9 Command Area Development Authority activities

CAD Programme was introduced as a centrally sponsored scheme from 1974-75 to ensure better and more efficient utilisation of the IP. The programme covered 24 projects with an investment of Rs 1416.32 crore. Out of 24 projects with projected IP of 20.26 lakh ha, CAD works were completed only in 8 upto March 2001. As against IP of 18.92 lakh ha, field channel works were executed on 12.45 lakh ha. only thereby adversely affecting the utilisation of IP created.

The shortfalls in CAD works was attributed by Government (May 2002) to (i) priority given to storage building in Krishna Valley, (ii) paucity of fund and (iii) rise in establishment expenditure.

4.1.10 Kharland Development Schemes

(a) Execution of schemes violating Environmental Notification

Government of India (GOI), Ministry of Environment and Forest issued notification in 1991 prohibiting construction of bunds (even for agricultural activity) within 500 meters of high tide level of sea termed as Coastal Regulation Zone (CRZ). It was, however, observed that 74 new Kharland schemes for agriculture were executed by Government in Konkan region after 1991 at a cost of Rs 20.73 crore.

It was further noticed that European Economic Community (EEC) assisted saline land reclamation programme (Phase II) at a cost of Rs 74.10 crore from 1995. The programme envisaged reclamation of 8000 ha of Kharland through 80 schemes, which was contrary to the above notification.

However, when environmental clearance for this programme was sought belatedly in December 2001, the Ministry of Environment and Forest, GOI turned down the proposal (January 2002). EEC stopped further assistance and

Only 8 out of 24 projects were completed under CAD

74 Kharland schemes for agriculture were executed in Coastal Regulation Zone violating GOI notification

the programme was suspended. Meanwhile Rs 3.08 crore were spent on contingent items like computers, vehicles, establishments, training etc under this programme.

Thus, execution of an external aid agreement without consideration of 1991 Notification had resulted in suspension of external assistance and infructuous expenditure of Rs 3.08 crore.

(b) Poor recovery of Kharland Cess to the tune of Rs 1.98 crore

As per Act, a Kharland Cess at the rate of Rs 40 per ha per year was to be levied in order to meet the cost of maintenance and repairs. Audit scrutiny in four⁶ Kharland divisions revealed that as against Rs 2.02 crore due for recovery for the period 1979 to 2002, only Rs 0.04 crore was recovered.

4.1.11 Programme of 'diversification of crops'

An externally aided programme of improvement of water distribution in the existing minor irrigation schemes to enable diversification from paddy to high value horticulture crops in Konkan region was taken up during 1988 to 1998 at a cost of Rs 31.50 crore. But the expenditure shot up to Rs 84.36 crore (Rs 57.02 crore by EEC and Rs 27.34 crore by Government of Maharashtra (GOM) by the end of the programme (October 1998).

No funds were available to complete 21 schemes on which an expenditure of Rs 25.26 crore was already incurred

Out of 57 minor irrigation schemes taken up under this programme, 36 schemes could be completed at a cost of Rs 25.15 crore by October 1998. No funds were made available thereafter to complete the remaining 21 incomplete schemes over which Rs 25.26 crore had already been incurred. Scrutiny of records of incomplete schemes revealed that the programme could not be implemented during the first five years, due to delay in preparation (being new concept) of designs, late tendering, paucity of funds etc.

In all the 36 completed schemes, desired objectives were not achieved due to defects in pipeline system noticed just after completion of schemes (pipes broken, hydrants damaged) apart from reluctance of farmers to shift from traditional crop ie rice.

Chief Engineer, Konkan region stated (August 2002) that incomplete schemes and defective schemes could not be completed/repared for want of funds. The schemes are likely to further deteriorate, making the investment meaningless.

4.1.12 Creation of Irrigation Development Corporations

In order to utilise water of Krishna river by the year 2000, Government created MKVDC in February 1996. Four⁷ Corporations were also created between

⁶ Pen, Ratnagiri, Sindhudurg and Thane

⁷ VIDC, GMIDC, TIDC and KIDC

March 1997 and August 1998 to mobilise resources for completion of some of the ongoing irrigation projects in a time bound manner. The other objectives included (i) Promotion and operation of the projects and (ii) Command area development, etc. The Corporations were formed by the GOM despite disagreement by Planning and Finance department that the proposed scale of investment would create tremendous stress on the resources of Government. Scrutiny of records in Corporations and Government revealed the following:

4.1.12.1 *Inadequate capital contribution by Government to Corporations*

As against Rs 6674.24 crore required to be contributed by Government till March 2002, the actual contribution was only Rs 1898.10 crore (28.44 *per cent*). Consequently, the Corporations resorted to market borrowing and raised Rs 9454.08 crore which was far in excess of the original estimates and requirements.

4.1.12.2 *Huge interest liability on Government*

Despite the disagreement of the Finance and Planning Departments, Government created five Irrigation Development Corporations, but failed to provide agreed capital contribution. Due to delay in completion of the projects coupled with poor recovery of water charges, interest payment on borrowings could not be met. Government as a guarantor, had to pay Rs 2693.79 crore during 1996-97 to 2001-02.

4.1.12.3 *Creation of huge liabilities by Corporations*

Out of 25 major, 48 medium and 300 minor ongoing irrigation projects costing Rs 18,070 crore entrusted to three Corporations for completion, only 5 medium and 105 minor projects have been completed as of March 2002. Instead of giving priority to the 263 incomplete/ongoing projects, 76 new projects (8 medium and 68 minor) were taken up by the GMIDC and TIDC and incurred an expenditure of Rs 328 crore on these projects upto March 2002.

Corporations had to shelve 103 irrigation projects due to lack of funds on which an expenditure of Rs 2738.67 crore had already been incurred

Despite unsound financial position, 20 new projects costing Rs 88.55 crore were sanctioned during the year 2001-02. These investment decisions coupled with delay in completion of ongoing projects created huge liability amounting to Rs 29694 crore of which Rs 14000 crore belonged to low priority works. Consequently, Government had to step in and stop further investments in projects where expenditure incurred was less than 50 *per cent* of the project cost. This meant three⁸ Corporations had to shelve 12 major, 24 medium and 67 minor projects on which an expenditure of Rs 2738.67 crore was already incurred.

⁸ VIDC, GMIDC and TIDC

4.1.13 *Inadequate inventory control*

(i) Scrutiny of status report of Mechanical Stores Division, Dapodi (April 1995), revealed that spare parts (numbering 68018) costing Rs 28.67 crore procured upto 1995 were lying unutilised in 18 divisions. During audit (June 2002) it was observed that 42550 spare parts costing Rs 27.42 crore were still lying unutilised as of March 2002.

(ii) The EE, Vishnupuri Project Division No.I, Nanded procured 10914 running metres of mild steel pipes in 1996 valued at Rs 12.45 crore which remained unutilised as of June 2002 due to non-procurement of pumps required for Phase II of the project. Though the steel pipes got heavily rusted due to exposure to weather conditions, the Government (March 2002) stated that due to inadequacy of funds procurement of pumps could not be taken up. The inordinate delay and unco-ordinated purchase resulted in blockage of funds of Rs 12.45 crore.

(iii) Scrutiny revealed that 1692.189 Metric Tonne (MT) old steel valuing Rs 2.03 crore procured before 10 to 15 years remained undisposed as of April 2002 due to changes in original designs. The abnormal delay resulted in blockage of funds and decrease in disposable value. A write-off proposal has been moved to Government, sanction of which is still awaited.

4.1.14 *Man Power Management*

Surplus staff

Scrutiny in audit revealed that there were 11831 technical staff (Engineering) and 57127 non-technical staff in ID as of January 2002, of which cadrewise information was not available with Government (June 2002). Further scrutiny in audit revealed that, 1200 Junior Engineers and 2513 other staff of the department declared surplus could not be absorbed as of April 2002. This has resulted in nugatory expenditure of Rs 26.29 crore, calculated at the minimum of time scale for the period August 2001 to December 2002.

A test-check of the records of the mechanical organisation revealed that as against its capacity to execute 30900 thousand cubic metre (TCM) of earthwork only 26469 TCM work was planned for execution during 1996-97 to 2000-01. As against this the civil wing allotted only 17814 TCM of earthwork. Thus, there was underutilisation of the machinery and manpower.

4.1.15 *Other topics of interest*

(a) *Flood control measures*

Government approved (April 1997) the Akola Flood Protection Scheme at an estimated cost of Rs 14.63 crore on the river Morna. The work was taken up in November 1997 and an expenditure of Rs 8.62 crore was incurred as of

October 2002. While executing the work, it was found by Chief Engineer, Irrigation Department, Nagpur that 29 nallas passing through the Akola city and ending at various points on the river would be blocked if the scheme was put through. Therefore, during inspection by the Secretary, ID (December 2000) with the Collector, Akola and Administrator, Nagar Parishad, Akola, it was decided to study the feasibility of flood control by constructing a new dam on the upstream of the river in consultation with Central Designs Organisation (CDO), Nashik. Further study was in progress (December 2002). Thus, the expenditure of Rs 8.62 crore incurred on the scheme without considering all aspects turned out to be unfruitful.

(b) *Huge expenditure on arbitration awards*

Agreements with contractors for World Bank assisted projects provide for appointment of arbitrators in the event of any dispute between the contractor and the department. In two⁹ circles test-checked, 72 cases were decided by arbitrators and all were in favour of the contractors. In all Rs 57.22 crore were paid including interest for delayed payments. The reasons for disputes were (i) delay in handing over the land and quarry specified in the tender and (ii) non-availability of department supply, material etc. These could have been avoided had the Government taken timely action against the erring officials and provided adequate mechanism to prevent recurrence of such lapses.

The matter was referred to the Secretary to the Government in September 2002. No reply has been received (December 2002).

⁹ Upper Penganga Circle and Jayakwadi Project Circle

SECTION 'B' – AUDIT PARAGRAPHS

IRRIGATION DEPARTMENT

4.2 Avoidable expenditure due to delay in filing the objection to the award

Despite legal advice, an Executive Engineer failed to file objection before a court within the statutory period, which resulted in avoidable expenditure of Rs 2.43 crore.

According to the provisions of the Indian Arbitration Act, 1940, awards are to be filed in a court of law for obtaining decree for its enforcement. Objections, if any, are to be filed within 30 days from the date of receipt of the notice from the court.

In respect of six works in Majalgaon Canal Division No.IX Parlivaijnath, district Beed, an arbitrator was appointed by the Government in July 1994. The arbitrator declared an award of Rs 2.13 crore in favour of the contractor on 14 April 1996 and ordered the Department to pay the amount to the contractor by 15 May 1996, failing which interest at the rate of 18 *per cent* was to be paid, till the date of actual payment. The award was filed in the court of Civil Judge, Beed on 24 April 1996 and the court served notices on 14 and 17 July 1996 for filing objections if any, within 30 days. The Executive Engineer, Majalgaon Canal Division No.IX, Parlivaijnath, however, moved an application before the court only on 31 October 1996 for setting aside the award. The court upheld (December 1997) the arbitration award in two of the six cases on the grounds that the department had failed to raise objections within the stipulated time and directed the department to pay the decretal amount.

Though the court upheld only 2 cases, Government decided (June 1998) to make payment in all 6 cases with some modification as concurred by the contractor. Accordingly, an amount of Rs 2.43 crore including interest at negotiated rate of 12 *per cent* was paid to the contractor on 2 July 1998.

Audit scrutiny (May 1999) revealed that as early as in May 1996, the solicitor on Government panel had advised that the arbitration award was erroneous and was liable to be set aside if a petition was filed under section 30 of the Indian Arbitration Act 1940. The Law and Judiciary Department had also directed (May 1996) prompt action to file an objection petition in the court for setting aside the award. In spite of these directions, the Irrigation Department

did not file any objection within the statutory limit of 30 days, which resulted in avoidable expenditure of Rs 2.43 crore.

On this being pointed out, the Division replied that because of non-availability of authentic copies of arbitration award and delay in receipt of legal advice etc the Department could not move the court within the stipulated period.

The reply was not tenable as the Law and Judiciary Department must have had the original copy of award and had directed the Division in May 1996 itself to file a petition in the court for setting aside the awards. Failure to do so resulted in avoidable expenditure of Rs 2.43 crore.

The matter was referred to the Secretary to the Government in May 2002. No reply has been received (December 2002).

4.3 Unfruitful expenditure on construction of a minor irrigation tank

Faulty execution of a minor irrigation tank resulted in expenditure of Rs 2.24 crore remaining largely unfruitful for over 7 years.

Construction of Pimpri Hanuman Minor Irrigation Tank in Washim district to irrigate 251 hectares of land was completed in June 1995 at a cost of Rs 2.24 crore.

Audit scrutiny (January 2002) revealed that the storage of water in the tank never achieved its full capacity of 1.1914 Million metre cube in any of the years after completion of gorge filling in 1995. As against the targeted irrigation for 251 hectares, *per annum* irrigation in all five years has been nil. The failure was due to percolation of water on down stream of the dam due to defective work on Cut Off Trench (COT). According to the provisions of the Manual of Minor Irrigation works, the COT should not be filled in until it has been validated by the Engineer in charge. But this aspect could not be scrutinised, as no records were available in the division regarding validation of COT. Further, no corrective measures had been taken by the division till April 2002 to arrest the percolation though the Superintending Engineer, Irrigation Circle, Akola had directed it during his inspection in October 1997 and September 1998. The Executive Engineer, Minor Irrigation Department, Washim stated (April 2002) that detailed investigation was in progress to ascertain the exact reasons for non-impounding of water.

Thus, the faulty execution of work in disregard of codal provision and inertia in taking corrective measures resulted in the investment of Rs 2.24 crore remaining largely unfruitful for over 7 years.

The matter was referred to the Secretary to the Government in June 2002. No reply has been received (December 2002).

4.4 Extra contractual benefit to contractor due to change of specification and lead

Incorrect framing of rates resulted in extra payment of Rs 39.43 lakh to contractor.

Construction of Muktainagar lift irrigation scheme was entrusted to a contractor in October 1998 at a cost of Rs 17.84 crore prior to issue of technical sanction (December 1998) by Chief Engineer, Tapi Irrigation Development Corporation (TIDC). The work included construction of rising main of 3350 metre¹⁰, delivery chamber¹¹, distribution system¹² and Mechanical/Electrical work¹³.

Scrutiny of record of Executive Engineer (EE), Sardar Sarovar Cell division, Jalgaon (April 2001) revealed that the contract provided construction of initial 150 metre of rising main in 10 millimetre (mm) thick Spirally Welded Mild Steel (SWMS) and 3200 metre in Bar Wrapped Steel Cylindrical Reinforced Concrete (BWSCRC) pipes of 1100 mm diameter. SWMS and BWSCRC pipes were to be procured from Jalgaon and Pune at a lead of 55 and 432 kilometre (km) respectively based on the Schedule of Rates of Maharashtra Water Supply and Sewerage Board/Maharashtra Jeewan Pradhikaran (MJP).

In actual execution, 3528 metre of rising main was constructed against estimated 3350 metre, using 1320.80 metre of BWSCRC pipes and 1984.76 metre SWMS pipe of 8 mm thickness. The change from BWSCRC to 8 mm thick SWMS pipe was made on the recommendation of the consultant due to non-availability of the former being a new product. Since 8 mm SWMS was used, the lead was taken as 438 km for SWMS pipes. While computing the rate of lead charges of Rs 5.23 per Metric Tonne (MT)/km was considered as stipulated for Cast Iron un-reinforced cement pipes instead of the rate of Rs 1.70 per MT/km for Mild Steel pipes as per schedule of rates of MJP. This had resulted in extra payment of Rs 39.43 lakh.

The EE, Sardar Sarovar Cell division Jalgaon stated (April 2001) that payment was made as per the rate analysis approved by Chief Engineer. However, the Superintending Engineer, while accepting the facts stated that the estimated rates were not relevant in open competition tender.

¹⁰ Rs 4.50 crore

¹¹ Rs 0.22 crore

¹² Rs 9.48 crore

¹³ Rs 3.65 crore

The matter was referred to the Secretary to the Government in August 2002. No reply has been received (December 2002).

4.5 Avoidable expenditure due to incorrect estimation

Technical lapse of the Executive Engineer in preparing the estimate for painting of pipelines resulted in extra cost of Rs 34.40 lakh.

The Chief Engineer, Vidarbha Irrigation Development Corporation, Nagpur accorded technical sanction (September 1997) for the work of supply and laying of 1.4 metre diameter mild steel pipeline in two rows for 4548 metre length of rising main of Dhapewada Lift Irrigation Scheme (LIS) stage I in Tiroda tahsil of Bhandara district. The work was entrusted to a contractor for Rs 11.25 crore at 14.18 *per cent*, below the estimated cost of Rs 13.11 crore. The work included painting of 708 square metres (sq.mt.) of the internal surface of joints of the pipes with epoxy primer followed by three coats of heavy duty painting. The quantity put to tender was 1062 sq.mt. for the first and second coat over internal surface of joints and 38931 sq.mt. for the third coat of painting for full length internally.

Scrutiny of records (March 2001) of the Executive Engineer (EE), Tekepar Lift Irrigation Division, Ambadi in Bhandara district revealed that during execution of the works, the actual quantity of painting of epoxy primer increased abnormally from the estimated 708 sq.mt. to 38143 sq.mt. Similarly, the quantity for first and second coating of heavy duty paint increased from the estimated 1062 sq.mt to 38143 sq.mt. As the actual quantity exceeded 125 *per cent* of the estimated quantity, the excess quantity was treated as extra item and Rs 66.38 lakh were paid at the District Schedule of Rate (DSR) rate instead of the contracted rate. The increase was due to painting the entire length of the pipeline. Had the requirement for the entire length of pipeline been included in the estimate, it would have cost Rs 31.98 lakh only. Thus, lapse on the part of the EE to estimate only the quantity required for the jointed portion of the pipeline instead of the entire length of the pipeline in estimates resulted in extra expenditure of Rs 34.40 lakh.

While admitting the fact, the EE stated (May 2002) that the estimate for the scheme was prepared on the basis of estimate of another similar ongoing work which was done in three parts (i) supply of pipe without primer or paint, (ii) applying one coat of primer and two coats of paint and (iii) laying of pipes applying three coats of paint and primer and three coats of paints to welded jointed portion only. However, while preparing estimate of Dhapewada LIS the second part was not included because of oversight.

The reply is an admission of the failure to prepare and check the estimates, which cost the exchequer Rs 34.40 lakh extra.

The matter was also referred to the Secretary to the Government in May 2002. No reply has been received (December 2002).

4.6 Extra contractual payment on dewatering work

Inadmissible payment of Rs 31.61 lakh treating the excess quantity of dewatering as extra item.

Construction of an overflow weir of the Paithan Hydro Electric Project was entrusted to a contractor in May 1996 at a cost of Rs 2.18 crore. The work was to be completed by May 1997. However, a proposal for extending the completion period to January 2001 remained to be approved by the Chief Engineer and Chief Administrator, Command Area Development Authority (CADA), Aurangabad as of February 2002. In accordance with the Government directives, whenever it is considered more practicable to provide the item of dewatering on lump sum basis and particularly when the item is likely to cost within Rs 5 lakh, the item could be included at lump sum rates in the tender. Accordingly, a lump sum provision of Rs 2.81 lakh was made in the agreement for the work of dewatering as part of construction of the weir. Even during the prebid conference, the contractors were specifically told to quote their offer assuming non-availability of Brake Horse Power (BHP) hour rate for the work of dewatering. Further as per specification in the tender, contractors have to make all the necessary arrangements for dewatering and shall have no claim on account of any additional scope of dewatering that might be required during the course of execution of the work.

Audit scrutiny of records (June 2001) of the Executive Engineer, Environmental Development Division, Aurangabad revealed that contrary to the contractual provision, the contractor was paid Rs 31.61 lakh on BHP hour rate basis instead of lump sum provision of Rs 2.81 lakh.

On this being pointed out by Audit (June 2001), the Executive Engineer stated (January 2002) that the reservoir level of Paithan dam at the time of tendering was below maximum drawn down level, the power generation by MSEB was not in progress and considering these aspects, the contractor might have quoted his offer which turned out to be a lower rate.

The reply was not tenable as (i) the Chief Engineer and Chief Administrator, CADA, Aurangabad had made a lump sum provision in the contract for dewatering in accordance with the Government directives, (ii) the contractor's demand for dewatering on BHP hour rate basis was not considered at the prebid stage and (iii) as per the contract condition, the contractor was supposed to have fully acquainted himself with the work and site conditions before quoting the rate. Thus, the payment of additional amount of

Rs 31.61 lakh treating the excess quantity of dewatering as "extra item" was inadmissible and undue benefit to the contractor.

The matter was referred to the Secretary to the Government in June 2002. No reply has been received (December 2002).

PUBLIC WORKS DEPARTMENT

4.7 Public Works Deposits

4.7.1 Introduction

According to the Maharashtra Public Works Accounts Code (Code), deposit transactions of the Public Works Department are classified as (i) Public Works Deposits which pass through regular accounts of the divisions and (ii) interest bearing securities which do not pass through regular accounts of the divisions. The transactions of deposits are recorded in five categories namely; (i) Cash deposit of subordinates as security, (ii) Cash deposit of contractors as security, (iii) Deposit for works, other than *takavi* works to be done, (iv) Sum due to contractors on closed accounts and (v) Miscellaneous deposits. The deposits were increasing steadily as shown below:

(Rupees in crore)

	1998-99	1999-2000	2000-01	2001-02
Opening balance (as on 1 April)	374.91	387.16	442.74	500.95
Amount received during the year	412.51	457.92	543.28	450.01*
Amount disbursed during the year	400.26	402.34	485.07	410.04*
Closing balance as on 31 March.	387.16	442.74	500.95	540.92

4.7.2 Deposit Works

As per codal provisions, expenditure on deposit works is required to be limited to the amount of deposits received. Any expenditure in excess of the amount received is chargeable to Miscellaneous Public Works Advances (MPWA) and adjusted subsequently on recovery of the excess amount.

Rs 10.50 crore spent in excess of deposit were neither debited to MPWA nor any recovery was effected

In 13 divisions Rs 10.50 crore were spent in excess of deposit received during September 1976 to March 2002. However, neither the excess expenditure was debited to MPWA nor any recovery was effected from the concerned department/agency. As a result, the resources of the divisions were strained for other items of work. The Executive Engineer (EE) agreed (June 2002) to debit the amount to MPWA for watching the recovery.

* Figures taken from Accountant General (A&E)

In two¹⁴ divisions, out of Rs 11.58 crore received as deposit during January 1992 to March 2002, Rs 45.73 lakh was lying in deposit though works were completed in all respect. The EEs stated (June 2002) that action to refund the amount will be taken after due verification.

4.7.3 Irregular accounting of deposits

(a) As per instructions issued by Government of Maharashtra (GOM), (October 2001) funds made available to implementing agency (EE) under Government of India (GOI), Prime Minister Gram Sadak Yojna (PMGSY) were to be deposited under the head “8443” Civil Deposit in Public Works deposits and expenditure incurred was to be charged to this head of account.

Contrary to the instructions Rs 17.48 crore were deposited in saving bank account by five¹⁵ divisions during the period November 2001 to June 2002. The EEs stated that this was done in accordance with the Chief Engineer (CE), Nashik order (December 2001) who was the nodal officer for PMGSY.

(b) In two¹⁶ out of 38 Divisions test-checked, deposit registers were not maintained for the period since April 2000.

(c) Scrutiny of records of the EE, Public Works Division, (PWD) Nanded revealed that the EE issued (February and March 2000) non-Letter Of Credit (LOC) cheques for Rs 65.36 lakh by drawing the amount from deposit head for payments towards budgeted works due to inadequate provision under LOC.

(d) Test-check of records of EE, PWD, Amravati, Khamgaon and Special Project Division, Amravati revealed that Rs 2.46 crore had been drawn through 45 running account bills by the EEs and kept in Miscellaneous Deposit. The amount was subsequently released to the contractors on hand receipt by issuing non-LOC cheques. Procedure adopted by divisions was irregular.

The EEs stated (July 2001) that endorsement of the LOC cheques by the treasury was made compulsory by the Government in February 1998 and sometimes treasuries were not endorsing the cheques for Rs 5 lakh and above. This necessitated budgeted funds being kept in ‘Miscellaneous Deposit’ and subsequently released through non-LOC cheques. EEs were circumventing regulations which was irregular.

The matter was referred to the Secretary to the Government in September 2002. No reply has been received (December 2002).

¹⁴ EE, Road Project Division (Dn), Amravati, EE, Thane Creek Bridge Dn.No.II, Mumbai

¹⁵ EE, PW Dn., Beed, Latur, Nashik, Nilanga and Osmanabad

¹⁶ EE, Harbour Engineer (North)Dn, Mumbai, EE, Public Works Dn.,Nashik

Rs 65.36 lakh was irregularly paid by an EE by drawing funds from deposit head

4.8 Non recovery of cost on construction of bus bays

The Department failed to recover 50 per cent share (Rs 72.50 lakh) of the cost of bus bays from Maharashtra State Road Transport Corporation though such expenditure was recoverable in advance of commencement of the work.

Government issued instructions in January 1997 that construction of bus bays on major roads should be taken up only at the places approved by the Maharashtra State Road Transport Corporation (MSRTC). The cost of construction was to be shared on 50:50 basis between MSRTC and the Public Works Department (PWD). The work was to be started by the PWD only on receipt of the 50 per cent share from MSRTC.

Scrutiny of records (February 2001) of the Executive Engineer (EE), Public Works Division No.-II, Nagpur and information collected from the Chief Engineer (CE), Nagpur (July 2001) revealed that 31 bus bays were constructed at a cost of Rs 1.45 crore without approval from MSRTC along with the improvement work of three state highways during January 1997 to March 2001. The department had not recovered the 50 per cent share from MSRTC before commencement of the work and had not taken any action to recover the amount thereafter (March 2002).

On this being pointed out, the EE stated (May 2001) that MSRTC would be requested to pay their share. The CE, Nagpur stated (July 2001) that to obtain Government orders for the bus bays at Government cost, the matter would be referred to the Government after getting the details from the field officers.

The reply indicated that the CE had exceeded his powers as bus bays were constructed without Government orders. Also the reasons for constructing the bus bays without contribution of 50 per cent share from MSRTC was not cleared.

The matter was referred to the Secretary to the Government in May 2002. No reply has been received (December 2002).

4.9 Excess payment to the contractor beyond contractual obligation

Rs 44.15 lakh was paid to a contractor for extra depth of well foundation of additional spans and piers in contravention of contract condition.

Construction of bridge across Tarkarli creek near village Deoli on Vengurla-Malwan road in Sindhudurg district was awarded to a contractor in May 1997

on lump sum agreement at tendered cost of Rs 6.96 crore against estimated cost of Rs 3.52 crore for completion by November 1999. As the original length of 224 metres of bridge was increased to 264 metres, due to shifting of abutment position, the date of completion was extended to November 2000. The work was completed in extended period at a cost of Rs 11 crore which includes Rs 1.66 crore on account of escalation and Rs 2.38 crore for extra work.

Scrutiny of records (August 2001) of Executive Engineer (EE), Public Works Division, Sawantwadi revealed that as per schedule of items for increase in length of bridge including provision and construction of bridge components the contractor was to be paid Rs 4.04 lakh per metre. Accordingly, contractor was paid Rs 1.62 crore for 40 metre extra length bridge. Due to increase in length, two additional spans and piers (P0 and P5) were required to be constructed for which the contractor was not entitled to any additional amount other than for increase in length, which was a composite cost. The contractor was however, paid Rs 44.15 lakh for extra depth of well foundation for these piers of additional length.

EE, stated (March 2002) that the lump sum cost for extra length of the bridge was based on basic foundation level shown in General Arrangement Drawing (GAD) and the extra amount was paid for the height of well from below basic foundation level (Reduced Level 85.850 metres) to the final foundation level.

Reply of the EE was not tenable as the basic foundation level for additional piers was not decided at the time of agreement and entire bridge components for increased length was to be paid Rs 4.04 lakh per metre irrespective of the piers to be constructed.

The matter was referred to the Secretary to the Government in June 2002. No reply has been received (December 2002).

4.10 Unintended benefit to an entrepreneur

Failure to recover consultation fee resulted in unintended benefit of Rs 2.76 crore to an entrepreneur.

Improvement, strengthening and black topping of two road works in Thane district was entrusted to an entrepreneur on Build, Operate and Transfer (BOT) basis in January and December 1998 at a cost of Rs 36.69 crore and Rs 70.92 crore with 15 years and 10 years 8 months concession period respectively for collection of toll tax. Notifications for collection of toll tax were issued in January 1999 and April 2000 respectively. Agreement between the Executive Engineer (EE), Thane Construction Division, Thane and the entrepreneur provided that the former reserved the right to appoint Proof/ Supervision Consultant to check the design, quality and procedure of the

construction and the entrepreneur shall include a fee of 1.5 *per cent* of the project cost in his cash flow. This amount was payable to the EE in four equal instalments during the construction period.

Scrutiny of the records (June 2001) of the EE revealed that the entrepreneur failed to pay Rs 1.61 crore (1.5 *per cent* each of the project cost) during construction period. However, the Department had neither initiated any action for recovery of amount nor the entrepreneur paid the same as of June 2002. An amount of Rs 1.15 crore as of June 2002 was also recoverable on account of interest for delayed payment.

On this being pointed out in audit, the EE asked (October 2001, January 2002) the entrepreneur to remit the amount in one lump along with interest, who contested the demand (February 2002) stating that the cost of expert consultant was not included in the project cost and the demand on this account was not reasonable. The plea of the entrepreneur was not acceptable as Notice Inviting Tender clearly stipulated inclusion of consultation fee in the project cost. The Superintending Engineer, Public Works Circle, Thane, while recommending (February 2002) the recovery to the Chief Engineer, Public Works Region Mumbai, sought for final orders in the matter. Recovery of Rs 2.76 crore was not effected as of June 2002.

The matter was referred to the Secretary to the Government in August 2002. No reply has been received (December 2002).

4.11 Excessive expenditure on maintenance of Chief Engineer's Bungalow

Inadmissible expenditure of Rs 40.65 lakh on maintenance of Chief Engineer's bungalow at Aurangabad in two years.

Repairs to Government buildings are carried out by the Public Works Department (PWD) from the funds provided separately for current and special repairs.

In March 1991, Government laid down a ceiling of Rs 21.60 per square metre (sq.mt.) *per annum* on current repairs and Rs 38.40 per sq.mt. on non-perennial items of repair for maintenance of government buildings. According to the Government instruction, repairs to the residential buildings are to be carried out only after receiving a request from the occupants in the prescribed format and report of the inspection carried out by the competent authority.

Scrutiny of records (September 2000) of the Executive Engineer (EE), Public Works Division, Aurangabad revealed that the EE spent Rs 16.96 lakh in 1998-99 and Rs 14.27 lakh in 1999-2000 on repair work to the Chief

Engineer's (CE) bungalow (Area 716.85 sq.mt.) at Aurangabad, by exceeding the prescribed norms. There was, however, no request in the prescribed format from the occupant of the bungalow. The records relating to the inspection to be carried out before undertaking the repairs were also not made available. The repairs included (i) additions and alterations¹⁷ to the bedroom and office room, (ii) provision of racks and cupboards, (iii) additions and alteration¹⁸ to the watchman's quarters, (iv) addition and alteration¹⁹ to the brick masonry, (v) painting and flooring²⁰, (vi) providing vinyl flooring²¹ and (vii) ground levelling and horticulture²². Besides an expenditure of Rs 11.12 lakh was incurred during 1998-99 on development of the bungalow premises which *inter alia* included earthwork in murrum, sand, shahabad flooring, repairs to flooring etc. Thus, Rs 42.35 lakh were spent in 2 years against the norms of Rs 0.85 lakh per year for perennial repairs. This resulted in inadmissible expenditure of Rs 40.65 lakh.

On this being pointed out (September 2000), the EE stated (March 2001) that the inspection of the premises were carried out before preparing the estimates but no records were kept and the repairs were carried out as per the oral instructions of CE. Items such as the works of land levelling, concrete paving, plantation and vinyl flooring were erroneously taken up under the current repairs. The CE in his reply stated (September 2001) that even if oral orders were given these were required to be got confirmed and the concerned EE was to act within the framework of prevailing rules. The Government in reply stated that the expenditure on repairs to the CE's bungalow during the two years was only Rs 8.95 lakh and the balance of Rs 32.86 lakh was spent on the PWD campus in Padampura and was inadvertently mentioned as repairs to the CE's bungalow. The reply of the Government is not tenable and borne out by the facts since the estimates, technical sanction and work orders revealed the works were sanctioned and executed as current repairs to the CE's bungalow. Moreover, the reply of CE does not contradict audit observation.

4.12 Extra expenditure due to faulty estimates

Failure to classify the strata properly in the estimates for road work resulted in extra expenditure of Rs 34.20 lakh.

Construction of a diversion road, 3.8 kilometre long on Kannad-Pishor-Sillod highway in Aurangabad district was entrusted to a contractor at Rs 95.01 lakh

¹⁷ Rs 4.00 lakh

¹⁸ Rs 2.06 lakh

¹⁹ Rs 1.93 lakh

²⁰ Rs 1.95 lakh

²¹ Rs 3.99 lakh

²² Rs 6.07 lakh

in March 1997 at 44.99 per cent above the estimated cost of Rs 65.53 lakh (prepared in 1991-92) for completion within 18 months. Agreement provided for payment at the Current Schedule of Rates (CSR) for new items for which there was no provision in the original estimate. Payment for quantities in excess of 25 per cent of the tendered quantities was also to be made at CSR increased or decreased by tender percentage in terms of agreement.

Audit scrutiny of records (December 2001) of the Executive Engineer (EE), Public Works Division (West), Aurangabad revealed that as per technical requirement no trial pits or bores were taken to ascertain the quantum of hard and soft strata prior to preparation of the estimates and no provision was made for hard strata in the estimate. During execution, huge quantity of 55000 cubic metre (cu.mt.) hard rock was excavated and paid for as Extra Item Rate (EIR) at higher rates as compared to the rates prevailing at the time of invitation of tender involving additional expenditure of Rs 27.02 lakh. Further scrutiny also revealed that besides avoidable payment on account of EIR, the division also made payment of Rs 7.18 lakh for quantities executed beyond 125 per cent in 15 of 53 tender items because of faulty preparation of estimates. Thus, failure of the department to classify the strata properly resulted in avoidable expenditure of Rs 34.20 lakh.

The EE attributed (May 2002) the EIR to classification of Manjra rock found in the vicinity as soft rock in the initial estimate. However, the EE accepted that the wrong estimation was due to (i) calculation of formation width less by 2.80 metre, (ii) providing earthwork in banking in half area only instead of full area, (iii) provision of less height in embankment, (iv) non-provision of gutters and (v) change of site condition between sanctioning and actual commencement of the work.

The justification given by the EE is not plausible as the estimates, though, prepared in 1991, were required to be reviewed by the EE to ascertain the correctness of the estimates after a lapse of 5 years before execution of the work. No such review was taken before execution of the work as envisaged in Public Work Manual.

The matter was referred to the Secretary to the Government in August 2002. No reply has been received (December 2002).

4.13 Avoidable extra cost on strengthening of road

Overlapping execution due to executing two tenders on the same road length, resulted in extra cost of Rs 25.86 lakh.

Improvement of Nagpur-Katol road on Kilometer (km) 8/0 to 81/400, was administratively approved by Government for Rs 34.85 crore in March 1996. The work was included in the budget of 1996-97 under Vidarbha

Development Programme as per Government Resolution of February 1996. The work of widening, strengthening and black topping on km 40/0 to 59/0 technically sanctioned by the Chief Engineer in November 1996 for Rs 10.34 crore was entrusted (January 1997) to a Contractor 'A' at 10.98 *per cent* below the estimated cost of Rs 9.34 crore for completion by January 1999.

Scrutiny of records of the Executive Engineer (EE), Public Works Division No.-II Nagpur in March 2001 revealed that work on km 55/200 to 58/400 with the same scope was already entrusted to Contractor 'B' in December 1996 at 20.50 *per cent* above the estimated cost of Rs 37.36 lakh. The agreement was terminated in April 1997 after execution of work to the extent of Rs 26.07 lakh. The portion of strengthening and black topping with 4 *per cent* bituminous content in 1.55 km length and seal coating in 2.59 km length was also executed by Contractor 'A'. This resulted in avoidable expenditure of Rs 23.92 lakh. Further, in order to provide murum blanketing, the work already executed in 680 metre was excavated involving extra expenditure of Rs 1.94 lakh. Thus, executing two tenders on the same road length resulted in extra cost of Rs 25.86 lakh.

On this being pointed out, the EE stated (April 2002) that technical sanction for km 55 to 59 was accorded to utilise the budget provision of the year 1995-96, whereas the second agreement was finalised against budget allotment of 1996-97.

The reply was not tenable as utilisation of the budget provision cannot be a reason to entrust the work when the tender for the same work was under the process of acceptance and strengthening and seal coating of the same length was to be executed under the latter agreement.

The matter was referred to the Secretary to the Government in August 2002. No reply has been received (December 2002).

4.14 Loss of interest due to delayed finalisation of drawings

Depositing of funds for construction of Road Over Bridge with Railways without ensuring finalisation of drawings resulted in loss of interest of Rs 46.20 lakh.

Administrative approval for construction of Road Over Bridge (ROB) on Yavatmal-Dhamangaon-Anjansingi road in Yavatmal district at an estimated cost of Rs 2.10 crore was accorded in November 1995. The ROB work included approach roads with two small bridges costing Rs 1.37 crore. The work was to be got executed through General Manager (Works) Central Railway.

In January 1996, the General Manager (Works) Central Railway (CR) Mumbai demanded Rs 1.47 lakh for preparation of plans and estimate and Rs 73.50 lakh for construction of ROB. The Executive Engineer (EE), Special Project Division Amravati accordingly, deposited the amount of Rs 1.47 lakh in January 1996 and Rs 73.50 lakh in December 1996 with the Chief Cashier, CR, Mumbai. The agreement signed by the Chief Engineer (CE), Public Works Department (PWD), Amravati with Central Railway, however, neither stipulated the date of commencement nor the target date for completion of work. The drawing prepared by the Railway Authorities in January 1999 was approved by the CE in January 1999.

The estimates of the ROB were revised to Rs 3.78 crore in November 2001 and the Division was asked to deposit the balance amount. Work of ROB was yet (June 2002) to be taken up by the railway authorities, though original cost of bridge as demanded by railway authorities had already been paid by the Division.

Audit observed that the railway authorities took over 3 years to prepare the drawings and 5 years to revise the estimate and the PWD authorities also did not pursue the commencement of work with the railways. Thus, payment to railway authorities without the approval of drawings resulted in a loss of Rs 46.20 lakh by way of interest for the period December 1996 to March 2002 at the rate of 12 *per cent per annum*.

The EE stated (August 2000) that the amount was deposited as demanded by the railway authorities. However, the fact remained that the work was yet to commence and the Divisional Officers had failed to pursue the matter in the last 7 years.

The matter was referred to the Secretary to the Government in May 2002. No reply has been received (December 2002).

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CHAPTER V

STORES AND STOCK

AUDIT PARAGRAPH

MEDICAL EDUCATION AND DRUGS DEPARTMENT

5.1 Stores and stock accounts

5.1.1 *Introduction*

The State Government had requested the Accountant General in March 2002 to conduct a special audit of Government hospitals. The special audit was carried out during May and July 2002, by test-checking the records of 9*State Government hospitals covering the period from January 1999 to June 2002.

The findings are mentioned in the following paragraphs.

5.1.2 *Indenting for medicines*

An indent is to be prepared in triplicate for drawal of medicines from the medical store. After the sanction of the indent by the Medical Officer, the original and duplicate should be sent to the store and the third copy is retained in the ward. Manual also envisages verification of the correctness of the indents of costly and special medicines by a designated doctor with the case papers of the patient concerned.

Audit observed that the indents in all the test-checked hospitals were not prepared in triplicate. Besides, in J.J. Hospital (JJH), Mumbai, the wards acknowledged the receipt of medicines in advance. Non-observance of the

* 1) Government Medical College and Hospital (GMCH), Aurangabad 2) Swami Ramanand Teerth Rural College and Hospital (SRTRCH), Ambejogai 3) General Hospital (GH), Akola 4) Government Medical College and Hospital (GMCH), Nagpur 5) Super Speciality Hospital (SSH), Nagpur 6) Indira Gandhi Medical College and Hospital (IGMCH), Nagpur, 7) J.J.Hospital (JJH), Mumbai, 8) Sassoon General Hospital (SGH), Pune and 9).General Hospital (GH), Thane.

stipulated indent procedure in 5 hospitals of Mumbai, Nagpur and Thane resulted in the following irregularities:-

Injections neither indented nor received by wards were shown as issued to wards

(i) In JJH, Mumbai 175 injections (approx. cost Rs 8805) were shown as issued on 65 different occasions to six wards by the floor pharmacist between September 1999 and September 2000. These injections had neither been indented nor received by the wards. Similarly in GMCH, Nagpur three injections costing Rs 415.80 (Rs 138.60 each) issued to ward No.19 on 16 October 2001, were neither accounted for in the stock account of the ward nor shown as consumed by the patients. The floor pharmacist did this by manipulating the indent of the indenting ward. The absence of the third copy with the indenting ward facilitated the *modus operandi*.

(ii) Indent for injection "Insulin Plain" costing Rs 63.19 per vial and "Insulin Lente" at Rs 63.31 per vial, one each from ward number 13 of JJH, Mumbai was fraudulently altered to 11 each on 23 August 2000 by the floor pharmacist. Similarly, indent for 64 "Omnatax" injection (cost Rs 19.80 per vial) from ward number 14 was altered to read as 72 on 10 February 2001. The indenting wards did not receive these medicines costing Rs 1423.

JJH, Mumbai replied that the procedure would be followed henceforth (July 2002).

(iii) Further 10 vials of injection Anti Snake Venom Serum (ASVS) costing Rs 990 (Rs 98.95 each) obtained on loan by the SSH, Nagpur from the Government Medical College, Nagpur on 26 July 1999 were neither shown as issued to the ward nor found entered in the hospital stock.

5.1.3 Suspected pilferages of medicines and imaging films

In the cases detailed below there has been suspected pilferage of medicines/imaging films in the JJH, Mumbai.

Name of the hospital	Name of the medicine/ medical facility	Period	Approximate cost	Nature of irregularity/modus operandi adopted
JJH, Mumbai Haemodynamic Operation Theatre (HOT) ward	Trazograph 76 per cent Injection (Contrast Media Medicine used in angiography, angioplasty etc)	January 1999 to December 2000	Rs 38.36 lakh (44610 ampoules/ injections)	In absence of norms for usage for angiography, there was considerable variation, in JJH, Mumbai and SGH, Pune. While it was in the range of 5 to 12 ampoules in Pune, it was 5 to 30 in Mumbai. Further, as per manufacturers literature on the medicine, maximum usage per patient could have been 8 ampoules and thus the consumption shown in JJH, Mumbai, was a manipulated one. Usage has come down from 20 to 5 in JJH, Mumbai in the subsequent period of September/October 2002.
	Trazograph 76 per cent Injection	1999 to 2002	Rs 39130	Short accountal of 455 ampoules of injections. Stock records were found frequently overwritten to reconcile the stock accounts.
JJH, Mumbai	Various Injections	September 1999 to December 2001	Rs 17540	411 injections, were not acknowledged by the wards as received.
	Omnatax Injection	June 2001	Rs 792	Preparation of the bogus indents by the floor pharmacist. Ward had not acknowledged the receipt of the injections.
	Omnatax Injection	November 2000 to June 2001	Rs 360	13 injections were indented in excess, as the indent was four to eight times more than that in the prescription of the doctor.
JJH, Mumbai MRI/CT Scan Unit	Imaging Films	1999-2002	Rs 8.06 lakh	11920 imaging films not accounted for. The hospital replied that some difference was on account of films given for training purpose/faulty camera. As records for the number of films given for training purposes was not kept, the shortage of films indicates possibility of pilferage/misuse of the scanning facilities.

5.1.4 *Non-verification of medical store stock*

Prescribed
monthly/yearly
surprise check were
not conducted in J.J.
Hospital

The Hospital Administration Manual required the surprise check/verification of medicines stock every month by the in-charge of hospital. It was, however, noticed that no such monthly/yearly surprise check was conducted in JJH, Mumbai during 1999-2002 either by the officer-in-charge or by an independent officer other than the in-charge of the Medical Store.

5.1.5 *Non-maintenance of records of medicines issued by Outdoor Patient Department*

Medicines to the Outdoor Patient Department (OPD) patients are issued on prescriptions issued by the doctor. The prescription slip of the doctor is returned to the patient after issue of medicines to them. A register showing the patient-wise medicines issued is maintained in OPD on day-to-day basis. In the absence of the prescription slip of each patient, the accuracy of the medicines issued was not susceptible for verification in three of the test-checked hospitals. In reply it was stated that considering the large number of patients in OPD, the maintenance of supporting record was neither prescribed nor practicable. A suitable system has to be evolved to record and verify the accuracy of medicines shown as issued through OPD.

5.1.6 *Conclusion*

The Food and Drugs Administration, Mumbai conducted a raid (May 2001), which revealed the pilferage and sale of injections of JJ Group of Hospitals in the market which was brought to the notice of the Dean. The medicines caught included the "Trazograph", "Omnatax" and "Insulin" injections (meant for hospital use). No action was taken by the hospital authorities to investigate the *modus operandi* adopted for the pilferage even after a lapse of one year till June 2002. Even the Head of Department of Pharmacology in charge of the main medical store was not informed about the above facts. Further, the internal investigation report on the pilferage conducted by the Directorate of Medical Education and Research in July 2001 and submitted in June 2002, does not highlight the lack of a monitoring mechanism, violation of stipulated procedures of indenting medicines by the wards, non-maintenance of requisite records, lack of periodical inspections of the medical store by the incharge of the Hospital as well as an officer other than the in-charge of the medical store and administrative lapses for not ensuring the observance of systems/procedures.

The matter was referred to the Secretary to the Government in September 2002. No reply has been received (December 2002).

* JJH Mumbai, SGH Pune and GH Thane

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CHAPTER VI

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BY JOHN B. BROWN

CHAPTER VI

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

AUDIT PARAGRAPHS

6.1 Extent of assistance

Autonomous bodies and authorities are set up generally to discharge non-commercial functions of public utility services. These bodies/authorities receive substantial financial assistance from Government. Government also provides substantial financial assistance to other institutions such as those registered under the Maharashtra Co-operative Societies Act, 1960, Companies Act, 1956 etc to implement certain programmes of the State Government. The grants were intended essentially for maintenance of educational institutions, hospitals, charitable institutions, construction and maintenance of schools and other similar facilities under municipalities and local bodies.

During the year 2001-02, financial assistance of Rs 10920.75 crore as grants and Rs 59.39 crore as loans were paid to various autonomous bodies and others, broadly grouped as under:

Sr. No.	Name of institutions	Amount of grants	Amount of loans
		(Rupees in crore)	
1.	Universities and Educational Institutions	1483.20	--
2.	Municipal Corporations and Municipalities	492.74	119.76
3.	Zilla Parishads and Panchayati Raj Institutions	4953.53	(-)1569.57*
4.	Development Agencies	42.85	1234.70
5.	Hospitals and Dispensaries	232.49	--
6.	Other Institutions	3715.94	274.50
	Total	10920.75	59.39

6.2 Delay in furnishing utilisation certificates

The financial rules require that where grants are given for specific purposes, certificates of utilisation (UCs) should be obtained by the departmental officers from the grantees and after verification, these should be forwarded to Accountant General within one year from the date of sanction unless specified otherwise.

* Ways and means advances adjusted against sanctioned grants

Of the 58392 UCs due in respect of grants and loans aggregating Rs 8545.25 crore paid upto 2001-02, only 9293 UCs for Rs 3117.44 crore had been furnished and 49099 UCs for an aggregate amount of Rs 5427.81 crore were in arrears. In respect of UCs for grants, the Department of Social Justice, Cultural Affairs, Sports and Special Assistance was the worst defaulter with 24915 UCs pending for Rs 602.42 crore followed by Department of Planning (4570 UCs for Rs 608.36 crore). As regards UCs for loans, the worst defaulter was the Department of Industries, Energy and Labour which had 1603 UCs outstanding for Rs 21.41 crore. Details of departmentwise break-up of outstanding UCs are given in Appendix XX.

6.3 Delay in submission of accounts

In order to identify the institutions which attract audit under Section 14/15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, Government is required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose for which assistance was sanctioned and the total expenditure of the institutions. Information for the year 2001-02 called for in March 2002 was awaited as of 31 August 2002 from 24 departments of Government. The following departments had not furnished the information for the years as indicated below:

Year(s) for which information was awaited	Name of Department
1998-99 to 2001-02	Agriculture, Animal Husbandry, Dairy Development and Fisheries
1997-98 to 2001-02	Co-operation and Textiles
1997-98 to 2001-02	Environment
1999-2000 to 2001-02	Finance
1994-95 to 1995-96 and 1998-99 to 2001-02	Food, Civil Supplies and Consumer Protection
2000-01 to 2001-02	General Administration
1995-96 to 1998-99 and 2000-01 to 2001-02	Higher and Technical Education
1993-94 to 2001-02	Home
1999-2000 to 2001-02	Housing
1999-2000 to 2001-02	Industries, Energy and Labour
1998-99 to 2001-02	Irrigation
1999-2000 to 2001-02	Law and Judiciary
1999-2000 to 2001-02	Medical Education and Drugs
1997-98 and 1999-2000 to 2001-02	Planning
1994-95 to 2001-02	Public Health
1993-94 to 1995-96 and 1997-98 to 2001-02	Public Works
1991-92 to 1993-94, 1996-97 to 1997-98 and 2000-01 to 2001-02	Revenue and Forests
1991-92 to 1995-96 and 1998-99 to 2001-02	Rural Development and Water Conservation
1996-97 to 2001-02	School Education
1998-99 to 2001-02	Social Justice, Cultural Affairs, Sports and Special Assistance
1991-92 to 1996-97 and 1998-99 to 2001-02	Tribal Development
1999-2000 to 2001-02	Trade and Economics
1998-99 to 2001-02	Urban Development
1993-94 to 2001-02	Women and Child Development

6.4 Abstract of performance of the autonomous bodies

The audit of accounts of the following bodies has been entrusted to the Comptroller and Auditor General of India for periods as indicated below:

Sr. No.	Name of body	Period of entrustment	Date of entrustment
1	Maharashtra Housing and Area Development Authority, Mumbai	1.4.1998 to 31.3.2003	16.10.1998
2	Maharashtra State Khadi and Village Industries Board, Mumbai	1.4.1997 to 31.3.2002	31.12.1996
3	Maharashtra Jeevan Pradhikaran, Mumbai	1.4.1997 to 31.3.2002	26.02.1998
4	Mumbai Metropolitan Region Development Authority, Mumbai	1.4.1999 to 31.3.2004	09.02.1999
5	Maharashtra State Commission for Women, Mumbai	1.4.1999 to 31.3.2003	07.07.1999
6	Maharashtra Maritime Board, Mumbai	1.4.2001 to 31.3.2006	05.02.2001
7	Krishna Valley Irrigation Development Corporation, Pune	1.4.2001 to 31.3.2006	19.08.2002
8	Konkan Irrigation Development Corporation, Thane	1.1.1998 to 31.3.2003	14.11.2000
9	Vidharbha Irrigation Development Corporation, Nagpur	1.4.1997 to 31.3.2002	06.11.2000
10	Tapi Irrigation Development Corporation, Jalgaon	1.1.1998 to 31.3.2003	06.11.2000
11	Godavari Marathwada Irrigation Development Corporation, Aurangabad	17.8.1998 to 31.3.2004	06.11.2000

The performance of the Autonomous bodies is given in Appendix XXI.

6.5 Audit arrangements

Primary audit of local bodies (Zilla Parishads, Nagar Palikas, Town Areas/Notified Area Committees, Panchayati Raj Institutions, Krishi Vidyapeeths, Municipal Councils and Nagpur Municipal Corporation) is conducted by the Chief Auditor, Local Fund Accounts.

Of the 341 bodies/authorities whose accounts for 2000-01 were received in the audit office, 340 bodies/authorities attracted audit.

Certain interesting points arising out of audit under Section 14, 15 and 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 are as follows:

**AGRICULTURE, ANIMAL HUSBANDRY, DAIRY
DEVELOPMENT AND FISHERIES DEPARTMENT**

KRISHI VIDYAPEETH, AKOLA, PARBHANI AND RAHURI

**6.6 Idle investment on construction of Air Conditioned
Dehumidified Seed Stores**

Construction of Air-conditioned Dehumidified Seed Stores resulted in unfruitful expenditure of Rs 90.58 lakh and consequential loss of Rs 18 lakh on disposing of seeds as foodgrains.

To overcome the shortage of hybrid seeds, Government decided in 1981-82 to produce breeder and foundation seeds and also to construct Air Conditioned Dehumidified Seeds Store (ACDSS) for preserving such seeds at three Agricultural Universities at Akola, Parbhani and Rahuri. Accordingly, the Government appointed the Maharashtra State Seeds Corporation (MSSC) Akola, as the nodal agency and system consultant for construction of the ACDSS at the three Agricultural Universities.

Scrutiny of records in Mahatma Phule Krishi Vidyapeeth (MPKV), Rahuri, district Ahmednagar, (December 2001), Marathwada Krishi Vidyapeeth (MKV), Parbhani and Dr. Punjabrao Deshmukh Krishi Vidyapeeth, Akola (December 2002) revealed that Government released Rs 25.80 lakh to MSSC for construction of the ACDSS at the three Universities during 1981-82 to 1982-83. Thereafter due to shortage of funds, Government directed the Universities to complete the same by raising loan from banks which they would guarantee. As the matter regarding Government guarantee was decided in 1990 only, there was delay in securing the loan from the State Bank of India. Subsequently, the Universities obtained bank finance and placed it with the MSSC for completion of the project. However, all the three plants completed at the cost of Rs 90.58 lakh were not put to use as of December 2002 for the reasons mentioned below:

(Rupees in lakh)

Name of the Krishi Vidyapeeths	Audit observation	Cost of construction of ACDSS
Mahatma Phule Krishi Vidyapeeth (MPKV), Rahuri, District Ahmednagar	The ACDSS completed and handed over to the MPKV in October 1994 was not put to use for want of staff and funds. The proposal of MSSC (April 1996) to operate the ACDSS either on lease basis or on sharing basis was not pursued by MPKV.	25.93

Name of the Krishi Vidyapeeths	Audit observation	Cost of construction of ACDSS
	The Indian Agriculture Research Institute, New Delhi expressed (July 1996) its willingness to provide funds, if proposal was submitted with justification. This was also not followed up.	
Marathwada Krishi Vidyapeeth, (MKV), Parbhani	The ACDSS, ready for commissioning in 1993, could not be commissioned for want of installation of electrical transformer and allied works. Subsequently, when this work was completed (January 1996), the original contractor did not respond to the request for servicing and commissioning the plant. When the work was got done through another agency in September 2002, the ACDSS could not be commissioned for want of energisation of transformer.	36.55
Dr. Punjabrao Deshmukh Krishi Vidyapeeth (PKV), Akola	<p>Delay in construction of the ACDSS was due to non-provision of funds by PKV in time and lack of co-ordination between PKV and MSSC.</p> <p>The ACDSS completed and handed over to PKV in May 2002, was not put to use as the PKV did not have enough seeds for storage.</p> <p>Since the ACDSS was of not much use to PKV for want of seeds for storage, negotiation for leasing the ACDSS to MSSC was under process.</p>	28.10

Thus, Government having initiated the project in 1981-82, and subsequent withdrawal/backing out from the same led to funding problems which resulted in delay in completion of the project. Though the stores were completed after a delay of ten years, the Universities did not make the requisite efforts to put them to use for reasons mentioned above rendering the investment of Rs 90.58 lakh unfruitful. Besides, the MPKV suffered a loss of Rs 18 lakh as it had to dispose off the seeds as foodgrains during the period 1997-2000. The desired objective of producing breeder/foundation seeds through all these three plants was also not achieved.

The matter was referred to the Secretary to the Government in March 2002. No reply has been received (December 2002).

6.7 Unfruitful investment on poultry projects

Investment of Rs 2.28 crore in three co-operative societies became unfruitful due to lack of effective monitoring.

Under the Integrated Poultry Project, the National Co-operative Development Corporation (NCDC), New Delhi, sanctioned (July 1991 and December 1993) Rs 2.47 crore to three co-operative societies for setting up of Poultry Project. The project envisaged rearing of 60000 chicks by each society upto pullet stage and subsequent rearing of fowls by 60 selected beneficiaries. The Monitoring Committee (Committee) headed by the District Deputy Director of Animal Husbandry (DDDAH), the District Deputy Registrar of Co-operative Societies (DDRCS), a representative of NCDC and the Chairman of the society concerned as members was to ensure the drawal of amount and its release only after (i) execution of agreement bond for repayment, (ii) production of proof regarding purchase of five acres of land in the name of society, (iii) deposit of shares in joint account, (iv) insurance of birds etc.

Scrutiny of records (May 2002) of the DDDAH, Aurangabad, Parbhani and Beed revealed that as against the above sanctions, three co-operative societies viz 'A'¹, 'B'² and 'C'³, were released a loan of Rs 1.26 crore and share capital contribution of Rs 1.02 crore by September 1997. Society 'A' went into liquidation in February 1998. Society 'B' discontinued its activity from July 1999 because the poultry houses were not complete. Society 'C' also did not complete the required infrastructure and closed down the unit in 1997. The Committees failed to conduct regular monthly meetings, monitor the progress of the projects and utilisation of funds by the societies and to ensure completion of the projects. The DDDAH, Aurangabad and Beed also failed to ensure timely recovery of loan and monitoring the progress of societies.

While the DDDAH, Aurangabad (April 2001) stated that inquiry officer was appointed to investigate the matter and fix responsibility against the concerned officers, DDDAH, Parbhani stated (May 2001) that the society did not respond to the Committee and action would be taken as per Co-operative Act, the DDDAH, Beed replied (May 2002) that Assistant Registrar, Co-operation had moved the matter to Revenue authorities for recovery.

Thus, due to lack of proper monitoring of the progress of the projects by the Committee, investment of Rs 2.28 crore became unfruitful.

The matter was referred to the Secretary to the Government in August 2002. No reply has been received (December 2002).

¹ Shramik Magasvargia Saha Kukut Palan Sanstha, Jayatpur, Aurangabad

² Shetkari Kukut Palan Vyavasaiik Saha Sanstha, Manwat, Parbhani

³ Mahatma Phule Magasvargia Kukut Palan Sah Sanstha, Neknoor, Beed

CO-OPERATION AND TEXTILES DEPARTMENT

6.8 Financial assistance to co-operative societies

6.8.1 Details of the loans and share capital contribution to co-operative societies in the State as well as the assistance given as grants and subsidies, compiled on the basis of information furnished by the Department, are indicated in the following table:

	1999-2000		2000-01		2001-02	
	Number of societies	Amount (Rupees in crore)	Number of societies	Amount (Rupees in crore)	Number of societies	Amount (Rupees in crore)
1. Grant and subsidies	13296	45.29	3769	3.33	4930	3.22
2. Loans	274	11.22	147	11.59	54	12.57
3. Share Capital	17976	795.12*	18230	819.52*	17866	850.58*

6.8.2 Investment by the State Government in the share capital of co-operative societies at the end of March 2002 amounted to Rs 850.58 crore and the dividend earned during the year was Rs 0.99 crore only, representing a meagre return of 0.12 *per cent*. Out of 17866 societies in which Government had invested Rs 850.58 crore as of March 2002, only 7329 societies earned profit and only 79 societies declared dividend. The following table indicates the details of the investments and dividends received during the three year period from 1999-2000 to 2001-02.

Year	Investments		Dividends	
	Number of societies	Total investment (Rupees in crore)	Number of profit earning societies	Dividends received (Rupees in crore)
1999-2000	17976	795.12	237	0.61
2000-01	18230	819.52	164	0.47
2001-02	17866	850.58	79	0.99

6.8.3 The recoveries of loans and receipt of interest from societies were tardy resulting in large accumulation of overdue amounts as follows:

* Represents the progressive figures of investments by way of share capital at the close of the years. Differs from figures in Statement 14 of Finance Accounts. The difference has not been reconciled by the Department.

Year ending 31 March	Number of societies	Overdue amount (Rupees in crore)		
		Principal	Interest	Total
2000	1712	30.43	17.35*	47.78
2001	2467	22.84	11.25 [§]	34.09
2002	1701	17.74	10.96 [‡]	28.70
	Total	71.01	39.56	110.57

6.8.4 Government had also guaranteed repayment of loans raised by several co-operative societies. As of 31 March 2002, Rs 218.41 crore were guaranteed by Government. Of this, Rs 20.36 crore were outstanding and Rs 119.58 crore were paid by Government upon invocation of guarantees.

6.8.5 Upto March 2002, Government paid grants and subsidies amounting to Rs 149.92 crore to 42842 societies. The utilisation certificates in respect of Rs 1.86 crore were awaited from 969 societies. The department stated that the District Deputy Registrars of Co-operative Societies had been asked to obtain the wanting utilisation certificates early.

6.8.6 The position regarding performance of 17726 societies in respect of Government assistance as at the end of the financial year 2002 compiled on the basis of information made available by the Department is summarised in the following table :

Category	Financial assistance by Government (Rupees in crore)			
	Number of societies	Share capital	Loans	Subsidy/ Grant
1. Societies which earned profit	7329	196.03	16.55	122.40
2. Societies which incurred loss	7853	410.31	13.03	16.65
3. Societies under liquidation	2116	45.11	7.13	1.81
4. Societies not functioning	387	109.76	1.48	2.63
5. Societies in initial stage of working	33	77.14	1.58	-
6. Societies whose accounts were awaiting finalisation	6	0.37	-	-
7. Societies whose working results had not been received by the Registrar of co-operative societies	2	0.02		
Total	17726	838.74	39.77	143.49

6.8.7 Number of co-operative societies which earned profits/ incurred losses during the three year period ending March 2002 was as follows:

Year ending	Number of profit earning societies	Profit (Rupees in crore)	Number of loss making societies	Loss (Rupees in crore)
March 2000	7109	51.72	10024	130.65
March 2001	7360	50.71	9785	111.51
March 2002	7329	64.50	7853	179.44

* Inclusive of penal interest of Rs 2.09 crore

§ Inclusive of penal interest of Rs 0.88 crore.

‡ Inclusive of penal interest of Rs 2.21 crore.

6.8.8 At the end of March 2002, cases of misappropriation and shortages involving a sum of Rs 67.83 crore in 9167 societies had been reported by the department. The details were as follows:

	Number of societies	Sum involved in		
		Misappropriation (Rupees)	Shortages in	Total (crore)
Cases pending up to 31 March 2001	6577	30.08	0.27	30.35
Add : Fresh cases reported during 2001-02	3288	39.97	0.11	40.08
Less : Cases finalised during 2001-02	698	2.60	--	2.60
Cases pending as on 31 March 2002	9167	67.45	0.38	67.83

6.8.9 In accordance with the provisions of the Co-operative Societies Act, 1960 the accounts of co-operative societies which receive financial assistance from Government are required to be audited annually either by the Registrar of Co-operative Societies or by a person authorised by him. As on 31 March 2002, the accounts of 56206 Government aided societies have not been audited as indicated below :

Number of years for which accounts were not audited	Number of societies
5 years and above	72
4 years	2942
3 years	22709
2 years	3827
Upto one year	26656
Total	56206

The arrears in audit were attributed by the Department to shortage of staff, non-availability of records, records being either incomplete or retained by the police and courts.

The department has to assess and recover audit fees from the co-operative societies. Recovery of audit fees totalling Rs 16.32 crore was in arrears for varying periods at the end of March 2002 as indicated below:

Period for which recovery of audit fees was in arrears	Amount (Rupees in crore)
Four years and above but less than five years	3.13
Three years and above but less than four years	4.05
Two years and above but less than three years	1.73
One year and above but less than two years	2.10
Upto one year	5.31
Total	16.32

The arrears in audit fees were mainly due to societies being in loss/liquidation, dormant societies and cases under consideration for waiver of audit fees under section 156 of the Societies Act.

SOCIAL JUSTICE, CULTURAL AFFAIRS, SPORTS AND
SPECIAL ASSISTANCE DEPARTMENT

6.9 National Scheme of Liberation and Rehabilitation of
Scavengers

6.9.1 Introduction

The Government of India launched the National Scheme of Liberation and Rehabilitation of Scavengers (NSLRS) and their dependents in 1980-81 as a centrally sponsored scheme with the objective of liberating scavengers from the existing hereditary and inhuman occupation of manually removing night soil and filth and to provide for and engage them in alternative and dignified occupations.

The scheme was bifurcated in the year 1991-92 and the component of conversion of dry latrines into water borne latrines was entrusted to the Ministry of Urban and Rural Development and the rehabilitation of scavengers to the Ministry of Social Justice and Empowerment. The scheme was reviewed and some of the parameters were modified with effect from 1 April 1996.

The Government of India enacted the "Employment of Manual Scavengers and Construction of Dry Latrines (Prohibition) Act, 1993". Consequently, Government of Maharashtra issued a notification on 20 July 1999 prohibiting the practice of manual scavenging in the State. The main components of the scheme were:-

- (a) Time bound programme for identification of scavengers and their dependents and their aptitude for alternative trade through a survey.
- (b) Training in identified trades for scavengers and their dependents at the nearest local Training Institutions/Centres of various departments of State Government, Central Government, other Semi-Government and Non-Government Organisations.
- (c) Rehabilitation of scavengers in various trades and occupations by providing subsidy, margin money loan and bank loan.

6.9.2 Organisations set up

Maharashtra Jeevan Pradhikaran (MJP) was designated as the nodal agency for implementation of the work of conversion of dry latrines into water borne latrines and the actual execution was entrusted to the Municipal Council/Corporation (MC) concerned.

Training and rehabilitation of liberated scavengers was implemented by the Mahatma Phule Backward Class Development Corporation (Corporation), through its six Regional Offices and 35 District Offices.

6.9.3 Scope of audit

The audit conducted during February to July 2002 covered the transactions of the scheme mainly for the period from 1997-2002. The results of the audit are mentioned in the succeeding paragraphs.

6.9.4 Identification of Scavengers

The Corporation got the census of scavengers conducted during 1992-93 and 42563 potential beneficiaries were identified (both sweepers and scavengers) of which scavenger component was 5102. The survey was to be conducted through Government staff, local bodies etc. However, the Corporation got the survey conducted through two⁴ private agencies on grounds of urgency and incurred an expenditure of Rs 10.85 lakh. The survey was not found to be correct, resulting in a second survey conducted at cost of Rs 4.86 lakh. In the second survey, the scavenger population was identified as 232527. The number of potential beneficiaries out of this was still to be worked out. The steep increase of scavengers in the second survey was due to inclusion of sewage sweepers. Thus due to incorrect survey conducted by private agencies there was unfruitful expenditure of Rs 10.85 lakh, besides delay in the execution of the scheme.

6.9.5 Conversion of Dry Latrines into Waterborne Latrines

This component was implemented by the MJP. Financial assistance was to be given to the house owners for conversion of their dry latrines and to Municipal Councils (MCs) for conversion of public dry latrines. The approved unit cost of conversion was Rs 2000 of which fifty *per cent* was to be provided as subsidy and fifty *per cent* as loan.

During the period 1989-94 the MJP received grants of Rs 11.50 crore (Rs 7.15 crore from Government of India (GOI) and Rs 4.35 crore from Government of Maharashtra (GOM) of which Rs 9.92 crore was disbursed to the MCs. The MJP also raised loan of Rs 8.57 crore from Housing and Urban Development

⁴ Marathwada Institute for Training Research Education and Employment, Aurangabad and Institute of Management Training and Research, Aurangabad.

Survey of scavengers conducted through two private agencies at a cost of Rs 10.85 lakh was not found correct

Corporation (HUDCO) and disbursed to the MCs. An expenditure of Rs 16.90 crore (grants and loan) was incurred during the period and the unspent grants of Rs 1.58 crore were utilised by the MJP on Low Cost Sanitation Scheme with the permission of the State Government.

Against a target of 109495 only 102390 dry latrines were converted into waterborne latrines

A total of 109495 dry latrines were identified for conversion into waterborne latrines, as on 1 June 1989. Against this target, 102390 were converted and remaining 7105 were closed/destroyed by the MCs by December 1998.

6.9.6 Training component

The scheme envisaged that the scavengers involved in dry latrines work would be trained and rehabilitated keeping in view the aptitude and interest of scavengers and scope of the trade. The expenditure on training of scavengers was to be met wholly by the Central Government. It was observed that the Corporation had by and large selected beneficiaries for the training in the trade applied for by them and after conducting an oral interview. The following issues emerged:

i) Audit observed that the Corporation during the period 1997-98 to March 2002 implemented the training component from the unspent balance of Rs 78.86 lakh as on April 1997 and Rs 7.03 crore received by them in April 2001. The total expenditure incurred on training till October 2002 was only Rs 1.25 crore.

The Corporation inflated the demand for funds for training as a result of which Rs 6.57 crore were lying unspent

It was observed that the Corporation had inflated its demand for funds for training the targeted 9500 persons during 2001-02. Considering that in a period of eight years the Corporation had trained only 8831 beneficiaries, the target of 9500 persons for one year was impractical. Further the average training cost was Rs 2198 per beneficiary where as in the proposal for training 9500 beneficiaries, the Corporation had claimed Rs 7400 per beneficiary. Resultantly Rs 6.57 crore were lying unspent with the Corporation in October 2002.

ii) During 1992-93 to 1996-97 the Corporation trained 6702 persons and the targets and achievements for the further period are given below:

Year	Number of Scavengers targeted for training	Actually trained	Shortfall in training
1997-98	2000	909	1091
1998-99	2000	645	1355
1999-2000	2000	575	1425
2000-01	2000	29	1971
2001-02	9500	2122	7378
2002-03 (Up to October 2002)	1000 (for 6 months)	186	814
Total	18500	4466	14034

There was a shortfall of 76 per cent in achievement of targets in training component

It can thus be seen that there was an overall shortfall of 76 per cent in achievement of targets. The Corporation attributed the shortfall to the reluctance of scavengers to start their own business, as they did not have the

aptitude/traditional family business. It can also be seen that the target set was very low in the initial years compared to the total scavengers identified and even this low target could not be achieved.

iii) As per norms, a stipend of Rs 150 per trainee per month and training fee of Rs 500 per month per trainee could be incurred. Maximum period of training was six months. Audit of the implementation of the Training Programme Component revealed the following:

(a) In Pune district out of 377 beneficiaries trained upto 1997-98, 187 beneficiaries were trained in Beauty Parlour Course. Ultimately only five were given financial assistance for rehabilitation in this profession. For the remaining beneficiaries, the Corporation had not obtained any feedback or surveyed whether the training imparted has been utilised for any employment/self employment.

(b) Similarly in Nashik district during the period 1992-2002, out of 974 beneficiaries trained, 653 were trained in carpet weaving at a cost of Rs 10.42 lakh. However, it was observed that the district office did not finance beneficiaries in carpet weaving.

(c) The test-checked district offices of the Corporation also did not have the particulars about total personnel trained and rehabilitated, tradewise, as there was no monitoring system in place.

iv) It was also observed that while the Corporation had provided training to the beneficiaries in one trade, they were rehabilitated in other trades. Illustratively in Pune and Dhule districts beneficiaries who were trained in motor car driving were rehabilitated in trades of sale of cloth/provisions/paan shops/loud speakers and those trained in tailoring were rehabilitated in trades of sale of utensils, provisions, cloth etc. Thus training was given in such trades for which there were no demand/employment potential, resulting in Rs 1.60 lakh (on an average considering course duration and fees/stipend payable) incurred on training becoming largely unfruitful in the case of 50 beneficiaries.

v)(a) In Pune district upto 1997-98 the excess expenditure incurred on training was Rs 1.59 lakh. In 131 cases beauty parlour training fee was paid at a uniform rate of Rs 3500 per trainee against the norm of Rs 500 per month per trainee. Similarly, in Pune for the car driving course, stipend was paid to 85 trainees at the rate of Rs 250 instead of Rs 150 and training fees to the institute was paid at the rate of Rs 1300 instead of Rs 500 resulting in excess expenditure of Rs 76000.

653 beneficiaries trained in carpet weaving in Nashik did not receive any financial assistance

The Corporation did not have tradewise data of total beneficiaries trained and rehabilitated

had not made adequate efforts to motivate the beneficiaries to avail the benefits of the scheme.

6.9.10 *Targets and achievements of rehabilitation*

During 1992-97 the Corporation rehabilitated 13213 persons and the targets and achievements for the further period are given below :

Year	No. of scavengers targeted for rehabilitation	Actually rehabilitated	Shortfall in rehabilitation
1997-98	3000	2273	727
1998-99	3000	1678	1322
1999-2000	3000	1313	1687
2000-01	3000	30	2970
2001-02	10500	704	9796
2002-03 (Upto October 2002)	1500 (for 6 months)	262	1238
Total	24000	6260	17740

6.9.10.1 Considering total number of 232527 potential beneficiaries as per the 1996-97 survey, the targets set were very low and this target also could not be achieved. The Corporation attributed the shortfall in achievement to the delay in sanction of the loans by the banks. The reply was not tenable as the Corporation was the nodal institution and should have pursued the proposals with the banks.

6.9.10.2 The guidelines envisaged priority to the rehabilitation of female scavengers. But out of the 19211 persons rehabilitated upto March 2002, the number of rehabilitated female scavengers was only 2982, which worked out to 15.52 per cent.

6.9.11 *Results of survey not utilised for training/rehabilitation of scavengers*

Though the Corporation had conducted a survey to identify the beneficiaries to be trained and rehabilitated, in practice it did not select the beneficiaries from the survey list. The District Offices had obtained application from the individuals for training as well as for rehabilitation and extending the financial help. The Corporation thus did not have information as to how many scavengers identified in the survey report were rehabilitated and how many were still to be rehabilitated.

Test-check of records reveal that though 396 beneficiaries were imparted training in Pune district during 1997 to 2002 only 67 of them were found in the survey list. In Mumbai district, 8 beneficiaries to whom subsidy and margin money loan of Rs 1.26 lakh was paid during the year 1999-2000 and 2001-02 did not feature in the survey list. Thus, apparently the selection of beneficiaries was not on the basis of the survey conducted for implementation of the scheme.

337 beneficiaries imparted training and given subsidy in Pune and Mumbai did not feature in survey list of scavengers

6.9.12 Benefits of scheme extended to sewage sweepers also

In six test-checked districts, Corporation extended financial assistance of Rs 31.39 lakh to 233 persons not involved in scavenging of dry latrines

The scheme was intended to rehabilitate the scavengers and their dependents who were manually removing night soil and filth. It was, however, observed from the certificates submitted by the beneficiaries that majority of them were not involved in dry latrine scavenging work. Those involved in sweeping work and other sanitary related works were also provided training and rehabilitation. In six test-checked districts, the Corporation had given financial assistance of Rs 31.39 lakh to 233 such persons not involved in scavenging of dry latrines.

6.9.13 Sanitary marts for scavengers

Sanitary mart is a workshop/shop where the sanitary needs of the common man could be met. It serves both as a shop and as a service centre, where all the necessary materials required for constructing latrines and toilets are made available.

Against 1086 persons trained in sanitary mart the Corporation set up only one sanitary mart and rehabilitated 25 persons

Though the Corporation proposed to set up 300 sanitary marts during 2000-01 to liberate 7500 scavengers and obtained a grant of Rs 15.81 crore from the Central Government (April 2001), it had set up only one sanitary mart of Rs 5 lakh and rehabilitated 25 persons. It is also noteworthy that Rs 13.21 lakh was incurred on training 1086 persons in sanitary mart trade.

6.9.14 Monitoring/Evaluation and co-ordination

A State Level Monitoring Committee was formed in July 1999 under the Chairmanship of Minister for Water Supply and Sanitation Department for monitoring the scheme. The Committee was required to meet atleast quarterly but had met only once in November 2001. The Corporation had also not done any evaluation of the scheme.

6.9.15 Impact

Only 8.37 per cent of the identified target group was rehabilitated in the State

6.9.15.1 Although 11168 persons were trained and 19473 persons rehabilitated as of October 2002, this compared poorly with the population of 232527 identified scavengers. The rehabilitation was limited to 8.37 per cent of the identified target group. Hence the impact of the scheme can be considered marginal. The survey included sewage sweepers, though the scheme was meant only for rehabilitation of scavengers who were engaged on dry latrines. Thus the actual number of scavengers in the State was not known/identified.

6.9.15.2 Out of unspent balance of Rs 8.67 crore from earlier period and Rs 21.35 crore received in April 2001 from GOI on account of training and rehabilitation of scavengers, Rs 20.06 crore remained unutilised at the end of October 2002. The huge unspent balance reflects not only the poor implementation of the scheme but also the inflated demand for funds.

6.9.15.3 In the absence of monitoring system, the Corporation did not have information about persons trained and rehabilitated tradewise and whether all the rehabilitated persons have remained within the trade in which they were rehabilitated. There was no correlation between the training and rehabilitation of the beneficiaries. Monitoring and Co-ordination at State and district levels were not effective.

The matter was referred to the Secretary to the Government in September 2002. No reply has been received (December 2002).

URBAN DEVELOPMENT DEPARTMENT

6.10 Excess payment of compensation subsidy to Municipal Councils

Incorrect implementation of provisions of Government order resulted in excess release of subsidy of Rs 3.44 crore to Municipal Councils.

Government in Urban Development Department decided in April 1999 to stop collection of octroi by all Municipal Councils (MCs) in the State for five years with effect from 1 May 1999. With a view to compensate the losses as a result of stoppage of octroi collection, Government further resolved (February 2000) to pay compensation subsidy (annually) to MCs equal to average collection of octroi of base year (1998-99) with annual increase of 10 per cent for four years (2000-01 to 2003-04).

Audit scrutiny of records of Collector, Jalna, Beed, Akola and Nagpur in October 2000, November 2001, December 2001 and January 2002 respectively, revealed that compensation subsidy paid to these MCs for the year 2000-01 was calculated considering the year 2000-01 as second year instead of as first year and 20 per cent increase was considered as against admissible 10 per cent as shown below :

(Rupees in crore)

Name of Collector	Number of MCs	Amount of octroi collected during the base year (1998-99)	Compensation subsidy payable with 10 per cent increase for the first year (2000-01)	Compensation subsidy actually paid with 20 per cent increase, considering the year (2000-01) as second year	Excess payment
Nagpur	10	5.51	6.06	6.62	0.56
Akola	6	15.25	16.78	18.30	1.52
Jalna	4	6.83	7.51	8.20	0.69
Beed	6	6.36	6.99	7.66	0.67
Total	26	33.95	37.34	40.78	3.44

Thus, due to incorrect implementation of provisions of Government orders an amount of Rs 40.78 crore was released instead of Rs 37.34 crore admissible, resulting in excess release of Rs 3.44 crore.

Government stated (November 2001) that clarification would be obtained from the Director of Municipal Administration, Mumbai and reply will be furnished in due course.

The matter was referred to the Secretary to the Government in June 2002. No reply has been received (December 2002).

WATER SUPPLY AND SANITATION DEPARTMENT

BRIHANMUMBAI MUNICIPAL CORPORATION

6.11 Wasteful and avoidable expenditure under the Bombay Sewerage Project II and III

Wasteful and avoidable expenditure on construction of tunnel - Rs 4.57 crore.

Ghatkopar Tunnel System (GTS) was undertaken by the Sewerage Project Department of the Brihanmumbai Municipal Corporation (BMC) (May 1982) under the Bombay Sewerage Project II and III. GTS was designed to collect sewer flow from Ghatkopar and Trombay drain area at drop shaft at the existing Ghatkopar Pumping Station and that from Deonar area at drop shaft just upstream of the newly proposed Ghatkopar Pumping Station. The entire sewer from Ghatkopar was to be transferred to the new pumping station through a tunnel of 2.75 kilometre. The work of construction of tunnel was taken up (May 1982) on the recommendation of the consultant appointed for the project and completed (August 1991) at a cost of Rs 4.06 crore (60 per cent World Bank loan and 40 per cent BMC's fund). However, due to non-completion of various subworks related to the new Pumping Station, which were taken up in October 1986 only, the tunnel could not be commissioned.

On completion of the Pumping Station and subworks in August 1995, an inspection of the tunnel conducted by tunnel experts revealed that extensive repairs to the tunnel and other ancilliary works were required. In the mean time, the services of the original consultant was terminated, as he failed to prepare plans and estimates, designs, etc as per international standards and a new consultant was appointed. The new consultant, considering the extensive repairs to be carried out and annual maintenance cost involved, recommended (September 1995) construction of a high level tunnel over the existing tunnel.

BMC accepted this proposal estimated to cost Rs 79.27 crore. The work taken up in October 2000 and stipulated to be completed in December 2002 was in progress (July 2002).

Thus, non-commissioning of the tunnel due to delay in completion of the Pumping Station resulted in non-utilisation of the tunnel in the last eleven years. It has been confirmed now by the BMC, that the tunnel cannot be used in future either thereby rendering the entire expenditure of Rs 4.06 crore incurred on its construction infructuous. Besides, the project being funded by World Bank loan, there was interest loss of Rs 3.10 crore to BMC.

In the absence of a tunnel, various components constructed at a cost of Rs 146.65 crore were lying idle.

Name of work	Month of starting	Month of completion	Expenditure (Rupees in crore)
Providing and laying sewer lines in Turbhe Mandale Scheme	February 1995 and December 1996	March 1996 and May 2000	7.57
Sewer network Shivaji nagar Colony and Govandi area	October 1994 and October 1998	December 1995 and June 1999	5.07
Sewer network along Ghatkopar - Mankhurd Link Road	June 1991 and October 1993	June 1992 and June 1995	7.46
Ghatkopar Pumping Stations	October 1986	August 1995	45.20
Ghatkopar WWTF	December 1989	Not available	9.38
Lagoons	Not available	November 1999 and March 2001	71.97
		Total	146.65

Though the tunnel was not ready "Providing and laying underground sewerage lines" was completed in December 2000 and the item "Leaving wood in trenches", not provided in the original contract, was executed (October 1991 and December 1995) at current rates thereby incurring an additional expenditure of Rs 51.67 lakh (Appendix XXII).

On being pointed out in audit as to why these problems were not foreseen, the Executive Engineers concerned stated (December 2000) that since the geological conditions of backfilled area were different from those envisaged at the planning stage, it was difficult to estimate the items correctly. The reply was not tenable as the site conditions were known at the time of estimation itself. Non-provision of the relevant items in the original estimates resulted in an avoidable extra expenditure of Rs 51.67 lakh.

6.12 Avoidable expenditure on Performance Guarantee

Incorporation of a contradictory clause in the contract resulted in avoidable extra expenditure of Rs 1.84 crore.

The Brihanmumbai Municipal Corporation (BMC) awarded the construction of Aerated Lagoons at Bhandup and Ghatkopar and the Bandra Influent and Effluent Disposal, parts of the World Bank aided Bombay Sewerage Disposal Project, to a construction company in December 1995 and March 1996.

The general conditions of the tender stipulated that the contractor was to provide security in the form of bank guarantee, letter of credit or bond for proper execution of the contract and bear the cost of complying with such security (clause 10.1 and 10.4).

Scrutiny of records of the BMC (January 2001), revealed that the Bill of Quantity (BOQ) of the tender contained an item for reimbursement of expenses incurred by the contractor for giving performance security by way of bank guarantee. This was contradictory to clause 10.4 mentioned above.

The matter was referred by the BMC to their Legal Department, who opined that since the requirement was of BMC, the contractor has to be reimbursed as per principle known as 'Contra Referendum' (which means drafters to suffer). BMC accordingly, had to reimburse Rs 0.89 crore to the contractor.

Similarly, in the other civil work of Bandra Influent and Effluent Disposal, Rs 0.95 crore was reimbursed for giving performance security. In this case, clause 10.4 as per which the contractor was to bear the cost of performance security was subsequently deleted by issue of an Addendum to the tender document (September 1995).

The Chief Engineer, Bombay Sewerage Disposal Project, BMC, stated (November 2001) that it was always a good contractual practice to pay the contractor for any services rendered so as not to encourage him to overload such services on the other items, which would make them unrealistic. Had the BMC not provided the item in BOQ, the contractor could have overloaded the cost in other items. The Government in their reply (July 2002) have also concurred with the views of BMC.

The reply is merely an after thought and not tenable. It is pertinent to note that the clause of performance security acts as a safeguard to the contract awarding party and is a normal condition in execution of high value contracts. The BMC itself had subsequently discontinued the practice of reimbursing the contractor for the cost of the bank guarantee (October 2000).

HOME DEPARTMENT

MAHARASHTRA MARITIME BOARD

6.13 Non-recovery of wharfage charges

Non-recovery of wharfage charges amounting to Rs 5.08 crore due to undue favour to jetty operators resulted in accumulation of interest thereon to the Maharashtra Maritime Board.

The Maharashtra Maritime Board (MMB) was constituted under the Maharashtra Maritime Board Act, 1996 for the development of ports in the State. The Government decided (March 1996) to develop seven ports* on the Konkan coastline through private participation. The Government also decided to levy concessional wharfage charges of Rs 3 per tonne coal, clinker, bauxite etc on Port Developers with the proviso that rates could be revised after every five years.

The Board had given permission to one M/s PNP Maritime Services Private Limited for construction of a jetty in Dharamtar creek under Dharamtar Port (Raigad District) in September 1998. They had been handling coal, clinker, bauxite etc from that jetty since October 1999 for which it was obligatory on their part to pay wharfage charges as decided by Government from time to time (Clause 28 of the Lease Agreement dated 7 February 2001 executed with M/s PNP Maritime Services Private Limited for license effective from October 1999 for 30 years). Permission was also granted to Ispat Industries for construction of another jetty in the same Port and as per no objection certificate of May 1990, wharfage charges was recoverable at the rates prescribed by Government from time to time. Further, Section 46 of the MMB Act provides that recovery of wharfage charges at the prescribed rates shall be payable immediately on landing or before shipping of goods.

Scrutiny of records at the MMB's office and Dharamtar Port (January 2002) revealed that since October 1999, M/s PNP Maritime Services Private Limited, had been paying wharfage charges of Rs 3 per tonne instead of Rs 10 as notified by Government in October 1997 which was further revised to Rs 15 per tonne (August 2001). This led to accumulation of arrears of Rs 1.38 crore in respect of M/s PNP Maritime Services Private Limited upto April 2002. M/s PNP Maritime Services had contended that the concessional rate of Rs 3 per tonne continued to apply as per the Government policy of March 1996 and increases did not apply to them.

* Dighi (Raigad District), Ratnagiri, Jaigad, Dabhol (Ratnagiri District), Vijaydurg, Redi (Sindhudurg District) and Tarapur (Thane District).

As mentioned above, the Dharamtar Port was not one of the seven ports identified for development under the Government policy of March 1996 and M/s PNP Maritime Services had been given permission to develop, operate and maintain only a jetty. The Port Officer had allowed the Company to remove the goods without payment of the prescribed wharfage charges. Subsequently, Ispat Industries Limited, who had also been given permission to operate another jetty also stopped paying the wharfage charges quoting the example of M/s PNP Maritime Services. Their arrears had accumulated to Rs 3.98 crore till April 2002. The issue remained to be settled even after a lapse of over a year though the MMB brought the matter to the notice of the Government (November 2001). Non-recovery of dues resulted in undue financial benefit to the firms and consequential interest loss to the MMB payable as per the conditions of the lease agreement.

The matter was referred to the Secretary in June 2002; reply had not been received (December 2002). However, scrutiny of the MMB's and Government's records (December 2002) revealed that the Chief Minister had (October 2002) on the petition of M/s PNP Services ordered the MMB to recover dues at the rate of Rs 3 per tonne pending final decision of the rates. M/s Ispat Industries had in the meanwhile based on the Board's directions paid Rs 25 lakh and sought permission to pay the balance dues in instalments of Rs 20 lakh (July 2002). M/s PNP Maritime Services made a payment of Rs 2.81 lakh (May 2002). The recovery proceedings in respect of PNP services were stated to be in progress. But MMB has so far not realised Rs 5.08 crore (December 2002) plus interest charges thereon.

HOUSING DEPARTMENT

MAHARASHTRA HOUSING AND AREA DEVELOPMENT AUTHORITY

6.14 Loss sustained due to irregularities in allotment of land, allotment of Floor Space Index and regularisation of unauthorised transfer

Unauthorised regularisation of sale of plot, extension of concessions and undue benefits, etc by officials resulted in a loss of Rs 7.09 crore in five cases.

The Mumbai Housing and Area Development Board (Board) a unit of Maharashtra Housing and Area Development Authority (MHADA), sustained a loss aggregating Rs 7.09 crore on account of irregularities in the allotment of

land/Floor Space Index (FSI), extension of unintended benefits to allottees etc in the five cases discussed below:

6.14.1 Unintended benefits extended to an allottee

The Board, after inviting tenders in August 1996, allotted in October 1996 a commercial plot admeasuring 2012.50 square metre (sq. mt.) at Gorai, with 0.9 FSI to the highest bidder at a rate of Rs 14200 per sq. mt. The terms of the offer made in October 1996 and accepted by the allottee in November 1996, contemplated payment of the lease premium of Rs 2.57 crore in four instalments with the payment of the first instalment within one month and the others within two months thereafter. Annual lease rent of Rs 6.43 lakh was also payable by the allottee.

Though the allottee paid only Rs 5 lakh towards Earnest Money Deposit (EMD) in September 1996 and security deposit of Rs 12.86 lakh in November 1996 and defaulted payment of lease premium, the Board did not invoke the enabling provision to cancel the allotment. Instead, in contravention of the provisions of Maharashtra Housing and Area Development (Disposal of Land) Regulations, 1982 (Regulations), the Chief Officer exceeding his powers extended to the allottee (May 1997) concessions like extension of time for payment of the first instalment of Rs 64.30 lakh, extension of time up to three years for payment of balance Rs 1.93 crore and annual lease rent of Rs 6.43 lakh etc.

The allottee, however, defaulted the revised schedules also and made part payment of Rs 54.15 lakh between January 1997 and July 1998. In the mean time in June 1998, the FSI for the layout was revised to 2 as against the prevailing 0.9. The Board could have cancelled the allotment at this stage and retendered as FSI of 2 would have attracted better offers and ready buyers. Instead the Board chose to execute the lease agreement in November 1998. The Board also reduced the earlier lease rent of 2.5 per cent to one per cent as per the amendment made in September 1998. The security deposit was also reduced correspondingly. In addition, the possession of the plot together with further allotment of a small plot of 14.50 sq. mt. was handed over in December 1998, though the allottee had defaulted in payment. The Board also gave an No Objection Certificate in December 2000 to the allottee for mortgaging the land to raise a loan of Rs 2 crore for construction purpose. The allottee has still (November 2002) not paid the balance premium (Rs 1.95 crore) and interest on the unpaid cost as well as penal interest aggregating Rs 2.70 crore for the period from December 1996 to November 2002.

Thus, the series of concessions extended to this allottee post acceptance of his offer flouting the rules and exceeding the authority, tantamounted to extending undue favour to the allottee and resulted in non-realisation of Rs 1.95 crore as lease premium and interest/penal interest of Rs 2.70 crore and lease rent of Rs 10 lakh.

6.14.2 *Unauthorised regularisation of sale of plot by allottee*

In April 1961 the erstwhile Bombay Housing Board, allotted a plot of land measuring 392.13 sq. mt. in Juhu Vile Parle Development (JVPD) Scheme Juhu, for construction of a house for own use. The lease premium was Rs 7738.50 and the possession of the land was handed over in January 1965. After execution of the agreement in March 1968, the allottee completed the construction in March 1984. Contravening the conditions of lease, the allottee sold the plot to four buyers for Rs 2 crore in October 1993 and thereafter sought permission of MHADA in February 1994 for transfer of the plot in the name of the buyers.

The Chief Officer of the Board, instead of cancelling the allotment approved the transfer of plot (December 1995) against payment (January 1996) of a lease premium of Rs 10.36 lakh ignoring the fact that the land was transferred to the buyers on a consideration of Rs 2 crore. Also it was ignored that the rules and regulation have no provision for sale/transfer of land and there was provision only for sale/transfer of tenement.

Taking into account the cost of construction of the tenement, the loss sustained by MHADA, was Rs 80.69 lakh computed on the analogy of the provision for transfer/sale of tenement by the allottee (in the absence of any provision for sale/transfer of land by the allottee).

6.14.3 *Irregular revision of lease premium for a gymnasium*

The Government of Maharashtra, under Regulation 16 of MHADA allotted a plot of land admeasuring 520 sq. mt. at Unnat Nagar, Goregaon (West) for construction of a gymnasium. The land was offered (July 2000) on a lease premium of Rs 56.51 lakh with a lease rent of Rs 1.41 lakh *per annum* or a capitalised one time payment of Rs 74.17 lakh.

In March 2001, on the directive of Government, MHADA amended its pricing policy of September 1998 and reverted back to its pricing policy of November 1992 contemplating concessional lease rent and lease premium for such purposes. The amendment was to have only prospective effect. Consequently, a writ petition was filed by the allottee challenging the rate applied by the Board in his case. The writ petition was subsequently withdrawn in May 2001 by the allottee for out of Court settlement.

Though the amendment of March 2001 had only prospective effect, the Board revised (May 2001) the lease premium to Rs 1.97 lakh thereby giving retrospective effect to the amendment. This resulted in a loss of Rs 72.20 lakh to the Board and an undue benefit to the allottee.

6.14.4 Irregular allotment of land to a gas agency

A private Gas Agency (Agency) in 1986 applied to the Board for allotment of a plot of land for constructing a liquified petroleum gas godown under JVPD Scheme. The Board refused to make any direct allotment and advised the Agency (December 1990) to apply when the plot was advertised for allotment. Backtracking from this stand, the Board, allotted (October 1994) a plot measuring 300 sq. mt. initially for a temporary period of 11 months. The annual rent was Rs 67500 at 2.5 per cent of the market price of the land. The Agency, without any valid extension of lease continued to occupy the premises (November 2002) beyond the initial 11 months period.

This irregular allotment of land on temporary basis, and the failure of the Board to take any corrective action for resumption of the plot after 11 months, resulted in a loss of Rs 49.10 lakh in recovery of lease premium together with interest thereon at 12.5 per cent per annum for 7 years.

6.14.5 Undue favour to a co-operative housing society

The Board in November 1996 agreed to allot 967.50 sq.mt. adjacent to the existing building to Om Lamba Co-operative Housing Society (Society) at Chunabhatti, Sion. The Board agreed to allot the plot with zero FSI, thereby locking the plot and also to accept the amount of lease premium for the use of FSI when permitted, in convenient instalments. This was a deviation from the normal practice resulting in an undue favour to the Society.

The plot was more than 50 per cent of the built up area of the existing building (1304.70 sq. mt.). In such cases, the lease premium was to be at double the normal rate of Rs 2000 per sq. mt. and the allotment needed the approval of the Vice President/Chief Executive Officer (VP/CEO) of MHADA. In disregard of this, the Board granted (December 1997) permission for using FSI of less than 50 per cent (650 sq.mt.) which was within its powers. This was done to avoid approval of VP/CEO as well as recovery of premium at Rs 4000 per sq.mt.

These undue favours in the form of concessions and relaxations to the Society resulted in a short levy of Rs 23.48 lakh in lease premium and lease rent.

The matter was referred to the Secretary to the Government in July and August 2002. No reply has not been received (December 2002).

6.15 Avoidable expenditure on payment of non-agricultural assessment

Failure to prepare basic documents and Property Registration cards for plots transferred to individual allottees entailed avoidable payment of Rs 3.15 crore towards non-agricultural assessment.

The Maharashtra Housing and Area Development Authority (MHADA) under its World Bank aided Project developed 45117 residential plots and allotted them to individuals and Co-operative Housing Societies.

Under the Maharashtra Land Revenue Code, 1966 a plot holder is required to pay the Revenue authorities, an annual Non-Agricultural Assessment (NAA) for use of the land for non-agricultural purposes. In case the land exceeds 12 hectares, increased NAA was payable. The permission granted to MHADA by Revenue authorities specified that, MHADA should furnish the list of plot holders along with the Property Registration (PR) cards to enable them to issue individual NAA orders in the name of the plot holders.

MHADA had neither furnished the list of plot holders to the Revenue authorities nor taken any tangible action to issue PR cards. Resultantly, NAA was assessed on land in excess of 12 hectares instead of on individual plots. The higher rate of NAA resulted in excess payment of Rs 1.58 crore. MHADA paid in all Rs 3.15 crore including a penalty of Rs 5.08 lakh for non-payment of dues during the period 1994-95 to 2001-02.

Thus, non-preparation of basic records by MHADA resulted in avoidable payment of Rs 3.15 crore which was normally payable by the allottee of plots.

The matter was referred to the Secretary to the Government in July 2002. No reply has been received (December 2002).

6.16 Loss due to provision of funds to Government and a Government body outside the ambit of activity

Release of Rs 101 crore obtained through a bank loan as short term loan to Government/Government Statutory bodies without finalising terms and conditions resulted in a loss of Rs 3.16 crore to MHADA.

(a) Based on a request from Government of Maharashtra, the Maharashtra Housing and Area Development Authority (MHADA), raised a loan of Rs 95 crore on its Fixed Deposit (FD) of Rs 126 crore. MHADA did not encash the FD which would have meant loss of interest of 5.25 per cent. The loan was raised at 13.25 per cent whereas FD earned interest at 11.25 per cent. In all

Rs 100 crore were loaned to Government of Maharashtra in July 2001. In August 2001, Government agreed to repay MHADA Rs 100 crore along with interest at the rate of 11.25 *per cent per annum*, being the rate which the FD earned. The loan was repayable in 12 monthly instalments and a schedule of repayment was drawn.

The following irregularities were noticed:

(i) The schedule of repayment did not include the interest of Rs 1.51 crore at 11.25 *per cent per annum* for the period between the date of payment i.e. from 14 July 2001 and 31 August 2001.

(ii) The loss of interest to MHADA on the differential rate of 2 *per cent per annum* between the borrowing (13.25 *per cent*) and lending it to Government (at 11.25 *per cent*) was Rs 13 lakh till August 2001 when MHADA cleared its loan of Rs 95 crore with the bank.

Though MHADA took up with Government the above issues in December 2001, the matter remained unresolved (November 2002).

(iii) Government defaulted the three instalments which fell due on 31 March 2002 (Rs 8.72 crore), 30 June 2002 (Rs 8.49 crore) and 31 July 2002 (Rs 8.41 crore). As there was no condition for payment of interest on defaulted instalments, the loss of interest to MHADA on the defaulted instalments at the rate of 11.25 *per cent* worked out to Rs 1.37 crore up to the end of November 2002.

(b) Based on the directives of Government of Maharashtra, MHADA, in another case released Rs 1 crore to Maharashtra Jeevan Pradhikaran (MJP) in August 2001 for making arrangements for external water supply to tenements in the Bombay Development Department Chawls. When MHADA claimed in November 2001 repayment of the principal along with interest at 12 *per cent per annum*, the Government in July 2002 declined to pay any interest, on the plea that MHADA had not stipulated any condition for payment of interest. As a result, MHADA sustained a loss of Rs 15.48 lakh by way of interest at the rate of 12 *per cent per annum* for the period 17 August 2001 to 30 November 2002.

In all the loss to MHADA in both the cases of lending was Rs 3.16 crore.

The matter was referred to the Secretary in August 2002. No reply has been received (December 2002).

6.17 Loss due to irregular allotment of land to private developers

Irregular allotment of land by MHADA to private developers without proper planning and framing guidelines resulted in loss of Rs 3.92 crore, non-recovery of Rs 5.91 crore and virtual alienation of prime land worth Rs 32 crore with the remote chances of its resumption to MHADA.

Under a Government's Slum Rehabilitation Scheme (Scheme), implemented through Slum Rehabilitation Authority (SRA) private developers were given certain incentives in the form of additional Floor Space Index (FSI) to help rehabilitation. As per the conditions stipulated, these private developers, were to make their own arrangements for transit tenements for slum dwellers till regular buildings for rehabilitation were completed. Based on a decision taken in a meeting convened by SRA chaired by the Minister, Maharashtra Housing and Area Development Authority (MHADA), granted No Objection Certificates (NOC) during July 1997 to December 2000, to eight private developers for utilising 24286.75 square metre (sq.mt.) of land at different locations for construction of transit tenements. The NOC enabled the use of the land for a period of 18 months.

In order to ensure adherence to the conditions of NOC by developers and to avoid the misuse of these plots, the Board framed guidelines (March 2000) for granting NOC to private developers requiring the developer to pay enhanced annual rent of 8 *per cent* of the full market value of the plot and Security Deposit of Rs 1 lakh and got these approved by Government. It was also decided to apply them prospectively for the period beyond the first 18 months. As land was a rare commodity and was to be handed over to private developers, the Board should have taken abundant precaution *ab initio* by framing proper guidelines and stringent conditions. Failure to do so resulted in revenue loss of Rs 3.92 crore for the initial period of 18 months.

The utilisation of the land by the developers, in seven of the eight sites (23171 sq.mt.) continued till date (46 months) and the rent for the period beyond the initial 18 months aggregated Rs 5.91 crore (November 2002). The Minister for Housing stayed (July 2001) recovery of rent on the representations of the developers and the land continued to be in the possession of the developers without any valid extension or payment of rent.

The Vice President and Chief Executive Officer while confirming the facts in May 2002 also apprehended doubts whether the land valuing Rs 32 crore allotted to the private developers, would ever be resumed to MHADA. It was further reported that as per a survey done, 80 *per cent* of the occupants of the temporary tenements were persons other than those originally mentioned in the scheme. Also the developers were recovering rent from these occupants.

One of the developers had also constructed multistoreyed reinforced cement concrete structures on the land allotted for construction of transit tenements.

Thus, the allotment of land to private developers, without adequate guidelines and failure to monitor the bona fide use resulted in loss of revenue of Rs 3.92 crore, non-recovery of Rs 5.91 crore, misutilisation of the tenements by the developers and virtual alienation of prime land of MHADA worth Rs 32 crore.

The matter was referred to the Secretary to the Government in August 2002. No reply has been received (December 2002).

IRRIGATION DEPARTMENT

MAHARASHTRA KRISHNA VALLEY DEVELOPMENT CORPORATION

6.18 Avoidable expenditure on construction of Earthen Dam and Kolhapur Type Weir

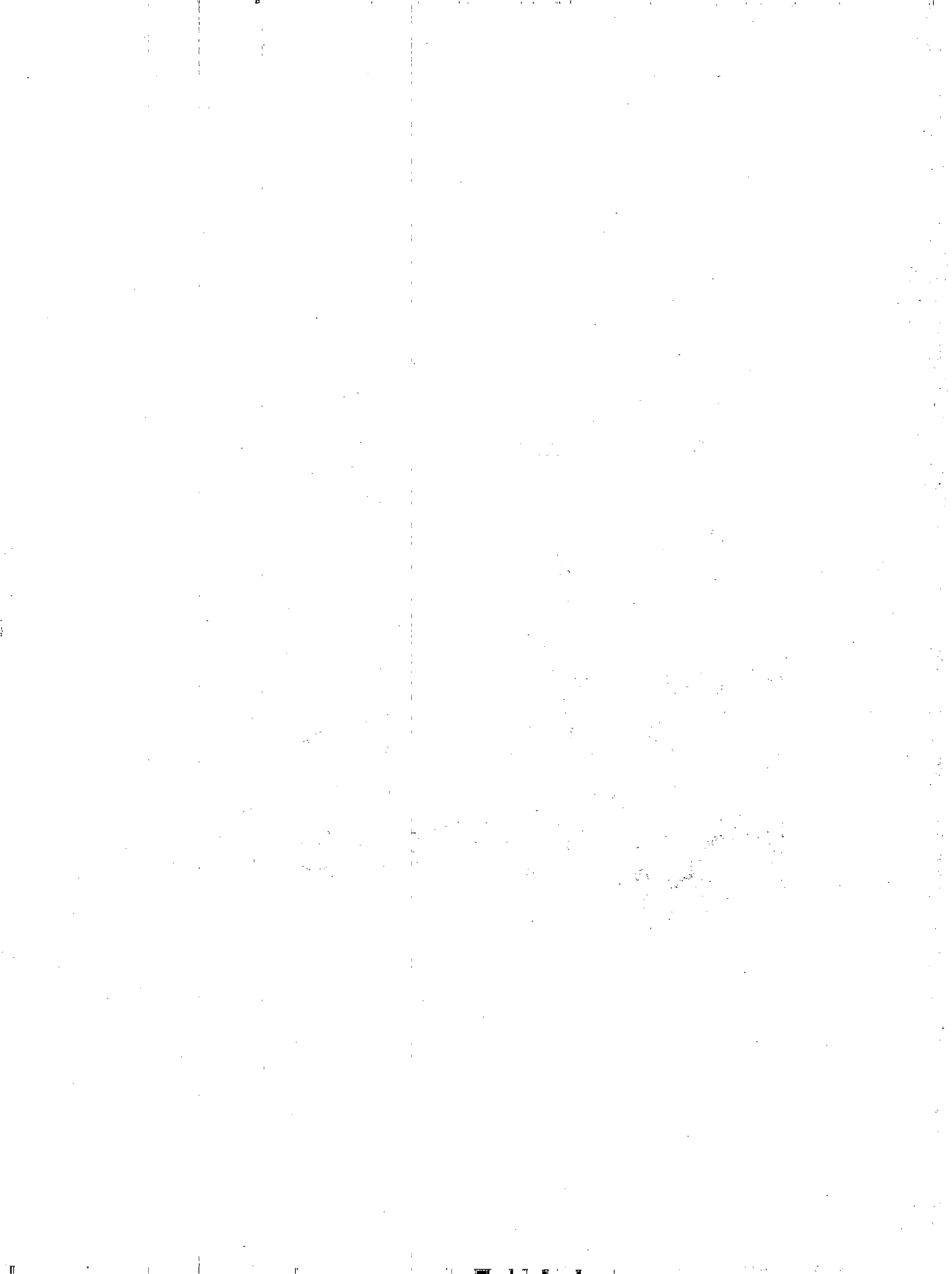
Preparation of estimates without survey and irregular payment beyond the scope of tender resulted in avoidable expenditure of Rs 3.15 crore.

(a) The Maharashtra Krishna Valley Development Corporation (MKVDC), Chaskaman Project Division, Pune entrusted (September 1997) the construction of Earthen Dam and allied works of Gunjwani Major Irrigation Project, Pune (administratively approved by Government of Maharashtra in October 1993) to a contractor at 13.99 *per cent* below the estimated cost of Rs 46.30 crore, with stipulated period of completion of work as 48 months. The delay in commencement of work (February 1998) was due to opposition by the Project Affected Persons (PAPs) and the work was not completed till December 2002.

As per clause 38 of the agreement, the contractor was liable to execute 125 *per cent* of the quantities of each item included in the tender at the tendered rate. The quantities in excess of above limit were to be paid at the higher rates based on schedule of rates of the year in which the item was executed.



Paragraph 6.17 : Multi storeyed RCC structures constructed on the land allotted for construction of transit tenements



Audit scrutiny of records in January 2001 revealed that abnormal increase in quantities over the original estimates resulted in additional expenditure of Rs 2.90 crore*.

The Executive Engineer replied (January 2001) that the excess quantities were due to forest area, increase in dam seat area as per Central Design Organisation's (CDO) designs, changes in alignment of Tail Channel and design of Irrigation-cum-Power Outlet (ICPO), boulders in the strata, excavation done as per suggestions of the Geologist, nalla diversion and objection of PAPs to the execution of the works.

Thus, the estimates were prepared (i) without detailed survey, (ii) work was actually commenced without obtaining the final design from CDO, (iii) decision for construction of ICPO instead of Head Regulator was taken during execution, (iv) alignment of tail channel had to be changed considering the position of existing nalla and (v) Geologist was consulted after commencement of work. Thus, preparation of estimates without detailed survey and improper planning and execution of the work resulted in avoidable expenditure of Rs 2.90 crore. It is pertinent to note that the State Government has yet to give approval to the revised estimates (November 2002).

(b) MKVDC, Kukadi Project Land Development Division No. 1, Ahmednagar awarded (November 1997) the work of construction of Kolhapur Type (KT) Weir at Kashti, Taluka Shrigonda to a contractor at 0.65 per cent above the tender cost of Rs 1.24 crore to be completed within 18 months. The work was started in March 1998.

Under the contract cost of coffer dams, diversion of flow of water, etc were to be met by the contractor. Despite such contractual condition, the contractor was irregularly paid Rs 16.26 lakh for construction of coffer dam and diversions.

* Nature of items (125 per cent of the quantity in cu.m.)	Quantity beyond 125 per cent (cu.m.)	Accepted Rate Rs/cu.m.	Actual rate paid for excess quantity Rs/cu.m.	Additional expenditure for excess quantity (Rupees in crore) (Col.4 - Col.3) x Col.2
1	2	3	4	5
Excavation in soft strata (229961.50)	156690.02	28.35	57.45	0.46
Excavation in hard strata (256227.90)	311102.00	117.06	195.55	2.44
				2.90

Further, no claims were admissible if the source quarry for rubble/metal needed to be changed due to poor yield. Despite this provision, the contractor was paid additional amount of Rs 9.10 lakh for bringing rubble from a distance of 30 kms instead of 20 kms considered in the estimate.

Thus the payments beyond the scope of the contract amounted to Rs 25.36 lakh.

The Executive Engineer replied (July 2001) that the work could not be executed without construction of coffer dam. As regards extra lead charges, it was stated that the original quarry mentioned in the tender was submerged under the backwater of Kapse Mala KT Weir due to heavy rains and both the extra items have been sanctioned by the Superintending Engineer.

The reply is not tenable. The failure of the Engineers to enforce the contract clauses resulted in avoidable expenditure of Rs 25.36 lakh.

The matter was referred to the Secretary to the Government in July 2002. No reply has been received (December 2002).

WATER SUPPLY AND SANITATION DEPARTMENT

MAHARASHTRA JEEVAN PRADHIKARAN

6.19 Unproductive expenditure on Water Supply and Sewerage Schemes

Improper planning/execution of schemes and mismanagement of contracts by Maharashtra Jeevan Pradhikaran resulted in excess quantities/extra items and unfruitful expenditure of Rs 17.35 crore.

Maharashtra Jeevan Pradhikaran (MJP), was established by the Government (January 1977) for preparation of plans/estimates for Water Supply and Sewerage Schemes which are executed through its various divisions spread all over the State. For preparation and execution of these schemes MJP follows the provisions contained in the Maharashtra Public Works (MPW) Manual and instructions issued by the Government/Board office of MJP from time to time.

Scrutiny of the records related to execution of such schemes in 8 Divisions/Circles of the MJP revealed that these instructions were not followed scrupulously and the irregularities/omissions were noticed in the respective divisional offices leading to excess/unfruitful expenditure and blockage of funds having a financial impact of Rs 17.35 crore, as detailed in the table:

Sr. No.	Name of the scheme and estimated cost	Name of the division	Date of issue of work order/ stipulated date/period of completion	Reasons for the extra item/excess quantities, blockage of funds/unfruitful expenditure	Audit observations
1	Regional Rural Water Supply Scheme, Burhanagar and 48 villages, Tal. Ahmednagar (Rs 47.14 crore)	MJP Circle, Ahmednagar	5 February 1999 36 months (in progress as of December 2002)	Tendered item of 6 kg/cm ² pre-stressed concrete (PSC) pipes of various diameters were changed from 8 kg/cm ² to 14 kg/cm ² PSC pipes of various diameters and sanctioned as extra item. Estimates had been incorrectly prepared despite MJP's instructions that the estimates for pipes should be based on the static pressure of water. Division accepted the omission and stated that due to urgency, the instructions were overlooked.	Non-adherence to MJP's instructions resulted in avoidable expenditure of Rs 0.16 crore.
2	Khopoli Sewerage Schemes (i) Work of lowering, laying and joining RCC pipes for Branch sewer line for Khopoli town (Rs 0.91 crore)	MJP works Division, Panvel	3 March 1992 20 months Incomplete (December 2002)	The work was stopped from December 2000 after incurring expenditure of Rs 4.60 crore for want of funds from the Khopoli Municipal Council. Excess quantity worth Rs 1.04 crore was got executed. The Executive Engineer replied that the excesses were due to the Collector's refusal to grant permission for blasting for excavation in hard strata as the sewerage line passes through Khopoli City surrounded by residential buildings and the work had to be chiselled.	The quantities of excavation of hard strata, providing and fixing, timbering shoring etc had increased abnormally resulting in cost escalation and delay in completion of work. Reasons furnished are not convincing as site condition was known and estimates could have been accordingly prepared.
	(ii) Sewerage Treatment Plant (Rs 1.43 crore)	MJP Works, Division, Panvel, Raigad	13 May 1998 2 years Incomplete (December 2002)	Overall expenditure of Rs 7.68 crore was incurred on the entire scheme till March 2001 but the work is at stand still for over a period of one year for want of sanction to re-revised scheme resulting in blocking of funds. Though sanction for re-revised scheme was received (February 2002), the work was not started (December 2002) for want of funds by way of popular contribution and loan component from the Municipal Corporation.	Delay in execution, abnormal increase in quantities due to faulty preparation of estimates, delay in getting the revised administrative approval from Government and finalisation of funding arrangement with Municipal Corporation resulted in unfruitful expenditure of Rs 7.68 crore.
3	Augumentation to Ambarnath Water Supply Scheme (Administratively approved cost Rs 5.22 crore) subwork of distribution network estimated to cost Rs 1.44 crore	MJP works Division, Ambarnath	May 1998 15 months (tendered cost Rs 1.87 crore). Incomplete	Contractor completed 95 per cent work at the cost of Rs 2.05 crore upto December 2000. Since the land required for water treatment plant was received only in January 2002, due to objection of Maharashtra Industrial Development Corporation and non-payment of loan component by Municipal Council; the allied works were not taken up (December 2002).	Finalisation of tender and execution of distribution system, before acquiring land for WTP and delay in solving fund problem with the Municipal Council resulted in blockage of funds of Rs 2.05 crore for over one and half year besides depriving the beneficiaries of adequate water supply.

Sr. No.	Name of the scheme and estimated cost	Name of the division	Date of issue of work order/ stipulated date/period of completion	Reasons for the extra item/excess quantities, blockage of funds/unfruitful expenditure	Audit observations
4	Regional Rural Water Supply Scheme for Malakoli and 10 Tandas (Rs 1.68 crore)	MJP Works Division I, Nanded	17 June 1999 24 months	After incurring expenditure of Rs 0.42 crore towards supply of material and excavation work for Jack Well, the work was stopped (April 2000) as permission from Irrigation Department for lifting water from Minor Irrigation Tank at Landgewadi was not obtained. The matter was taken up with Minor Irrigation Division, Zilla Parishad, Nanded (January 1999) but the permission was not received. Matter was subsequently taken up with Secretary (August 2001). However, permission is still awaited (December 2002).	Despite instructions given in the Technical sanction that approval of Irrigation Department should be obtained before commencement of work, the division issued the work order and commenced work without obtaining the requisite permission rendering expenditure of Rs 0.42 crore unfruitful for two and half years.
5	Matha-Dhopatala Regional Rural Water Supply Scheme (Rs 0.39 crore) Subwork of source well, control room, rising main etc (Rs 0.12 crore)	MJP works Division, Chandrapur	19 February 1996 18 months	Since agency did not complete the work in time, the same was withdrawn (February 1999) under clause 3(c) of the contract condition at the risk and cost of the agency after incurring expenditure of Rs 0.22 crore on the scheme. The new agency was fixed only in May 2001 and the work was in progress till December 2002.	Delay in tendering, delay in termination of the agency and getting the remaining work executed resulted in unfruitful expenditure of Rs 0.22 crore till date and enhancement in cost by Rs 0.37 crore.
6.	Augmentation to Tumsar, Water supply Scheme Head works, Raw water, rising main, ESR etc (Rs 1.62 crore gross)	MJP Works Division, Bhandara	18 July 1998 2 years	Till May 2001, contractor had executed works worth Rs 1.32 crore only. Pipes worth Rs 0.85 crore procured in advance were reported to have been used on the scheme which is in progress (December 2002). The reasons for delay was given as change in Head Works, Railway crossing, inadequate fund etc.	The reply is not tenable as these difficulties should have been anticipated and work arranged accordingly. Thus, delay in execution of the scheme in rendering the expenditure of Rs 2.17 crore unfruitful for nearly one and half year.

Sr. No.	Name of the scheme and estimated cost	Name of the division	Date of issue of work order/ stipulated date/period of completion	Reasons for the extra item/excess quantities, blockage of funds/unfruitful expenditure	Audit observations
7	Nanded Distribution system and 6 villages Water supply Scheme (Rs 58.41 crore)	MJP Works Division II, Nanded	Yet to be finalised	Pipes worth Rs 5.61 crore were purchased centrally by the Board's office in March 1999 and February 2000. However, tenders for the scheme works were not finalised due to fund problems. Of the above, pipes worth Rs 1.88 crore were transferred to other divisions, but pipes worth Rs 3.72 crore were still lying with the division for various components of the scheme, which is yet to be taken up (December 2002).	Advance procurement of pipes worth Rs 5.61 crore before finalisation of tenders for works and fixing the agency resulted in blockage of funds of Rs 3.72 crore for more than two years. Lack of planning and utilisation of funds without considering priorities resulted in the blockage of funds.
8	Regional Rural Water Supply Scheme for Khandala and 10 villages (Rs 5.90 crore)	MJP Works Division, Satara	9 August 1999 18 months	Agency had carried out work worth Rs 0.93 crore (May 2001). Since the site for Water Treatment Plant was not decided and there were conflicting instructions from the Chief Engineer/Superintending Engineer (SE) and the Executive Engineer, the work did not commence further. Agency requested to withdraw the work under clause 15(A). The proposal for the same was submitted to SE in October 2002 which was not decided. (December 2002).	Delay in taking decision regarding the site of the Water Treatment Plant and subsequent fund problems and delay in taking decision regarding withdrawal of work, resulted in rendering the expenditure of Rs 0.93 crore incurred on the scheme unfruitful and delay in execution of scheme for one and half year.

Thus, preparation of estimates without proper survey/study of the site, taking up of schemes without ascertaining availability of funds, procurement of material without finalising tenders, commencement of work without acquiring land, delay in taking penal action against the defaulting agencies etc resulted in blockage of funds of Rs 5.77 crore, avoidable extra expenditure Rs 0.16 crore, unfruitful expenditure Rs 11.42 crore and delay in execution of the schemes thus depriving the beneficiaries the benefits of the scheme.

The matter was referred to the Secretary to the Government in July 2002. No reply has been received (December 2002).

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PLATE VII

COMPTON'S PATENT

TYPE-SETTING MACHINE

CHAPTER - VII

COMMERCIAL ACTIVITIES

AUDIT PARAGRAPHS

7.1 General

Lack of accountability for the use of Public funds in departmental commercial undertakings.

Activities of *quasi*-commercial nature are performed by departmental undertakings of certain Government departments. The undertakings prepare annual *pro forma* accounts in the prescribed format showing the results of financial operation so that Government can assess the results of their working. The Heads of Departments in Government are to ensure that the undertakings, which are funded by budgetary release, prepare the accounts timely and submit the same to Accountant General for audit. As of March 2002, there are 50 such undertakings in the State in addition to eight Government printing presses working under Director of Printing and Stationery, Mumbai. These presses have been declared commercial departments in December 1968. However, the presses have not compiled *pro forma* accounts since 1968-69. The position of preparation of accounts in 50 undertakings revealed that one undertaking is in arrears for 16 years, 10 undertakings for more than one year but less than 8 years and 15 undertakings for one year. Of the total 50 commercial and *quasi*-commercial undertakings, only 24 undertakings (Government Milk Schemes) had finalised their *pro forma* accounts for 2001-02 by 15 October 2002.

The Comptroller and Auditor General of India has repeatedly commented about the arrears in the preparation of accounts. Accountant General (Commercial Audit) reminded Principal Secretary (Finance) and the Secretary of the concerned departments regularly in this matter. The departmentwise position of arrears in preparation of *pro forma* accounts and the investment made by the Government are given in Appendix XXIII and XXIV

respectively. The summarised financial statement of these undertakings is given in Appendix XXV.

**AGRICULTURE, ANIMAL HUSBANDRY, DAIRY
DEVELOPMENT AND FISHERIES DEPARTMENT**

Some important irregularities noticed during the Audit of 24 *pro forma* Accounts for 2001-02 are as follows:

7.1.1 Government milk schemes

7.1.1.1 Balance sheet - Liabilities

7.1.1.1.1 Capital : Rs 255.82 crore

According to the procedure for preparation of *pro forma* Accounts of Departmental Undertakings prescribed by Government (January 1974) loss should be exhibited distinctly in the Balance Sheet (Assets side) instead of deducting it from capital. However, 24 Government Milk Schemes (GMS) had deducted the losses amounting to Rs 163.91 crore incurred by them during the year 2001-02 from capital resulting in understatement of capital to that extent.

7.1.1.1.2 Current liabilities : Rs 44.67 crore

(i) As per the Government Resolution (January 2002) based on Supreme Court judgement, GMSs, Pune and Nashik regularised 378 daily rated workers (154 in Nashik and 224 in Pune) between 1975 and 1986 and arrears of pay amounting to Rs 1.88 crore (Rs 92.02 lakh in Nashik and Rs 95.67 lakh in Pune) was payable. However, no provision for payment of arrears was made in the accounts resulting in understatement of current liabilities to that extent.

(ii) As the audit fee is not paid through book adjustments, the liability is accumulated in the accounts without clearance. The undischarged liability of accumulated audit fee was Rs 40.90 lakh.

7.1.1.2 Balance sheet - Assets

7.1.1.2.1 Land : Rs 0.57 crore

The value of land was overstated by Rs 30.31 lakh due to:

(i) The GMS, Satara erroneously showed the value of land as Rs 30 lakh in the accounts (based on market value of land). Since this land had been

acquired on lease at a premium of Rs 0.75 lakh from Maharashtra Industrial Development Corporation, this has resulted in overstatement of land cost by Rs 29.25 lakh.

(ii) The Chilling Centre, Igatpuri had been handed over to Industrial Training Institute, Igatpuri in September 2000. However, the land valuing Rs 1.06 lakh was shown in the account resulting in overstatement of land cost to that extent.

7.1.1.2.2 Building : Rs 49.20 lakh

Rs 31.06 lakh incurred on minor repairs and maintenance during 1990-1999 in GMS Mahabaleshwar had been capitalised in 2001-02 account to Building instead of charging it to Profit and Loss Account.

7.1.1.2.3 Machinery and equipment : Rs 0.99 crore

This includes Railway siding at Vilad under GMS Ahmednagar at depreciated value of Rs 32.61 lakh, which was dismantled and kept in stores since September 1999.

**7.1.1.3 Manufacturing account and Profit and Loss account:
Loss : Rs 161.07 crore**

The loss was under stated by Rs 8.67 crore due to:

7.1.1.3.1 Erroneous computation of Mean Capital and interest thereon, the loss to the extent of Rs 8.49 crore was undercharged in 20 schemes and in 2 schemes loss to the extent of Rs 10.48 lakh was overcharged resulting in net under statement of loss by Rs 8.39 crore.

7.1.1.3.2 The GMS, Kankavli withdrew in March 2002 an amount of Rs 28.03 lakh payable to contractors for cost of civil and other works and Effluent Treatment Plant (ETP). However, the amount was not released to the contractors upto 31 March 2002 but was shown as income in Profit and Loss Account resulting in understatement of loss by Rs 28.03 lakh.

**FOOD, CIVIL SUPPLIES AND CONSUMER PROTECTION
DEPARTMENT**

Some important irregularities noticed in the course of Audit of *pro forma* Accounts for the year 2000-01 are as follows:

**7.1.2 Procurement, Distribution and Price Control Scheme-
Mumbai and Thane rationing area**

7.1.2.1 Profit and Loss account - Net loss : Rs 20.89 crore

Expenditure incurred on storage and handling shown in *pro forma* account (Rs 20.05 crore) does not tally with subsidiary records (Rs 16.16 crore). This had resulted in over statement of loss to the extent of Rs 3.89 crore.

7.1.2.2 Balance sheet - Assets

7.1.2.2.1 Advance to Food Corporation of India: Rs 318.46 crore

The above does not include Rs 10.75 crore being the advance pending with Food Corporation of India (FCI) for unlifted quantity of food grains. Similarly, the advance of Rs 27.60 crore given to FCI, instead of debiting the same in the account, was wrongly credited and shown as liabilities in the balance sheet. Due to wrong posting of advance recoverable from FCI, the same was understated by Rs 55.20 crore. Thus, total understatement of advance was Rs 65.95 crore.

7.1.2.2.2 Other assets: Rs 568.96 crore

(i) Above does not include Rs 2.89 crore receivable from Districts Supply Officer for sale of ration cards and form fee resulting in understatement of assets to that extent.

(ii) Assets included dues recoverable from various parties amounting to Rs 56.64 crore for which no details/documentary evidence were available with the Department.

(iii) According to the sectional register, the advances recoverable from Maharashtra State Warehousing Corporation (MSWC) and Central Warehousing Corporation (CWC) on account of storage and handling charges of food grain was Rs 15.44 crore. However, the *pro forma* Accounts show Rs 9.96 crore receivable resulting in understatement of assets to the extent of Rs 5.48 crore.

7.1.2.3 Balance sheet – Liabilities : Rs 1255.11 crore

**7.1.2.3.1 Advance subsidy received under Minimum Support Price
1992-1993 : Rs 52 crore**

Rs 52 crore subsidy received was under Minimum Support Price during 1993-94 which was already distributed to districts. This resulted in overstatement of liability to the extent of Rs 52 crore.

7.1.2.3.2 Differential cost of levy sugar payable to FCI : Rs 36.09 crore

The records of differential cost of levy sugar payable to FCI show Rs 12.71 crore. However, the *pro forma* accounts show Rs 36.09 crore resulting in overstatement of liability to the extent of Rs 23.38 crore.

7.1.2.3.3 Liabilities include dues payable to various parties amounting to Rs 190.20 crore for which no details/documentary evidences are available with the department and include items amounting to Rs 2.17 crore, the details of which were not made available to Audit.

**7.1.3 Procurement, Distribution and Price Control Scheme,
Mofussil**

7.1.3.1 Trading account - Closing stock : Rs 77 crore

7.1.3.1.1 As per physical verification report, stock of palm oil and Jowar amounting to Rs 0.71 crore was not in existence at Aurangabad, Satara and Nashik. However, the same was included in closing stock resulting in overstatement of stock to that extent.

7.1.3.1.2 The District Supply Office (DSO), Aurangabad showed in the *pro forma* accounts Rs 5 crore as closing stock. However, as per physical verification report, the value of closing stock was Rs 7.45 crore resulting in under statement of closing stock to the extent of Rs 2.45 crore.

7.1.3.1.3 Profit and Loss account

Establishment charges (debit) : Rs 18.52 crore

The reconciled figure of establishment charges was Rs 19.21 crore whereas the amount shown in *pro forma* account was Rs 18.52 crore, which resulted in understatement of loss to the extent of Rs 0.69 crore.

7.1.3.1.4 *Balance sheet - Assets*

Amount recoverable from Mumbai Rationing Area (MRA)/Thane Rationing Area (TRA) : Rs 264.14 crore

(i) This includes an amount of Rs 1.51 crore being loss sustained in Sthir Bhav Yojana for the year 1996-97 for which claim was preferred on Government, which was not accepted, resulting in overstatement of receivables.

(ii) This includes amount of Rs 12.68 crore against oil, Chana dal, Soap, Tea and Salt at Satara, Sangli and Jalna. However, as per the concerned subsidiary register, the amount was Rs 6.85 crore only resulting in overstatement of advance to the extent of Rs 5.83 crore.

(iii) As per the register at DSO Aurangabad and Jalna amount recoverable from FCI was only Rs 1.65 crore. However, in the *pro forma* account the amount was shown as Rs 22.26 crore resulting in overstatement of advance to the extent of Rs 20.61 crore.

(iv) This does not include Rs 11.45 crore advances paid to Financial Advisor (FA) and Deputy Secretary (DS) for purchase of food grains resulting in understatement of advance to that extent.

7.1.4 *Liability*

This does not include Rs 0.89 crore on account of cost of ration cards and form fee payable to FA and DS and Rs 0.35 crore payable to transport contractor (Raigad) resulting in understatement of liability to the extent of Rs 1.24 crore.

7.1.5 *General comments*

7.1.5.1 *Non reconciliation of advances*

As per MRA/TRA *pro forma* account the dues receivable from DSOs under various heads amounts to Rs 115.98 crore. However, in mofussil account the amount payable to MRA/TRA was Rs 15 crore only and there was difference of Rs 100.98 crore. Similarly in the MRA/TRA account the amount payable to mofussil was shown as Rs 15.64 crore. However, in mofussil account the amount receivable from MRA/TRA was shown as Rs 5.91 crore and there was difference of Rs 9.73 crore. The above differences in both the accounts were not reconciled.

7.1.5.2 *Suspense Accounts*

The Suspense Accounts at Asset and Liability side of MRA/TRA account and Asset side of DSO's Accounts include items more than eleven years old, details of which, are not available with the department and no steps have been taken for their clearance.

AGRICULTURE, ANIMAL HUSBANDRY, DAIRY DEVELOPMENT AND FISHERIES DEPARTMENT

7.2 *Infructuous expenditure in printing of coupon books*

Dairy Development Department (DDD) collects toll from private vehicles for using Aarey Road (road passing through Aarey Dairy Complex) at the rate fixed by Government. Printed coupons are given to the motorists as receipts for toll charges collected. The average annual collection of toll in the previous three years upto 1999-2000 was Rs 1.87 crore.

Government decided (March 1999) to hand over the work of toll collection to a private agency. Tenders for the same were floated in March 1999 and were opened in October 1999. However, the contract was finally awarded with effect from 1 February 2001 to S.R. Enterprises for the period of one year at Rs 1.83 crore. The agreement entered into with the party contained a clause that the contractor will have to accept part of the stock of printed coupons available with the department.

Despite having a stock of 22430 coupon books (value : Rs 1.57 crore) the department issued (June 1999) orders for printing 58100 coupon books of different denominations (value : Rs 4.27 crore) by the Government Printing Press. The printed coupons were received by the department in October/November 2000. On the date of handing over the work of toll collection to the private agency, 57646 coupon books (value : Rs 5.03 crore) printed at a cost of Rs 22.09 lakh were in stock. The contractor accepted coupons costing Rs 0.10 lakh only and the balance coupons (value: Rs 5.03 crore) are lying with the department. Thus, expenditure of Rs 21.99 lakh incurred on printing is infructuous. The decision of the department to print coupons of the value of Rs 4.27 crore was not justifiable as (i) the department was aware that the toll collection was shortly to be handed over to a private agency, (ii) the agreement with the contractor did not provide for acceptance of the entire stock of coupons by the contractor and (iii) the annual requirement of coupons was about Rs 1.87 crore only.

The matter was referred to the Secretary to the Government in June 2002. No reply has been received (December 2002).

7.3 Loss on sale of polythelene film scrap

Incorrect deduction of 65 per cent weight on polythelene film scrap in violation of tender condition resulted in avoidable loss of Rs 32.69 lakh.

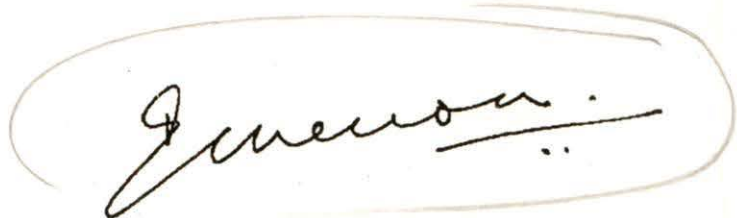
Greater Mumbai Milk Scheme procures polythelene film for packing milk in pouches for sale to distribution centres. The scrap of polythelene film generated during packing and bags returned from filling centers is sold by inviting tenders every year. The General Manager, Greater Mumbai Milk Scheme, finalises the tender every year for sale of polythelene film scrap from its dairies at Worli, Aarey and Kurla. As per the terms and conditions of the tender for sale of polythelene film scrap, the contractor has to lift the polythelene film scrap on 'as is where is basis'.

The sale of polythelene scrap at Worli and Aarey dairies was done according to the actual weight of scrap. At Kurla dairy too, the sale of polythelene wet scrap was done as per the actual weight of the scrap from June 2000 onwards. It was noticed that during the period 1993-94 to 1999-2000 a quantity of 212.95 MT polythelene scrap was purchased and removed by the contractor at Kurla dairy. However, on the basis of instructions issued by the Manager, dairy (Kurla) in February 1987, 35 per cent weight ie 74.54 MT of the total scrap collected by the contractor was recorded on the challan and accordingly, payment was effected on 35 per cent of the actual quantity lifted. Thus, 65 per cent rebate in weight was given to the contractor. This was incorrect as the tender condition did not provide for such rebate. Thus, payment was effected on 35 per cent of the actual quantity lifted resulting in undue benefit to the contractor and resultant loss of Rs 32.69 lakh to the Department.

The Manager, dairy (Kurla) replied that wet scrap had far more weight than dry scrap and the contractors were not willing to lift the wet scrap. The reply is not tenable since the price quoted by contractors was for wet scrap and on 'as is where is basis'. Further, the tender condition did not provide for such rebate. No such rebate was allowed in Aarey and Worli dairies during the period where similar scrap was generated and sold with similar tender conditions and allowing arbitrary rebate of 65 per cent of scrap and charging only for

35 per cent was not justified particularly when Kurla dairy has also started selling the scrap on actual weight from June 2000 onwards.

The matter was referred to the Secretary to the Government in July 2002. No reply has been received (December 2002).



(K.S. MENON)

Principal Accountant General (Audit)-I,
Maharashtra

Mumbai,
The

19 MAY 2003

Countersigned



(VIJAYENDRA N. KAUL)

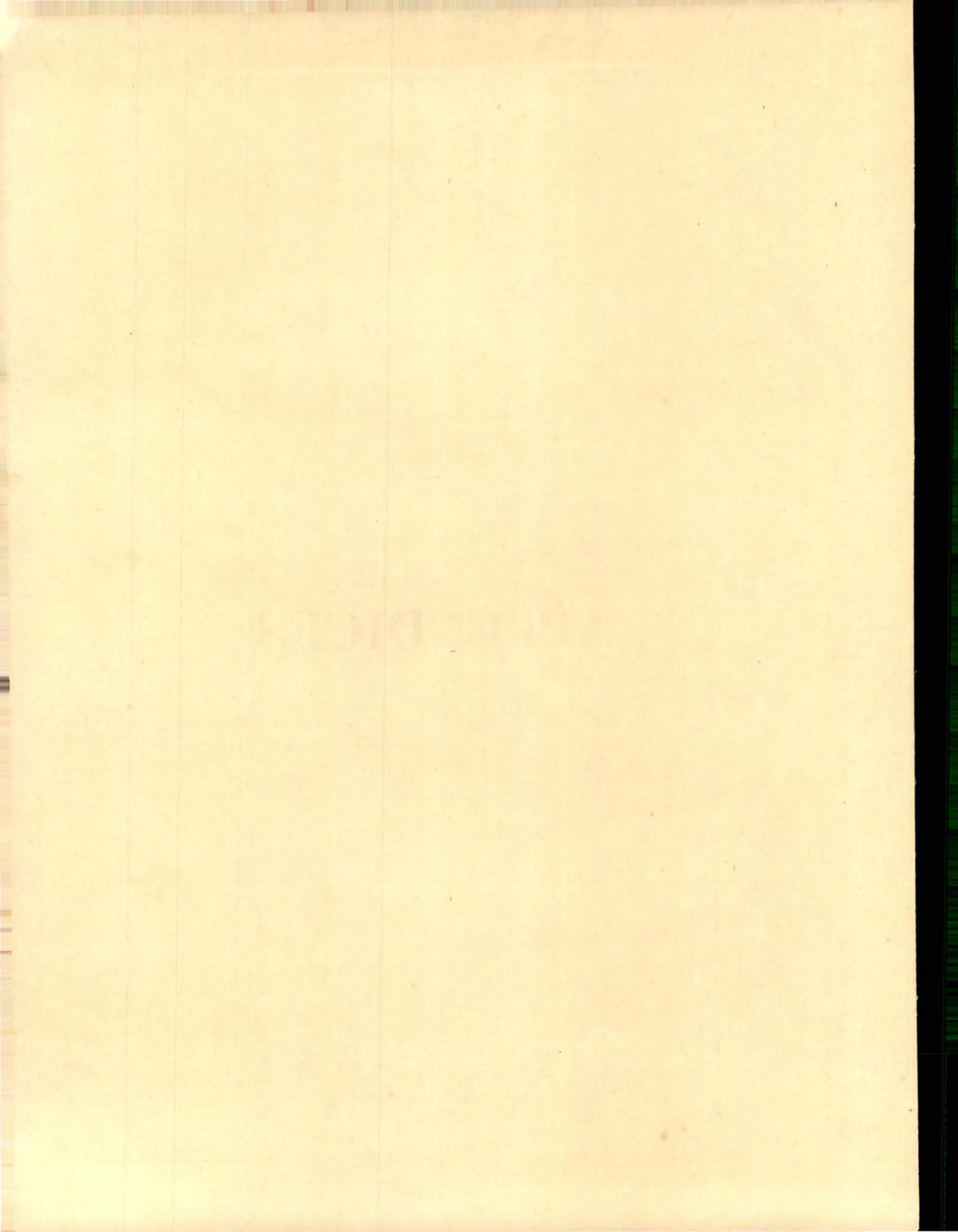
Comptroller and Auditor General of India

New Delhi,
The

19 MAY 2003



APPENDICES



APPENDIX I
Statement showing definitions of terms used in Chapter I
(Reference : Paragraph 1; Page 1)

Part A - Government Accounts

I. Structure: The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I. Consolidated Fund

All receipts of the State Government from revenues, loans and recoveries of loans go into the Consolidated Fund of the State, constituted under Article 266(1) of the Constitution of India. All expenditure of the Government is incurred from this Fund from which no amount can be withdrawn without authorisation from the State Legislature. This part consists of two main divisions, namely, Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Capital Receipts, Capital Expenditure, Public Debt and Loans, etc).

Part II. Contingency Fund

The Contingency Fund created under Article 267(2) of the Constitution of India is in the nature of an imprest placed at the disposal of the Governor of the State to meet urgent unforeseen expenditure pending authorisation from the State Legislature. Approval of the State Legislature is subsequently obtained for such expenditure and for transfer of equivalent amount from the Consolidated Fund to Contingency Fund. The corpus of this Fund authorised by the Legislature was temporarily increased from Rs 150 crore to Rs 400 crore during 2001-02.

Part III. Public Account

Receipts and disbursements in respect of small savings, provident funds, deposits, reserve funds, suspense, remittances, etc which do not form part of the Consolidated Fund, are accounted for in Public Account and are not subject to vote by the State Legislature.

II. Form of Annual Accounts

The accounts of the State Government are prepared in two volumes viz. the Finance Accounts and the Appropriation Accounts. The Finance Accounts present the details of all transactions pertaining to both receipts and expenditure under appropriate classification in the Government accounts. The Appropriation Accounts, present the details of expenditure by the State Government *vis-a-vis* the amounts authorised by the State Legislature in the budget grants. Any expenditure in excess of the grants requires regularisation by the Legislature.

APPENDIX I (concl.d.)

Part B : List of terms used in the Chapter - I and basis for their calculation

Terms	Basis for calculation
Buoyancy of a parameter	Rate of Growth of the parameter GSDP Growth
Buoyancy of a parameter (X) with respect to another parameter (Y)	Rate of Growth of the parameter (X) Rate of Growth of the parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount}/\text{Previous year Amount}) - 1] * 100$
Trend/Average	Trend of growth over a period of 5 years (LOGEST(Amount of 1996-97:Amount of 2001-02)-1)*100
Share shift/Shift rate of a parameter	Trend of percentage shares, over a period of 5 years, of the parameter in Revenue or Expenditure as the case may be
Development Expenditure	Social Services + Economic Services
Weighted Interest Rate (Average interest paid by the State)	Interest Payment / [(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2]*100
Interest spread	GSDP growth - Weighted Interest rates.
Interest received as <i>per cent</i> to Loans Advanced	Interest Received [(Opening balance + Closing balance of Loans and Advances)/2]*100
Revenue Deficit	Revenue Receipt - Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances - Revenue Receipts - Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit - Interest Payments
Balance from Current Revenue (BCR)	Revenue Receipts minus all Plan grants and Non-Plan Revenue. Expenditure excluding debits under 2048-Appropriation for Reduction or Avoidance of Debt.

APPENDIX II

(Reference : Paragraph 2.4.1; Page 34)

Statement showing details of excess in various grants/appropriation requiring regularisation

Sr. No. (1)	Number and name of grant/appropriation (2)	Total grant/ appropriation (3) (Rupees)	Actual Expenditure (4) (Rupees)	Excess (5) (Rupees)
I GRANTS				
(i) Revenue Section				
GENERAL ADMINISTRATION DEPARTMENT				
1	A-12- Social Security and Welfare	57,20,66,000	58,62,12,343	1,41,46,343
2	A-15-Census, Surveys and Statistics	1,03,96,000	1,73,56,607	69,60,607*
HOME DEPARTMENT				
3	B-02-State Excise	26,36,68,000	26,59,52,926	22,84,926
AGRICULTURE, ANIMAL HUSBANDRY, DAIRY DEVELOPMENT AND FISHERIES DEPARTMENT				
4	D-04-Soil and Water Conservation	25,23,07,000	1,13,35,90,700	88,12,83,700*
5	D-05-Animal Husbandry	1,75,66,88,000	1,95,11,04,415	19,44,16,415*
6	D-09-Minor Irrigation	2,25,27,000	13,10,53,616	10,85,26,616*
SCHOOL EDUCATION DEPARTMENT				
7	E-02-General Education	76,27,31,04,000	82,85,76,56,076	6,58,45,52,076
8	E-05-Welfare of Scheduled Castes, Scheduled Tribes and other backward Classes	3,08,000	4,49,547	1,41,547
FINANCE DEPARTMENT				
9	G-09-Pensions and Other Retirement Benefits	22,30,93,52,000	25,57,57,82,762	3,26,64,30,762*
10	G-12-Social Security and Welfare	14,47,09,000	14,54,77,838	7,68,838

APPENDIX II (contd.)

Sr. No. (1)	Number and name of grant/appropriation (2)	Total grant/ appropriation (3) (Rupees)	Actual Expenditure (4) (Rupees)	Excess (5) (Rupees)
PUBLIC WORKS DEPARTMENT				
11	H-02-Housing	1,20,20,46,000	1,30,91,09,826	10,70,63,826
12	H-05-Ports and Light Houses	70,65,000	70,79,286	14,286
IRRIGATION DEPARTMENT				
13	I-02-Soil and Water Conservation	6,73,18,000	7,40,37,426	67,19,426
14	I-03-Major and Medium Irrigation	5,91,79,86,000	16,55,40,09,357	10,63,60,23,357*
15	I-05-Command Area Development	3,76,16,000	6,91,06,639	3,14,90,639*
16	I-06-Flood Control and Drainage	5,53,48,000	5,55,18,393	1,70,393
RURAL DEVELOPMENT AND WATER CONSERVATION DEPARTMENT				
17	L-02-District Administration	6,75,42,67,000	7,12,69,97,314	37,27,30,314
18	L-11-Minor Irrigation	1,09,06,49,000	1,52,16,46,922	43,09,97,922*
19	L-12-Non Conventional Sources of Energy	6,00,00,000	7,07,64,805	1,07,64,805*
20	L-16-Revenue Expenditure on removal of Regional Imbalance	8,57,94,000	23,21,75,000	14,63,81,000*
SOCIAL WELFARE,CULTURAL AFFAIRS AND SPORTS DEPARTMENT				
21	N-01-Other Administrative Services	41,17,000	44,56,595	3,39,595
22	N-07-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2,62,27,50,000	2,66,66,42,706	4,38,92,706

APPENDIX II (contd.)

Sr. No. (1)	Number and name of grant/appropriation (2)	Total grant/appropriation (3) (Rupees)	Actual Expenditure (4) (Rupees)	Excess (5) (Rupees)
PLANNING DEPARTMENT				
23	O-02-Rural Employment	6,69,11,26,000	9,13,67,55,255	2,44,56,29,255*
HOUSING DEPARTMENT				
24	Q-03-Other Administrative Services	17,83,000	18,39,495	56,495
PUBLIC HEALTH DEPARTMENT				
25	R-01-Medical and Public Health	10,59,83,87,000	11,17,19,46,702	57,35,59,702
MEDICAL EDUCATION AND DRUGS DEPARTMENT				
26	S-01-Medical and Public Health	3,94,36,76,000	3,99,36,72,510	4,99,96,510
TRIBAL DEVELOPMENT DEPARTMENT				
27	T-02-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2,16,13,09,000	2,21,13,58,388	5,00,49,388
28	T-06-Revenue Expenditure on Tribal Areas Development Sub-Plan	3,94,23,60,000	4,21,79,45,552	27,55,85,552
29	T-07-Revenue Expenditure on Removal of Regional Imbalances	1,33,55,000	1,42,06,000	8,51,000
WOMEN AND CHILD DEVELOPMENT DEPARTMENT				
30	X-02-Nutrition	3,85,14,74,000	4,75,29,58,710	90,14,84,710*
31	X-03-Secretariat-Social Services	71,67,000	72,06,629	39,629

APPENDIX II (contd.)

Sr. No. (1)	Number and name of grant/appropriation (2)	Total grant/appropriation (3) (Rupees)	Actual Expenditure (4) (Rupees)	Excess (5) (Rupees)
WATER SUPPLY AND SANITATION DEPARTMENT				
32	Y-03-Social Security and Welfare	1,50,000	2,43,498	93,498
33	Y-04-Minor Irrigation	7,53,86,000	9,35,32,879	1,81,46,879*
34	Y-06-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	8,85,00,000	11,44,79,000	2,59,79,000*
(ii)	Capital Section			
IRRIGATION DEPARTMENT				
35	I-13-Capital Outlay on Flood Control Projects	3,80,58,000	3,86,50,360	5,92,360
WATER SUPPLY AND SANITATION DEPARTMENT				
36	Y-08-Capital Outlay on Soil and Water Conservation	8,12,05,000	8,39,98,555	27,93,555
(iii)	Loans and Advances			
CO-OPERATION AND TEXTILES DEPARTMENT				
37	V-13-Loans for Housing	85,00,00,000	85,00,99,547	99,547
Total		1,51,85,40,17,000	1,79,04,50,74,179	27,19,10,57,179

APPENDIX II (Contd.)				
Sr. No. (1)	Number and name of grant/appropriation (2)	Total grant/appropriation (3) (Rupees)	Actual Expenditure (4) (Rupees)	Excess (5) (Rupees)
II APPROPRIATIONS				
(i) Revenue Section				
HOME DEPARTMENT				
1	B-06-Police	40,00,000	46,73,577	6,73,577
2	B-08-Other Administrative Services	50,000	1,10,117	60,117
REVENUE AND FORESTS DEPARTMENT				
3	C-09-Miscellaneous General Services	85,12,000	92,90,766	7,78,766
FINANCE DEPARTMENT				
4	G-09-Pensions and Other Retirement Benefits	5,06,00,000	32,98,84,385	27,92,84,385*
PUBLIC WORKS DEPARTMENT				
5	H-07-Roads and Bridges	37,46,000	4,53,39,035	4,15,93,035*
INDUSTRIES, ENERGY AND LABOUR DEPARTMENT				
6	K-09-Village and Small Industries	0	7,878	7,878
RURAL DEVELOPMENT AND WATER CONSERVATION DEPARTMENT				
7	L-01-Interest Payments	2,11,67,36,000	7,09,94,80,625	4,98,27,44,625*
8	L-04-Soil and Water Conservation	0	1,48,000	1,48,000

APPENDIX II (contd.)

Sr. No. (1)	Number and name of grant/appropriation (2)	Total grant/ appropriation (3) (Rupees)	Actual Expenditure (4) (Rupees)	Excess (5) (Rupees)
SOCIAL WELFARE, CULTURAL AFFAIRS AND SPORTS DEPARTMENT				
9	N-07-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	60,000	2,87,905	2,27,905
PLANNING DEPARTMENT				
10	O-02-Rural Employment	0	1,94,822	1,94,822
ENVIRONMENT DEPARTMENT				
11	U-01-Interest Payments	1,21,08,000	7,38,01,243	6,16,93,243*
CO-OPERATION AND TEXTILES DEPARTMENT				
12	V-06-Secretariat-Economic Services	0	10,480	10,480
MAHARASHTRA LEGISLATURE SECRETARIAT				
13	ZC-01-Parliament/State/Union Territory Legislatures	31,83,000	88,92,222	57,09,222*
(ii) Capital Section				
REVENUE AND FORESTS DEPARTMENT				
14	C-20-Capital outlay on Social security and welfare	24,20,000	38,56,728	14,36,728
URBAN DEVELOPMENT DEPARTMENT				
15	F-12-Capital Outlay on Urban Development	10,00,000	2,26,88,533	2,16,88,533*

APPENDIX II (concl.)

Sr. No. (1)	Number and name of grant/appropriation (2)	Total grant/appropriation (3) (Rupees)	Actual Expenditure (4) (Rupees)	Excess (5) (Rupees)
PUBLIC WORKS DEPARTMENT				
16	H-10-Capital Outlay on Housing	0	6,26,755	6,26,755
17	H-12-Capital Outlay on Roads and Bridges	4,20,000	6,28,602	2,08,602
IRRIGATION DEPARTMENT				
18	I-11-Capital Outlay on Major and Medium Irrigation	5,17,000	6,03,027	86,027
(iii) Loans and Advances Section				
FINANCE DEPARTMENT				
19	G-14-Internal Debt of the State Government	1,21,50,52,33,000	1,25,74,14,97,457	4,23,62,64,457
20	G-17-Inter State Settlement	3,000	3,024	24
	Total	1,23,70,85,88,000	1,33,34,20,25,181	9,63,34,37,181
	Grand Total	2,75,56,26,05,000	3,12,38,70,99,360	36,82,44,94,360

* Reasons for the excess are awaited. In these cases, the expenditure exceeded the approved provisions by Rs.25 lakh or more and also by more than 10 *per cent* of the total provision.
 G-09 Revenue-Voted-Excess is due to payment of arrears of V Pay Commission to Pensioners.
 G-09 Revenue-Charged-Excess is due to finalisation of more pension cases.

APPENDIX III

(Reference : Paragraph 2.4.4.1, Page 35)

Statement of various grants/appropriations where supplementary provision proved unnecessary

Sr. No.	Number and name of grant/appropriation	Total grant/ appropriation	Supplementary provision obtained in March	Actual Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
		(Rupees	in	lakh)
I GRANTS					
GENERAL ADMINISTRATION DEPARTMENT					
1	A-05-Secretariat - General Services				
	Original	4750.77			
	Supplementary	154.13	4904.90	0.00	3729.71
					1175.19
2	A-11-Information and Publicity				
	Original	1972.05			
	Supplementary	66.86	2038.91	0.00	1663.01
					375.90
HOME DEPARTMENT					
3	B-03-Taxes on Vehicles				
	Original	81812.29			
	Supplementary	307.98	82120.27	0.00	79472.39
					2647.88
4	B-04-Other Taxes and Duties on Commodities and Services				
	Original	308.73			
	Supplementary	279.06	587.79	0.00	298.41
					289.38
5	B-06-Police				
	Original	185124.04			
	Supplementary	10869.54	195993.58	0.00	167257.53
					28736.05
6	B-08-Other Administrative Services				
	Original	3181.60			
	Supplementary	19.43	3201.03	0.00	2572.78
					628.25

APPENDIX III (contd.)

Sr. Number and name of No. grant/appropriation	Total grant/ appropriation	Supplementary provision obtained in March	Actual Expenditure	Saving
(1)	(2)	(3)	(4)	(5)
	(Rupees	in	lakh	(6)
REVENUE AND FORESTS DEPARTMENT				
7	C-02-Stamps and Registration			
	Original	5658.30		
	Supplementary	112.88	5771.18	0.00
				3833.57
				1937.61
8	C-05-Secretariat - General Services			
	Original	912.16		
	Supplementary	8.00	920.16	0.00
				829.95
				90.21
9	C-13-Relief on Account of Natural Calamities			
	Original	33249.49		
	Supplementary	0.03	33249.52	0.00
				23675.35
				9574.17
10	C-15-Forestry and Wild Life			
	Original	27623.96		
	Supplementary	347.10	27971.06	0.00
				24887.13
				3083.93
11	C-21-Capital Outlay on Forestry and wild life			
	Original	990.29		
	Supplementary	15.00	1005.29	0.00
				469.20
				536.09
AGRICULTURE, ANIMAL HUSBANDRY DAIRY DEVELOPMENT AND FISHERIES DEPARTMENT				
12	D-03-Crop Husbandry			
	Original	40060.08		
	Supplementary	2050.45	42110.53	396.81
				39091.70
				3018.83
13	D-06-Dairy Development			
	Original	110037.03		
	Supplementary	329.15	110366.18	0.00
				98938.75
				11427.43
14	D-07-Fisheries			
	Original	1964.81		
	Supplementary	54.39	2019.20	0.00
				1658.18
				361.02

APPENDIX III (contd.)

Sr. No.	Number and name of grant/appropriation	Total grant/ appropriation	Supplementary provision obtained in March	Actual Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
		(Rupees	in	lakh)
15	D-10-Secretariat - Economic Services				
	Original	433.23			
	Supplementary	34.00	467.23	0.00	403.98
					63.25
SCHOOL EDUCATION DEPARTMENT					
16	E-03-Sports and Youth Services				
	Original	1982.18			
	Supplementary	43.76	2025.94	0.00	1738.08
					287.86
URBAN DEVELOPMENT DEPARTMENT					
17	F-04-Urban Development				
	Original	34281.54			
	Supplementary	12847.61	47129.15	234.77	26203.76
					20925.39
18	F-11-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions				
	Original	52830.56			
	Supplementary	3452.22	56282.78	3427.22	48329.96
					7952.82
19	F-15-Loans for Urban Development				
	Original	729.08			
	Supplementary	12431.00	13160.08	0.00	472.12
					12687.96
FINANCE DEPARTMENT					
20	G-01-Collection of Taxes on Income and Expenditure				
	Original	905.43			
	Supplementary	90.63	996.06	0.00	901.39
					94.67
21	G-03-Other Fiscal Services				
	Original	4381.44			
	Supplementary	414.00	4795.44	364.00	2710.05
					2085.39

APPENDIX III (contd.)

Sr. No.	Number and name of grant/appropriation	Total grant/ appropriation	Supplementary provision obtained in March	Actual Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
		(Rupees	in	lakh)
22	G-06-Secretariat-General Services				
	Original	1228.81			
	Supplementary	0.01	1228.82	0.01	725.64
					503.18
23	G-08-Other Administrative Services				
	Original	1344.45			
	Supplementary	15500.00	16844.45	0.00	251.56
					16592.89*
24	G-13-Other General Economic Services				
	Original	7.49			
	Supplementary	1.00	8.49	0.00	6.50
					1.99
PUBLIC WORKS DEPARTMENT					
25	H-07-Roads and Bridges				
	Original	105773.08			
	Supplementary	7827.00	113600.08	0.00	86677.36
					26922.72
26	H-09-Public Works and Administrative and Functional Buildings				
	Original	84278.31			
	Supplementary	0.02	84278.33	0.00	72488.24
					11790.09
27	H-10-Capital Outlay on Housing				
	Original	2374.88			
	Supplementary	60.00	2434.88	0.00	2060.82
					374.06
28	H-11-Capital Outlay on Flood Control Projects				
	Original	575.35			
	Supplementary	0.10	575.45	0.00	345.32
					230.13
29	H-12-Capital Outlay on Roads and Bridges				
	Original	61383.61			
	Supplementary	3.00	61386.61	0.00	42379.08
					19007.53

APPENDIX III (contd.)

Sr. No.	Number and name of grant/appropriation	Total grant/ appropriation	Supplementary provision obtained in March	Actual Expenditure	Saving	
(1)	(2)	(3)	(4)	(5)	(6)	
		(Rupees	in	lakh)	
30	H-13-Capital Outlay on Public Works and Administrative and Functional Buildings					
	Original	7527.73				
	Supplementary	680.59	8208.32	5.50	6809.84	1398.48
31	H-14-Capital Outlay on Removal of Regional Imbalances					
	Original	12893.97				
	Supplementary	528.95	13422.92	0.00	8563.59	4859.33
IRRIGATION DEPARTMENT						
32	I-07-Power					
	Original	1920.17				
	Supplementary	0.01	1920.18	0.01	1787.78	132.40
33	I-09-Secretariat-Economic Services					
	Original	439.96				
	Supplementary	40.09	480.05	40.09	297.86	182.19
34	I-11-Capital Outlay on Major and Medium Irrigation					
	Original	148147.97				
	Supplementary	6875.03	155023.00	0.03	129514.77	25508.23
35	I-14-Capital Outlay on Power Projects					
	Original	29143.75				
	Supplementary	0.02	29143.77	0.01	28978.09	165.68
LAW AND JUDICIARY DEPARTMENT						
36	J-01-Administration of Justice					
	Original	19506.80				
	Supplementary	54.77	19561.57	0.00	18171.72	1389.85
37	J-03-Other Administrative Services					
	Original	625.82				
	Supplementary	8.75	634.57	8.75	615.21	19.36

APPENDIX III (contd.)

Sr. No.	Number and name of grant/appropriation	Total grant/ appropriation	Supplementary provision obtained in March	Actual Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
		(Rupees	in	lakh)
INDUSTRIES ENERGY AND LABOUR DEPARTMENT					
38	K-05-Labour and Employment				
	Original	3750.15			
	Supplementary	130.02	3880.17	0.02	3454.62
39	K-18-Other Loans to Industries and Minerals				
	Original	810.90			
	Supplementary	139.92	950.82	0.00	339.95
RURAL DEVELOPMENT AND WATER CONSERVATION DEPARTMENT					
40	L-05-Forestry and Wild Life				
	Original	3242.28			
	Supplementary	0.01	3242.29	0.00	3150.65
41	L-06-Agricultural Research and Education				
	Original	377.10			
	Supplementary	59.39	436.49	0.00	319.11
42	L-07-Special Programmes for Rural Development				
	Original	5454.46			
	Supplementary	729.00	6183.46	0.00	2533.08
43	L-08-Rural Employment				
	Original	16582.45			
	Supplementary	277.98	16860.43	277.98	10556.21
44	L-15-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions				
	Original	9477.70			
	Supplementary	10250.90	19728.60	0.00	3617.54
45	L-19-Capital Outlay on Minor Irrigation				
	Original	2403.73			
	Supplementary	52.02	2455.75	0.00	1153.71

APPENDIX III (contd.)

Sr. No.	Number and name of grant/appropriation	Total grant/ appropriation	Supplementary provision obtained in March	Actual Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
		(Rupees	in	lakh)
SOCIAL WELFARE, CULTURAL AFFAIRS AND SPORTS DEPARTMENT					
46	N-03-Sports and Youth Services				
	Original	4485.44			
	Supplementary	562.79	5048.23	0.00	3478.38
47	N-05-Housing				
	Original	584.84			
	Supplementary	1592.18	2177.02	0.00	290.59
PLANNING DEPARTMENT					
48	O-01-Social Security and Welfare				
	Original	0.60			
	Supplementary	0.22	0.82	0.22	0.38
49	O-04-Hill Areas				
	Original	3572.13			
	Supplementary	15.00	3587.13	0.00	3127.09
50	O-06-Secretariat Economic Services				
	Original	8317.21			
	Supplementary	41.25	8358.46	0.00	7701.91
HOUSING DEPARTMENT					
51	Q-02-District Administration				
	Original	1987.87			
	Supplementary	5.07	1992.94	5.07	1679.05
52	Q-04-Housing				
	Original	34354.06			
	Supplementary	8418.51	42772.57	0.01	6119.87

APPENDIX III (contd.)

Sr. No.	Number and name of grant/appropriation	Total grant/ appropriation	Supplementary provision obtained in March	Actual Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
		(Rupees	in	lakh)
PUBLIC HEALTH DEPARTMENT					
53	R-02-Family Welfare				
	Original	25200.44			
	Supplementary	84.20	25284.64	0.00	20145.96
					5138.68
54	R-06-Capital Outlay on Medical and Public Health				
	Original	3970.00			
	Supplementary	0.01	3970.01	0.00	3577.19
					392.82
TRIBAL DEVELOPMENT DEPARTMENT					
55	T-09-Capital Outlay on Removal of Regional Imbalances				
	Original	2021.20			
	Supplementary	212.00	2233.20	0.00	1811.69
					421.51
56	T-11-Loans for Tribal Area Development Sub-Plan				
	Original	2041.37			
	Supplementary	75.00	2116.37	0.00	1209.50
					906.87
CO-OPERATION AND TEXTILES DEPARTMENT					
57	V-05-Village and Small Industries				
	Original	934.32			
	Supplementary	261.68	1196.00	0.00	737.03
					458.97
58	V-06-Secretariat - Economic Services				
	Original	324.91			
	Supplementary	5.49	330.40	5.49	322.37
					8.03
59	V-09-Capital Outlay on Co-operation				
	Original	24989.99			
	Supplementary	11634.80	36624.79	0.00	18590.57
					18034.22

APPENDIX III (contd.)

Sr. No.	Number and name of grant/appropriation	Total grant/ appropriation	Supplementary provision obtained in March	Actual Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
		(Rupees	in	lakh)
60	V-10-Capital Outlay on Village and Small Industries				
	Original	1721.49			
	Supplementary	153.01	1874.50	0.00	1181.36
					693.14
HIGHER AND TECHNICAL EDUCATION DEPARTMENT					
61	W-04-Art and Culture				
	Original	4012.41			
	Supplementary	77.49	4089.90	77.49	3854.62
					235.28
62	W-06-Social Security and Welfare				
	Original	6.56			
	Supplementary	5.49	12.05	5.49	4.56
					7.49
63	W-07-Secretariat-Social Services				
	Original	652.86			
	Supplementary	180.35	833.21	0.00	420.61
					412.60
64	W-08-Revenue Expenditure on Removal of Regional Imbalances				
	Original	140.00			
	Supplementary	257.00	397.00	0.00	54.23
					342.77
WOMEN AND CHILD DEVELOPMENT DEPARTMENT					
65	X-01-Social Security and Welfare				
	Original	4370.98			
	Supplementary	5.02	4376.00	0.00	3353.70
					1022.30
WATER SUPPLY AND SANITATION DEPARTMENT					
66	Y-02-Water Supply and Sanitation				
	Original	79554.46			
	Supplementary	12328.85	91883.31	0.01	47659.39
					44223.92
Total Grants		1438764.33	4848.98	1079255.30	359509.03

APPENDIX III (contd.)

Sr. No.	Number and name of grant/appropriation	Total grant/ appropriation	Supplementary provision obtained in March	Actual Expenditure	Saving
(1)	(2)	(3)	(4)	(5)	(6)
		(Rupees	in	lakh)
II APPROPRIATION					
FINANCE DEPARTMENT					
1	G-02-Sales Tax				
	Original	165600.50			
	Supplementary	3.23	165603.73	3.23	165000.64
					603.09
2	G-05-Interest Payments				
	Original	577034.82			
	Supplementary	0.02	577034.84	0.01	535410.71
					41624.13
PUBLIC WORKS DEPARTMENT					
3	H-09-Public Works and Administrative and Functional Buildings				
	Original	183.00			
	Supplementary	61.88	244.88	2.14	159.46
					85.42
FOOD, CIVIL SUPPLIES AND CONSUMER PROTECTION DEPARTMENT					
4	M-02-Food Storage and Warehousing				
	Original	2.00			
	Supplementary	0.35	2.35	0.35	1.50
					0.85
PUBLIC HEALTH DEPARTMENT					
5	R-01-Medical and Public Health				
	Original	2.65			
	Supplementary	2.40	5.05	1.12	1.39
					3.66
MEDICAL EDUCATION AND DRUGS DEPARTMENT					
6	S-01-Medical and Public Health				
	Original	1.00			
	Supplementary	4.20	5.20	1.41	0.45
					4.75

APPENDIX III (concl.d.)

Sr. Number and name of No. grant/appropriation	Total grant/ appropriation	Supplementary provision obtained in March	Actual Expenditure	Saving
(1)	(2)	(3)	(4)	(5)
	(Rupees	in	lakh)

HIGHER AND TECHNICAL EDUCATION DEPARTMENT

7	W-01-Interest Payments				
	Original	4934.83			
	Supplementary	1839.48	6774.31	1839.48	4848.15
	Total		749670.36	1847.74	705422.30
	Grand Total		2188434.69	6696.72	1784677.60
Total Supplementary Provision				124972.77	

APPENDIX IV

(Reference : Paragraph 2.4.4.2, Page 35)

Statement of cases where supplementary provision resulted in savings exceeding Rs 10 lakh in each case

Sr. No.	Number and name of grant/appropriation	Total grant/ appropriation	Actual Expenditure	Saving
(1)	(2)	(3)	(4)	(5)
	(	Rupees	in	lakh)
I GRANTS				
GENERAL ADMINISTRATION DEPARTMENT				
1	A-03-Elections			
	Original	1455.65		
	Supplementary	3046.05	4501.70	2199.88
2	A-06-Public Works			
	Original	0.75		
	Supplementary	149.76	150.51	15.91
3	A-07-Other Administrative Services			
	Original	1015.12		
	Supplementary	44.24	1059.36	36.32
4	A-08-Miscellaneous General Services			
	Original	515.07		
	Supplementary	330.58	845.65	269.19
5	A-13-Other Social Services			
	Original	110.68		
	Supplementary	200.00	310.68	21.24
HOME DEPARTMENT				
6	B-05-Secretariat-General Services			
	Original	721.67		
	Supplementary	34.91	756.58	32.18
7	B-17-Tourism			
	Original	1123.15		
	Supplementary	909.64	2032.79	898.63

APPENDIX IV (contd.)

Sr. No.	Number and name of grant/appropriation	Total grant/ appropriation	Actual Expenditure	Saving
(1)	(2)	(3)	(4)	(5)
	(	Rupees	in	lakh
))

REVENUE AND FORESTS DEPARTMENT

8	C-09-Miscellaneous General Services			
	Original	4.28		
	Supplementary	21.47	25.75	11.71
				14.04
9	C-12-Social security and welfare			
	Original	848.52		
	Supplementary	591.56	1440.08	1260.55
				179.53

AGRICULTURE, ANIMAL HUSBANDRY, DAIRY DEVELOPMENT AND FISHERIES DEPARTMENT

10	D-08-Agricultural Research and Education			
	Original	16421.46		
	Supplementary	1697.88	18119.34	16819.02
				1300.32
11	D-14-Capital Outlay on Fisheries			
	Original	675.11		
	Supplementary	574.79	1249.90	1229.27
				20.63
12	D-18-Loans for Fisheries			
	Original	1001.08		
	Supplementary	825.00	1826.08	1726.10
				99.98

FINANCE DEPARTMENT

13	G-02-Taxes on Sales, Trade etc.			
	Original	9316.51		
	Supplementary	998.53	10315.04	10055.60
				259.44
14	G-07-Treasury and Accounts Administration			
	Original	5816.81		
	Supplementary	777.00	6593.81	6097.49
				496.32

APPENDIX IV (contd.)

Sr. No. (1)	Number and name of grant/appropriation (2)	Total grant/ appropriation (3)	Actual Expenditure (4)	Saving (5)
	(	Rupees	in	lakh)

IRRIGATION DEPARTMENT

15	I-04-Minor Irrigation			
	Original	958.17		
	Supplementary	234.76	1192.93	43.17

INDUSTRIES, ENERGY AND LABOUR DEPARTMENT

16	K-04-Other Administrative Services			
	Original	267.33		
	Supplementary	63.94	331.27	25.66
17	K-07-Power			
	Original	50383.15		
	Supplementary	85694.57	136077.72	66144.00
18	K-09-Village and Small Industries			
	Original	1291.27		
	Supplementary	403.46	1694.73	59.05
19	K-16-Loans for Power Projects			
	Original	9408.86		
	Supplementary	44131.00	53539.86	2488.86

RURAL DEVELOPMENT AND WATER CONSERVATION DEPARTMENT

20	L-09-Other Rural Development Programmes			
	Original	10389.23		
	Supplementary	27207.45	37596.68	24144.76

FOOD, CIVIL SUPPLIES AND CONSUMER PROTECTION DEPARTMENT

21	M-02-Food Storage and Warehousing			
	Original	23859.41		
	Supplementary	22268.64	46128.05	19021.18
22	M-03-Secretariat-Economic Services			
	Original	248.63		
	Supplementary	14.52	263.15	12.49

APPENDIX IV (contd.)

Sr. No.	Number and name of grant/appropriation	Total grant/ appropriation	Actual Expenditure	Saving
(1)	(2)	(3)	(4)	(5)
	(	Rupees	in	lakh)

SOCIAL WELFARE, CULTURAL AFFAIRS AND SPORTS DEPARTMENT

23	N-04-Art and Culture			
	Original	1820.36		
	Supplementary	405.72	2226.08	1867.12
24	N-08-Social Security and Welfare			
	Original	5679.30		
	Supplementary	2998.78	8678.08	8135.51

PLANNING DEPARTMENT

25	O-01A-District Administration			
	Original	0.00		
	Supplementary	5700.00	5700.00	4195.00
26	O-03-Other Rural Development Programmes			
	Original	16321.23		
	Supplementary	6184.54	22505.77	21800.29
27	O-07-Census, Surveys and Statistics			
	Original	937.38		
	Supplementary	91.64	1029.02	958.21

TRIBAL DEVELOPMENT DEPARTMENT

28	T-08-Capital Outlay on Tribal Area Development Sub-Plan			
	Original	9311.74		
	Supplementary	5940.74	15252.48	12831.21

CO-OPERATION AND TEXTILES DEPARTMENT

29	V-04-Co-operation			
	Original	12290.36		
	Supplementary	5616.18	17906.54	12823.56

APPENDIX IV (contd.)

Sr. No. (1)	Number and name of grant/appropriation (2)	Total grant/ appropriation (3)	Actual Expenditure (4)	Saving (5)
	(	Rupees	in	lakh)
30	V-14-Loans for Co-operation			
	Original	1073.01		
	Supplementary	76927.46	78000.47	59970.72
				18029.75
HIGHER AND TECHNICAL EDUCATION DEPARTMENT				
31	W-02-General Education			
	Original	75251.09		
	Supplementary	12887.95	88139.04	83419.83
				4719.21
32	W-03-Technical Education			
	Original	23566.13		
	Supplementary	3123.66	26689.79	23916.85
				2772.94
33	W-05-Labour and Employment			
	Original	11511.65		
	Supplementary	397.75	11909.40	11552.79
				356.61
TRADE, COMMERCE AND MINING DEPARTMENT				
34	Z-04-Non-Ferrous Mining and Metallurgical Industries			
	Original	686.53		
	Supplementary	6146.00	6832.53	3283.84
				3548.69
VIMUKTA JATIS, NOMADIC TRIBES, OTHER BACKWARD CLASSES AND SPECIAL BACKWARD CLASSES WELFARE DEPARTMENT				
35	ZB-02-Welfare of Scheduled Caste/Scheduled Tribes and Other Backward Classes			
	Original	8850.38		
	Supplementary	7636.29	16486.67	15147.71
				1338.96
	Total		627407.53	468171.52
				159236.01

APPENDIX IV (contd.)

Sr. No.	Number and name of grant/appropriation	Total grant/ appropriation	Actual Expenditure	Saving
(1)	(2)	(3)	(4)	(5)
		Rupees	in	lakh

II APPROPRIATION

GENERAL ADMINISTRATION DEPARTMENT

1	A-04-Public Service Commission			
	Original	476.99		
	Supplementary	106.00	582.99	485.08
				97.91

AGRICULTURE, ANIMAL HUSBANDRY, DAIRY DEVELOPMENT AND FISHERIES DEPARTMENT

2	D-01-Interest Payments			
	Original	2351.41		
	Supplementary	769.88	3121.29	2660.45
				460.84
3	D-06-Dairy Development			
	Original	25.00		
	Supplementary	1231.53	1256.53	664.31
				592.22

SCHOOL EDUCATION DEPARTMENT

4	E-02-General Education			
	Original	2.00		
	Supplementary	12.65	14.65	4.44
				10.21

LAW AND JUDICIARY DEPARTMENT

5	J-01-Administration of Justice			
	Original	3152.06		
	Supplementary	1784.90	4936.96	3872.33
				1064.63

RURAL DEVELOPMENT AND WATER CONSERVATION DEPARTMENT

6	L-15-Compensation and Assignment to Local Bodies and Panchayati Raj Institutions			
	Original	726.44		
	Supplementary	2250.50	2976.94	762.74
				2214.20

APPENDIX IV (concl'd.)

Sr. No.	Number and name of grant/appropriation	Total grant/ appropriation	Actual Expenditure	Saving
(1)	(2)	(3)	(4)	(5)
	(	Rupees	in	lakh)
HOUSING DEPARTMENT				
7	Q-01-Interest Payments			
	Original	893.59		
	Supplementary	62.94	903.71	52.82
CO-OPERATION AND TEXTILES DEPARTMENT				
8	V-12-Internal Debt of State Government			
	Original	5513.00		
	Supplementary	1672.69	7172.68	13.01
	Total	21031.58	16525.74	4505.84
	Total of (i) Supplementary grants/appropriations		Rs 332167.55	
	Total of (ii) Savings		Rs 163741.85	
	(iii) Actual Requirements (i)-(ii)		Rs 168425.70	

APPENDIX V

(Reference : Paragraph 2.4.4.3; Page 35)

**Statement of cases where supplementary provision proved insufficient by more than
Rs 10 lakh each in various grants/appropriations**

Sr. Number and name of No. grant/appropriation	Total grant/ appropriation	Actual Expenditure	Excess	
(1)	(2) (Rupees)	(3) (Rupees)	(4) (Rupees)	
(1)	(2) (Rupees)	(3) (Rupees)	(4) (Rupees)	
I GRANTS				
GENERAL ADMINISTRATION DEPARTMENT				
1	A-12-Social Security and Welfare			
	Original	56,41,47,000		
	Supplementary	79,19,000	57,20,66,000	58,62,12,343
				1,41,46,343
2	A-15-Census, Surveys and Statistics			
	Original	88,96,000		
	Supplementary	15,00,000	1,03,96,000	1,73,56,607
				69,60,607
HOME DEPARTMENT				
3	B-02-State Excise			
	Original	25,36,68,000		
	Supplementary	1,00,00,000	26,36,68,000	26,59,52,926
				22,84,926
AGRICULTURE, ANIMAL HUSBANDRY, DAIRY DEVELOPMENT AND FISHERIES DEPARTMENT				
4	D-05-Animal Husbandry			
	Original	1,69,62,21,000		
	Supplementary	6,04,67,000	1,75,66,88,000	1,95,11,04,415
				19,44,16,415
SCHOOL EDUCATION DEPARTMENT				
5	E-02-General Education			
	Original	71,64,39,11,000		
	Supplementary	4,62,91,93,000	76,27,31,04,000	82,85,76,56,076
				6,58,45,52,076

APPENDIX V (contd.)

Sr. Number and name of No. grant/appropriation	Total grant/ appropriation	Actual Expenditure	Excess
(1)	(2) (Rupees)	(3) (Rupees)	(4) (Rupees)
			(5) (Rupees)
FINANCE DEPARTMENT			
6	G-09 Pensions and Other Retirement Benefits		
	Original 22,10,89,31,000		
	Supplementary 20,04,21,000	22,30,93,52,000	25,57,57,82,762 3,26,64,30,762
IRRIGATION DEPARTMENT			
7	I-02-Soil and Water Conservation		
	Original 3,30,04,000		
	Supplementary 3,43,14,000	6,73,18,000	7,40,37,426 67,19,426
8	I-03-Major and Medium Irrigation		
	Original 5,91,51,85,000		
	Supplementary 28,01,000	5,91,79,86,000	16,55,40,09,357 10,63,60,23,357
9	I-05-Command Area Development		
	Original 3,67,15,000		
	Supplementary 1,000	3,76,16,000	6,91,06,639 3,14,90,639
RURAL DEVELOPMENT AND WATER CONSERVATION DEPARTMENT			
10	L-02-District Administration		
	Original 4,03,13,65,000		
	Supplementary 2,72,29,02,000	6,75,42,67,000	7,12,69,97,314 37,27,30,314
SOCIAL WELFARE, CULTURAL AFFAIRS AND SPORTS DEPARTMENT			
11	N-07-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes		
	Original 2,38,31,36,000		
	Supplementary 23,96,14,000	2,62,27,50,000	2,66,66,42,706 4,38,92,706

APPENDIX V (contd.)

Sr. Number and name of No. grant/appropriation	Total grant/ appropriation	Actual Expenditure	Excess
(1)	(2)	(4)	(5)
	(Rupees)	(Rupees)	(Rupees)

PLANNING DEPARTMENT

12 O-02-Rural Employment				
Original	4,34,11,26,000			
Supplementary	2,35,00,00,000	6,69,11,26,000	9,13,67,55,255	2,44,56,29,255

PUBLIC HEALTH DEPARTMENT

13 R-01-Medical and Public Health				
Original	10,16,57,57,000			
Supplementary	43,26,30,000	10,59,83,87,000	11,17,19,46,702	57,35,59,702

MEDICAL EDUCATION AND DRUGS DEPARTMENT

14 S-01-Medical and Public Health				
Original	3,41,29,85,000			
Supplementary	53,06,91,000	3,94,36,76,000	3,99,36,72,510	4,99,96,510

TRIBAL DEVELOPMENT DEPARTMENT

15 T-06-Revenue Expenditure on Tribal Areas				
Development Sub-Plan				
Original	3,58,31,18,000			
Supplementary	35,92,42,000	3,94,23,60,000	4,21,79,45,552	27,55,85,552

WOMEN AND CHILD DEVELOPMENT DEPARTMENT

16 X-02-Nutrition				
Original	3,79,89,51,000			
Supplementary	5,25,23,000	3,85,14,74,000	4,75,29,58,710	90,14,84,710

WATER SUPPLY AND SANITATION DEPARTMENT

17 Y-04-Minor Irrigation				
Original	7,30,40,000			
Supplementary	23,46,000	7,53,86,000	9,35,32,879	1,81,46,879

APPENDIX V (concl'd.)

Sr. Number and name of No. grant/appropriation	Total grant/ appropriation	Actual Expenditure	Excess
(1)	(2) (Rupees)	(3) (Rupees)	(4) (Rupees)
18 Y-08-Capital Outlay on Soil and Water Conservation			
Original	7,72,05,000		
Supplementary	40,00,000	8,12,05,000	8,39,98,555
Total:	1,45,76,88,25,000	1,71,19,56,68,734	25,42,68,43,734
II APPROPRIATION			
FINANCE DEPARTMENT			
19 G-14-Internal Debt of the State Government			
Original	73,50,52,33,000		
Supplementary	48,00,00,00,000	121,50,52,33,000	1,25,74,14,97,457
			4,23,62,64,457
PUBLIC WORKS DEPARTMENT			
20 H-07-Roads and Bridges			
Original	15,00,000		
Supplementary	22,46,000	37,46,000	4,53,39,035
Total	1,21,50,89,79,000	1,25,78,68,36,492	4,27,78,57,492
Grand Total	2,67,27,78,04,000	2,96,98,25,05,226	29,70,47,01,226
Total of Supplementary provision		Rs 59,64,28,10,000	

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APPENDIX VI

(Reference : Paragraph 2.5.1; Page 35)

Statement of various grants/appropriations where expenditure fell short by Rs 1 crore or more in each case and also by 10 per cent or more of the total provision

Sr. No.	Number and name of grant/appropriation	Amount of saving (Rupees in crore) (Percentage of provision within bracket)	Main reasons for Saving
(1)	(2)	(3)	(4)
GENERAL ADMINISTRATION DEPARTMENT			
1	A-02-Council of Ministers (Revenue - Voted)	2.22 (21)	Mainly due to cut imposed by Finance Department and surrender of funds based on actual requirement
2	A-03-Elections (Revenue - Voted)	22.00 (49)	Mainly due to cut imposed by Finance Department on economy grounds, vacant posts, DA not being sanctioned and postponement of date of publishing of electoral rolls (Rs.17.44 crore). Reasons for the remaining savings (Rs.4.56 crore) are awaited (September 2002).
3	A-05-Secretariat-General Services (Revenue - Voted)	11.75 (24)	Mainly due to surrender of funds on economy grounds and non-approval of projects
4	A-08-Miscellaneous General Services (Revenue - Voted)	2.69 (32)	Due to surrender of funds on the basis of revised estimates sanctioned by Finance Department and non-disbursement of grants.
5	A-11-Information and Publicity (Revenue - Voted)	3.76 (18)	Due to surrender of funds on economy grounds, closure of establishment and vacant posts.
HOME DEPARTMENT			
6	B-01-Administration of Justice (Revenue - Voted)	1.84 (15)	Due to surrender of funds on the basis of revised estimates sanctioned by Finance Department.

APPENDIX VI (contd.)

Sr. No.	Number and name of grant/appropriation	Amount of saving (Rupees in crore) (Percentage of provision within bracket)	Main reasons for Saving
(1)	(2)	(3)	(4)
7	B-04-Other Taxes and Duties on commodities and Services (Revenue - Voted)	2.89 (49)	Reasons are awaited. (September 2002)
8	B-06-Police (Revenue - Voted)	287.36 (15)	Mainly due to surrender/reappropriation of funds as per the directions of Finance Department.
9	B-08-Other Administrative Services (Revenue - Voted)	6.28 (20)	Mainly due to surrender/reappropriation of funds as per the directions of Finance Department.
10	B-17-Tourism (Revenue - Voted)	8.99 (44)	Reasons are awaited. (September 2002)
11	B-19-Capital Outlay on Road Transport (Capital - Voted)	42.48 (16)	Reasons are awaited. (September 2002)
12	B-23-Loans to Government Servants, etc. (Loans and Advances - Voted)	2.12 (12)	Reasons are awaited. (September 2002)
REVENUE AND FORESTS DEPARTMENT			
13	C-01-Land Revenue (Revenue - Voted)	17.06 (16)	Mainly due to surrender of funds based on actual requirement and non-passing of bills by the treasuries.
14	C-02-Stamps and Registration (Revenue - Voted)	19.38 (34)	Due to (i) non-filling up of vacant posts, (ii) non-passing of bills by the treasuries and (iii) economy cut imposed by Government.
15	C-03-Other Taxes and Duties on Commodities and Services (Revenue - Voted)	1.17 (20)	Due to non-filling up of vacant posts and economy cut imposed by Government

APPENDIX VI (contd.)

Sr. No.	Number and name of grant/appropriation	Amount of saving (Rupees in crore) (Percentage of provision within bracket)	Main reasons for Saving
(1)	(2)	(3)	(4)
16	C-06-District Administration (Revenue - Voted)	55.82 (19)	Mainly due to economy cut imposed by Government, late receipt of Government orders, non-acceptance of bills by treasuries. Reasons for the remaining savings (Rs.8.08 crore) are awaited. (September 2002)
17	C-07-Public Works (Revenue - Charged)	8.69 (21)	Due to non-finalisation of expected land compensation awards and savings effected.
18	C-07-Public Works (Revenue - Voted)	77.68 (80)	Due to non-finalisation of expected land compensation awards and non-declaration of land compensation awards
19	C-12-Social Security and Welfare (Revenue - Voted)	1.80 (12)	Due to posts remaining vacant, non-settlement of pending leave cases of staff and economy measures.
20	C-13-Relief on account of Natural Calamities (Revenue - Voted)	95.74 (29)	Reasons are awaited. (September 2002)
21	C-15-Forestry and Wild Life (Revenue - Voted)	30.84 (11)	Due to surrender of funds based on actual requirement (Rs.13.03 crore) Reasons for the remaining savings are awaited. (September 2002)
22	C-20-Capital Outlay on Social Security and Welfare (Capital - Voted)	3.79 (94)	Due to economy cut imposed by Government

APPENDIX VI (contd.)

Sr. No.	Number and name of grant/appropriation	Amount of saving (Rupees in crore) (Percentage of provision within bracket)	Main reasons for Saving
(1)	(2)	(3)	(4)
23	C-21-Capital Outlay on Forestry and Wild life (Capital - Voted)	5.36 (53)	Due to savings effected and the possibility of non-completion of pre-monsoon works for which revised grant was received late and also due to surrender of funds based on actual requirement
24	C-24-Capital Outlay on Power Projects (Capital - Voted)	1.15 (79)	Due to economy cut imposed by Government.
25	C-28-Loans for relief on account of Natural Calamities (Loans and Advances - Voted)	1.28 (74)	Due to less occurrence of natural calamities in the State and consequently less demand for loans
26	C-31-Loans to Government Servants, etc. (Loans and Advances - Voted)	3.20 (15)	Due to surrender of funds based on actual requirement (Rs.1.26 crore). Reasons for remaining savings are awaited (September 2002).
AGRICULTURE, ANIMAL HUSBANDRY, DAIRY DEVELOPMENT AND FISHERIES DEPARTMENT			
27	D-01-Interest Payments (Revenue - Charged)	4.61 (15)	Reasons are awaited. (September 2002)
28	D-06-Dairy Development (Revenue - Charged)	5.92 (47)	Reasons are awaited. (September 2002)
29	D-06-Dairy Development (Revenue - Voted)	114.27 (10)	Mainly due to (i) procurement of less milk, (ii) less expenditure on office expenses, salaries, overtime and purchase of new motor vehicles and (iii) vacant posts.

APPENDIX VI (contd.)

Sr. No.	Number and name of grant/appropriation	Amount of saving (Rupees in crore) (Percentage of provision within bracket)	Main reasons for Saving
(1)	(2)	(3)	(4)
30	D-07-Fisheries (Revenue - Voted)	3.61 (18)	Reasons are awaited. (September 2002)
31	D-11-Capital Outlay on Crop Husbandry (Capital - Voted)	3.13 (65)	Due to surrender of funds based on revised estimates (Rs.0.95 crore) Reasons for remaining savings are awaited. (September 2002).
32	D-13-Capital Outlay on Dairy Development (Capital - Voted)	3.32 (75)	Due to surrender of funds to divert the amount to grant No. D-06 as consolidated demand was taken under this grant (Rs.1.64 crore). Reasons for the remaining savings are awaited (September 2002).
33	D-19-Loans to Government Servants etc. (Loans and Advances - Voted)	7.50 (39)	Due to less demand from employees and refusal of applications due to non-fulfillment of conditions. (Rs.2.91 crore). Reasons for the remaining savings are awaited. (September 2002).
SCHOOL EDUCATION DEPARTMENT			
34	E-01-Interest Payments (Revenue - Charged)	70.85 (26)	Due to surrender/reappropriation of funds based on actual requirement. (Rs.44.86 crore). Reasons for the remaining savings are awaited. (September 2002).
35	E-03-Sports and Youth Services (Revenue - Voted)	2.88 (14)	Due to (i) non-arrangement of camps, (ii) less expenditure on pay and allowances and (iii) non-receipt of proposals for minor works from National Cadet Corps. (Rs. 1.42 crore). Reasons for the remaining savings are awaited. (September 2002).

APPENDIX VI (contd.)

Sr. No.	Number and name of grant/appropriation	Amount of saving (Rupees in crore) (Percentage of provision within bracket)	Main reasons for Saving
(1)	(2)	(3)	(4)
URBAN DEVELOPMENT DEPARTMENT			
36	F-02-District Administration (Revenue - Voted)	1.21 (35)	Due to surrender of funds as per actual requirements, lapse of some posts and vacant posts (Rs.0.43 crore). Reasons for the remaining savings are awaited. (September 2002)
37	F-04-Urban Development (Revenue - Voted)	209.25 (44)	Mainly due to reduction of original provision by Finance Department as per revised estimates and non-approval of Finance Department for distribution of grant in view of ways and means position.
38	F-05-Labour and Employment (Revenue - Voted)	7.22 (90)	Due to non-receipt of Central assistance.
39	F-08-Roads and Bridges (Revenue - Voted)	10.45 (12)	Due to reduction in revised estimate made by Finance Department
40	F-11-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions (Revenue - Voted)	79.53 (14)	Mainly due to (i) economy measures, (ii) non-approval of Finance Department to release the fund in view of ways and means position and (iii) surrender of funds based on actual requirement. Reasons for the remaining savings (Rs.38.09 crore) are awaited. (September 2002).
41	F-15-Loans for Urban Development (Loans and Advances - Voted)	126.88 (96)	Due to surrender of excess provision made inadvertently by Finance Department.

APPENDIX VI (contd.)

Sr. No.	Number and name of grant/appropriation	Amount of saving (Rupees in crore) (Percentage of provision within bracket)	Main reasons for Saving
(1)	(2)	(3)	(4)
FINANCE DEPARTMENT			
42	G-03-Other Fiscal Services (Revenue - Voted)	20.85 (43)	Reasons are awaited. (September 2002)
43	G-06-Secretariat-General Services (Revenue - Voted)	5.03 (41)	Due to non-filling up of vacant posts owing to economy measures and non-commencement of work of study groups established to find out resources of increasing Government income and late starting of committees set up for the scrutiny of working of public sector undertakings.
44	G-08-Other Administrative Services (Revenue - Voted)	165.93 (99)	Due to transfer of expenditure to respective departments.
45	G-10-Miscellaneous General Services (Revenue - Voted)	1563.46 (93)	Due to late commencement of two digit/three digit lotteries owing to court cases, less expenditure on printing and sales tax and non-utilisation of provision made for implementation of recommendation of State Finance Commission.
PUBLIC WORKS DEPARTMENT			
46	H-07-Roads and Bridges (Revenue - Voted)	269.23 (24)	Due to cut exercised by Finance Department in the revised estimates.
47	H-09-Public Works and Administrative and Functional Buildings (Revenue - Voted)	117.90 (14)	Due to cut exercised by Finance Department in the revised estimates.

APPENDIX VI (contd.)

Sr. No.	Number and name of grant/appropriation	Amount of saving (Rupees in crore) (Percentage of provision within bracket)	Main reasons for Saving
(1)	(2)	(3)	(4)
48	H-10-Capital Outlay on Housing (Capital - Voted)	3.74 (15)	Due to reduction in revised estimates by Government.
49	H-11-Capital Outlay on Flood Control Project (Capital - Voted)	2.30 (40)	Due to reduction in revised estimates by Government
50	H-12-Capital Outlay on Roads and Bridges (Capital - Voted)	190.08 (31)	Due to reduction in revised estimates by Government.
51	H-13-Capital Outlay on Public Works and Administrative and Functional Buildings (Capital - Voted)	13.98 (17)	Due to reduction in revised estimates by Government
52	H-14-Capital Outlay on Removal of Regional Imbalance (Capital - Voted)	48.59 (36)	Due to reduction in revised estimates by Government
IRRIGATION DEPARTMENT			
53	I-09-Secretariat-Economic Services (Revenue - Voted)	1.82 (38)	Reasons are awaited. (September 2002)
54	I-10-Capital Outlay on Soil and Water Conservation (Capital - Voted)	2.92 (45)	Due to non-commencement of work
55	I-11-Capital Outlay on Major and Medium Irrigation (Capital - Voted)	255.08 (16)	Mainly due to surrender of funds (i) on account of non-receipt of permission from Finance Department to spend the same, (ii) non-receipt of approval from Review Committee of Public Sector undertakings and (iii) savings effected due to Government's policy to effect economy.

APPENDIX VI (contd.)

Sr. No.	Number and name of grant/appropriation	Amount of saving (Rupees in crore) (Percentage of provision within bracket)	Main reasons for Saving
(1)	(2)	(3)	(4)
56	I-12-Capital Outlay on Minor Irrigation (Capital – Voted)	9.17 (57)	Reasons are awaited. (September 2002)
57	I-16- Capital Outlay on Removal of Regional Imbalance (Capital – Voted)	219.65 (91)	Mainly due to sanction of less provision in revised estimates and non-receipt of approval from Review Committee (Rs. 147.32 crore). Reasons for the remaining savings are awaited. (September 2002).
58	J-18-Loans to Government Servants, etc. (Loans and Advances – Voted)	1.71 (11)	Reasons are awaited (September 2002).
LAW AND JUDICIARY DEPARTMENT			
59	J-01-Administration of Justice (Revenue – Charged)	10.65 (22)	Due to vacant posts of judicial officer, decrease in number of courts and delay in filling of posts.
INDUSTRIES, ENERGY AND LABOUR DEPARTMENT			
60	K-05-Labour and Employment (Revenue – Voted)	4.26 (11)	Reasons are awaited (September 2002)
61	K-07-Power (Revenue – Voted)	661.44 (49)	Reasons are awaited. (September 2002)
62	K-08-Non-Conventional Sources of Energy (Revenue – Voted)	1.39 (67)	Reasons are awaited. (September 2002)

APPENDIX VI (contd.)

Sr. No.	Number and name of grant/appropriation	Amount of saving (Rupees in crore) (Percentage of provision within bracket)	Main reasons for Saving
(1)	(2)	(3)	(4)
63	K-10-Industries (Revenue – Voted)	32.30 (68)	Mainly due to (i) non-approval of proposal by Finance Department (Rs.27 crore), (ii) surrender of funds due to retirement of officers/staff and non-filling up of vacant posts (Rs.1.40 crore), Reasons for remaining savings are awaited. (September 2002)
64	K-14-Other Capital Outlay on Industries and Minerals (Capital – Voted)	4.00 (80)	Mainly due to surrender of funds based on actual requirement (Rs.2.85 crore). Reasons for remaining savings are awaited. (September 2002)
65	K-15-Loans for Other Social Services (Loans and Advances – Voted)	3.57 (46)	Due to disbursement of only 60 per cent budget provision as per the directions of Finance Department.
66	K-18-Other Loans to Industries and Minerals (Loans and Advances – Voted)	6.11 (64)	Due to disbursement of only 60 per cent budget provision as per directions of Finance Department and non-acceptance of proposals.
RURAL DEVELOPMENT AND WATER CONSERVATION DEPARTMENT			
67	L-06-Agricultural Research and Education (Revenue – Voted)	1.17 (27)	Due to cut imposed by Finance Department and non-receipt of assistance from Central Government.
68	L-07-Special programme for Rural Development (Revenue – Voted)	36.50 (59)	Due to surrender of funds based on demands from Zilla Parishads, cut imposed by Finance Department and non-release/less release of funds by Central Government, resulting in saving of State Share.

APPENDIX VI (contd.)

Sr. No.	Number and name of grant/appropriation	Amount of saving (Rupees in crore) (Percentage of provision within bracket)	Main reasons for Saving
(1)	(2)	(3)	(4)
69	L-08-Rural Employment (Revenue – Voted)	63.04 (37)	Due to surrender of funds on account of less release of State share in view of Way and Means position and proportionate release of State share to District Planning Development Board on the basis of actual requirement. (Rs.53.69 crore). Reasons for remaining savings are awaited (September 2002).
70	L-09-Other Rural Development Programmes (Revenue – Voted)	241.45 (64)	Due to non-approval by Finance Department to release the grant
71	L-13-Secretariat-Economic Services (Revenue – Voted)	1.07 (16)	Due to surrender of funds on account of anticipated less expenditure on pay and allowances due to vacant posts, non-acceptance of bills by Pay and Accounts office, non-payment of V th Pay Commission, transfer of leave salary encashment on retirement expenditure under the major head 2071 and restriction on air travels.
72	L-15-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions (Revenue – Charged)	22.14 (74)	Due to non-approval of Finance Department to release the funds.
73	L-15-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions (Revenue – Voted)	161.11 (82)	Due to non-approval of Finance Department to release the funds.
74	L-17-Capital Outlay on soil and Water Conservation (Capital – Voted)	35.62 (53)	Due to surrender of funds on the basis of revised estimates.

APPENDIX VI (contd.)

Sr. No.	Number and name of grant/appropriation	Amount of saving (Rupees in crore) (Percentage of provision within bracket)	Main reasons for Saving
(1)	(2)	(3)	(4)
75	L-19-Capital Outlay on Minor Irrigation (Capital – Voted)	13.02 (53)	Due to sanction of less provision in revised budget.
76	L-20-Capital Outlay on Removal of Regional Imbalance (Capital – Voted)	44.10 (87)	Due to non-release of funds by Finance Department (Rs.21.39 crore). Reasons for the remaining savings are awaited (September 2002)
77	L-23-Loans for Minor Irrigation (Loans and Advances – Voted)	1.24 (99)	Mainly due to surrender of funds on the basis of revised estimates. Reasons for the remaining savings of Rs.0.61 crore are awaited (September 2002)
78	L-25-Miscellaneous Loans (Loans and Advances – Voted)	1046.87 (59)	Due to surrender of funds on the basis of revised estimates and also due to non-receipt of sanction from Finance Department (Rs.1006.33 crore). Reasons for remaining savings are awaited (September 2002).
FOOD, CIVIL SUPPLIES AND CONSUMER PROTECTION DEPARTMENT			
79	M-02-Food Storage and Warehousing (Revenue – Voted)	190.21 (41)	Due to surrender of funds based on actual requirement.
80	M-05-Capital outlay on Food, Storage and Warehousing (Capital – Voted)	790.20 (40)	Due to surrender of funds on account of increase in rates of wheat and rice from 1.9.2001 resulting in less lifting of food grains and non-issue of cheques by the treasuries in view of way and means position.

APPENDIX VI (contd.)

Sr. No.	Number and name of grant/appropriation	Amount of saving (Rupees in crore) (Percentage of provision within bracket)	Main reasons for Saving
(1)	(2)	(3)	(4)
SOCIAL WELFARE, CULTURAL AFFAIRS AND SPORTS DEPARTMENT			
81	N-03-Sports and Youth Services (Revenue – Voted)	15.70 (31)	Due to surrender of funds based on actual requirement, non-filling up vacant posts, economy measure, receipt of incomplete proposals, non-receipt of proposals and approval of less number of proposals by Central Government.
82	N-04-Art and Culture (Revenue – Voted)	3.59 (16)	Reasons are awaited (September 2002).
83	N-05-Housing (Revenue – Voted)	18.86 (87)	Due to Government's policy to impose cut in expenditure (Rs.11.50 crore). Reasons for remaining savings are awaited (September 2002)
84	N-10-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (Capital – Voted)	24.25 (87)	Reasons are awaited (September 2002)
PLANNING DEPARTMENT			
85	O-04-Hilly Areas (Revenue – Voted)	4.60 (13)	Due to cut imposed by Finance Department
86	O-08-Investments in General Financial and Trading Institutions (Capital – Voted)	1.02 (70)	Due to cut imposed by Finance Department

APPENDIX VI (contd.)

Sr. No.	Number and name of grant/appropriation	Amount of saving (Rupees in crore) (Percentage of provision within bracket)	Main reasons for Saving
(1)	(2)	(3)	(4)
HOUSING DEPARTMENT			
87	Q-02-District Administration (Revenue – Voted)	3.14 (16)	Reasons are awaited. (September 2002)
88	Q-04-Housing (Revenue – Voted)	366.53 (86)	Due to non-release of funds by Finance Department.
89	Q-06-Social Security and Welfare (Revenue – Voted)	27.87 (11)	Reasons are awaited (September 2002)
PUBLIC HEALTH DEPARTMENT			
90	R-02-Family Welfare (Revenue – Voted)	51.39 (20)	Due to (i) non-receipt of sanction from Central Government to start new project and (ii) withdrawal of funds as it was not possible to estimate properly in respect of the Aids and Materials to be supplied by Central Government as well as non-receipt of sanction from Central Government
91	R-06-Capital Outlay on Medical and Public health (Capital – Voted)	3.93 (10)	Due to non-receipt of approval from Finance Department and Administrative approval and Draft maps from the World Bank.
TRIBAL DEVELOPMENT DEPARTMENT			
92	T-05-Co-operation (Revenue – Voted)	6.31 (51)	Due to surrender of funds as per direction of Finance Department
93	T-08-Capital Outlay on Tribal Area Development Sub-Plan (Capital – Voted)	24.21 (16)	Due to cut imposed by Finance Department.

APPENDIX VI (contd.)

Sr. No.	Number and name of grant/appropriation	Amount of saving (Rupees in crore) (Percentage of provision within bracket)	Main reasons for Saving
(1)	(2)	(3)	(4)
94	T-09-Capital Outlay on Removal of Regional Imbalance (Capital – Voted)	4.22 (19)	Reasons are awaited (September 2002)
95	T-11-Loans for Tribal Area Development Sub-Plan (Loans and Advances – Voted)	9.07 (43)	Reasons are awaited (September 2002)
CO-OPERATION AND TEXTILES DEPARTMENT			
96	V-04-Co-operation (Revenue – Voted)	50.83 (28)	Due to withdrawal of funds to meet anticipated additional expenditure under other schemes (Rs.14.45 crore) Reasons for remaining savings are awaited. (September 2002)
97	V-05-Village and Small Industries (Revenue – Voted)	4.59 (38)	Due to receipt of less proposals (Rs.1.28 crore). Reasons for remaining savings are awaited. (September 2002)
98	V-09-Capital Outlay on Co-operation (Capital – Voted)	180.34 (49)	Due to surrender of funds on account of inadvertent budget provision (Rs.100 crore). Reasons for remaining savings are awaited (September 2002)
99	V-10-Capital Outlay on Village and Small Industries (Capital – Voted)	6.93 (37)	Due to surrender of funds to make available funds for share capital contribution to Nagpur processing House and withdrawal of excess budget provision made than the recurring expenditure (Rs. 1.03 crore). Reasons for remaining savings are awaited. (September 2002)

APPENDIX VI (contd.)

Sr. No.	Number and name of grant/appropriation	Amount of saving (Rupees in crore) (Percentage of provision within bracket)	Main reasons for Saving
(1)	(2)	(3)	(4)
100	V-11-Capital Outlay on Other General Economic Services (Capital – Voted)	1.26 (91)	Reasons are awaited (September 2002)
101	V-14-Loans for Co-operation (Loans and Advances – Voted)	180.30 (23)	Reasons are awaited (September 2002)
102	V-15-Loans for Village and Small Industries (Loans and Advances – Voted)	11.22 (31)	Reasons are awaited (September 2002)
HIGHER AND TECHNICAL EDUCATION DEPARTMENT			
103	W-01-Interest Payments (Revenue – Charged)	19.26 (28)	Mainly due to surrender of funds based on actual requirement
104.	W-03-Technical Education (Revenue – Voted)	27.73 (10)	Due to surrender/reappropriation of funds as permission was not given by Finance Department to release the grant to non-government technical colleges and institutes.
105.	W-07-Secretariat-Social Services (Revenue – Voted)	4.13 (50)	Due to non-filling up of vacant posts (Rs.2.53 crore). Reasons for remaining savings are awaited. (September 2002)
106.	W-08-Revenue Expenditure on Removal of Regional Imbalances (Revenue – Voted)	3.43 (86)	Due to non-acceptance of bills for purchase of machinery by Treasury and cut imposed by Finance Department on economy grounds.
107.	W-09-Loans to Government Servants etc. (Loans and Advances – Voted)	2.11 (23)	Reasons are awaited (September 2002)

APPENDIX VI (contd.)

Sr. No.	Number and name of grant/appropriation	Amount of saving (Rupees in crore) (Percentage of provision within bracket)	Main reasons for Saving
(1)	(2)	(3)	(4)
WOMAN AND CHILD DEVELOPMENT DEPARTMENT			
108.	X-01-Social Security and Welfare	10.22 (23)	Due to less expenditure on pay and allowance on account of vacant posts and less receipt of revised budget estimates.
WATER SUPPLY AND SANITATION DEPARTMENT			
109.	Y-02-Water Supply and Sanitation (Revenue – Voted)	442.24 (48)	Due to surrender of funds as per approval for revised estimate received from Finance Department, release of grants directly to the Maharashtra Jeevan Pradhikaran by Central Government, and non-approval to release the funds by Finance Department.
110.	Y-09-Loans for Water Supply and Sanitation (Loans and Advances – Voted)	92.03 (43)	Due to non-approval to release the funds by Finance Department (Rs.81.36 crore). Reasons for remaining savings are awaited. (September 2002)
111.	Y-10-Loans to Government Servants, etc (Loans and Advances – Voted)	1.21 (60)	Due to less demand for advances from Government employees (Rs.0.25 crore). Reasons for remaining savings are awaited (September 2002).
112.	Z-04-Non-Ferrous Mining and Metallurgical Industries (Revenue – Voted)	35.49 (52)	Reasons are awaited (September 2002)

APPENDIX VI (concl'd.)

Sr. No.	Number and name of grant/appropriation	Amount of saving (Rupees in crore) (Percentage of provision within bracket)	Main reasons for Saving
(1)	(2)	(3)	(4)
EMPLOYMENT AND SELF EMPLOYMENT DEPARTMENT			
113.	ZA-01-Labour and Employment (Revenue – Voted)	9.90 (25)	Due to surrender of funds based on actual requirement, less response from Industrialists, late disbursement of financial assistance to educated unemployed, non-acceptance of bills by Pay and Accounts office for payment of financial assistance and non-filling up of posts. (Rs. 6.22 crore). Reasons for remaining savings are awaited. (September 2002)
114.	ZA-04-Capital Outlay on Other Social Services (Capital – Voted)	4.36 (81)	Due to non-approval of Share Capital Contribution by Government
MAHARASHTRA LEGISLATURE SECRETARIAT			
115.	ZC-01-Parliament/State/Union Territory Legislature (Revenue – Voted)	7.02 (19)	Due to less expenditure on travel expenses.

APPENDIX VII

(Reference : Paragraph 2.5.2; Page 36)

Statement of various grants/appropriations where there was persistent saving in excess of Rs 10 lakh each and 20 per cent or more of the provision

Sr. No.	Number and name of grant/ appropriation	Percentage of saving		
		1999-2000	2000-2001	2001-2002
(1)	(2)	(3)	(4)	(5)
REVENUE AND FORESTS DEPARTMENT				
1	C-07-Public Works (Voted)	73	74	80
2	C-07-Public Works (Charged)	97	90	21
3	C-13-Relief on Account of Natural Calamities (Charged)	100	95	59
URBAN DEVELOPMENT DEPARTMENT				
4	F-04-Urban Development (Voted)	29	33	44
LAW AND JUDICIARY DEPARTMENT				
5	F-07-Compensation and Assignment to Local Bodies and Panchayati Raj Institutions (Voted)	87	55	100
RURAL DEVELOPMENT AND WATER CONSERVATION DEPARTMENT				
6	L-07-Special programmes for Rural Development (Voted)	60	46	59
7	L-23-Loans for Minor Irrigation (Voted)	100	74	99
SOCIAL WELFARE, CULTURAL AFFAIRS AND SPORTS DEPARTMENT				
8	N-02-General Education (Voted)	100	85	40

APPENDIX VII (concl.)

Sr. No.	Number and name of grant/ appropriation	Percentage of saving		
		1998-1999	1999-2000	2000-2001
(1)	(2)	(3)	(4)	(5)
HOUSING DEPARTMENT				
9	Q-04-Housing (Voted)	48	40	86
ENVIRONMENT DEPARTMENT				
10	U-04-Ecology and Environment (Voted)	81	60	100
HIGHER AND TECHNICAL EDUCATION DEPARTMENT				
11	W-08-Revenue Expenditure on Removal of Regional Imbalances (Voted)	43	76	86
EMPLOYMENT AND SELF-EMPLOYMENT DEPARTMENT				
12	ZA-05-Loans to Government servants, etc. (Voted)	80	37	62

APPENDIX VIII

(Reference : Paragraph 2.6; Page 36)

Cases of significant excess persistently noticed

Sr. No (1)	Number and name of grant/ appropriation (2)	Amount of excess		
		1999-2000 (3) (Rupees)	2000-2001 (4) in	2001-2002 (5) lakh)
1	D-04-Soil and Water Conservation	13249.78	9412.53	8812.84
2	D-09-Minor Irrigation	843.78	1297.57	1085.27
3	I-03-Major and Medium Irrigation	100521.26	105907.47	106360.23
4	S-01-Medical and Public Health	1720.67	2038.44	499.97
5	T-02-Welfare of Scheduled Castes, Scheduled Tribes and other Backward classes	481.69	527.33	500.49
6	Y-04-Minor Irrigation	74.75	38.48	181.47

APPENDIX IX

(Reference :Paragraph 2.7.; Page 36)

Cases where reappropriation of funds proved excessive or insufficient

Sr. No.	Grant No. and title of Grant/Appropriation	Head of Account	Reappropriation (Rupees in lakh)	Excess(+)/ Savings(-) lakh
(1)	(2)	(3)	(4)	(5)
1	A-02 Council of Ministers	2013.108 Tour Expenses	(-)15.46	(+)115.60
2	A-05-Secretariat-General Services-	2052.090 (5) Expenditure in connection with winter session of the State Legislature of Nagpur	(+)35.45	(-)82.96
3	A-05-Secretariat-General Services-	2052.090(1) Secretariat	(-)50.82	(+)73.26
4	A-06-Public works	2059.80.800.(2) Construction of monuments and statues of great national personalities	(-)104.98	(+)96.80
5	A-12-Social Security and Welfare	2035.102.1 Pension to Freedom Fighters, their dependents etc	(-)98.99	(+)296.09
6	A-15-Census, Surveys and Statistics	3454-01-001 Direction and Administration	(-)16.81	(+)96.42
7	B-01-Administration of Justice	2014-114-(i) Director, Government Prosecution	(-)258.28	(+)77.37
8	B-06-Police	2055-105 Border Security Force	(-)142.85	(+)129.30
9	B-06-Police	2055-116 Forensic Science Laboratory	(-)68.07	(+)36.90

APPENDIX IX (contd.)				
Sr. No.	Grant No. and title of Grant/Appropriation	Head of Account	Reappropriation (Rupees in lakh)	Excess(+)/ Savings(-)
(1)	(2)	(3)	(4)	(5)
10	B-06-Police	2055-101(i) Criminal Investigation Department, Greater Mumbai	(+) 701.03	(-)328.05
11	B-07-Jails	2056-101-(i) Central Jails	(-)180.22	(+)309.70
12	B-17-Tourism	3452-101-(ii)(i) Ajanta Ellora Development Plan	(+)98.51	(-)449.36
13	B-23-Loan for Government Servants, etc.	7610-202 Advances for purchase of motor conveyances	(-)16.67	(+)141.27
14	C-02-Stamps and Registration	2030-02-102 Expenses on Sale of Stamps	(-)82.97	(+)602.72
15	C-06-District Administration	2053-093 (i)(ii) Commissioner, Konkan	(-)314.31	(+)177.19
16	C-06-District Administration	2053-094(i)(i) Commissioner, Konkan	(-)296.09	(+)176.17
17	C-06-District Administration	2053-094(i)(iv) Commissioner, Pune	(-)178.82	(+)77.90
18	C-06-District Administration	2053-094(ii) Commissioner, Konkan	(+)768.87	(-)808.45
19	C-06-District Administration	2053-094(iii) Commissioner, Konkan	(-)534.28	(+)214.84
20	C-12-Social Security and Welfare	2235-60-200-(ii) Relief to Sufferes in riots affected areas	(-)101.08	(+)129.92
21	C-13-Relief on account of Natural Calamities	2245-02-101(viii) Other items	(+)6648.05	(-)9572.04

APPENDIX IX (contd.)				
Sr. No.	Grant No. and title of Grant/Appropriation	Head of Account	Reappropriation (Rupees in lakh)	Excess(+)/ Savings(-)
(1)	(2)	(3)	(4)	(5)
22	C-15-Forestry and Wild life	2406-001(i) Forestry –Direction and Administration Chief Conservator of Forests	(+)19.65	(-)37.81
23	C-15-Forestry and Wild life	2406-101(iv) Forestry-Forest Conservation Development and Regeneration Fire & Forest Protection	(-)74.69	(+)86.83
24	C-15-Forestry Wild life	2406-101(i) Forest Conservation Development Administration and Protection	(+)60.93	(-)38.69
25	C-31-Loans to Government Servants, etc.	7610-201- House Building Advances	(+) 43.56	(-) 221.25
26	D-01-Interest Payments	2049-03-104-(1) General Provident fund of staff in Agricultural Universities and Allied Institutions	(+) 114.67	(-) 460.86
27	D-03-Crop Husbandry	2401-113-(ii)(iv) Subsidy for installing Sprinkler Irrigation System(assistance for drip Irrigation)	(+)348.36	(-)884.01
28	D-03-Crop Husbandry	2401-103(ii)(v) Subsidy on Seed production Distribution and Storage-Centrally Sponsored Scheme	(+)60.00	(-)324.83

APPENDIX IX (contd.)				
Sr. No.	Grant No. and title of Grant/Appropriation	Head of Account	Reappropriation (Rupees in lakh)	Excess(+)/ Savings(-) lakh
(1)	(2)	(3)	(4)	(5)
29	D-03-Crop Husbandry	2401-103 (ii)(i) Subsidy to Maharashtra State Seed Corporation for buffer stocking seeds	(+)20.00	(-)108.28
30	D-03-Crop Husbandry	2401-105-(ii)(xiv) Production and distribution of vermin-compost Centrally Sponsored Scheme	(+)180.00	(-)192.84
31	D-03-Crop Husbandry	2401-107-(ii)(xi) Pesticides Testing Laboratories-Centrally Sponsored Scheme	(+)75.76	(-)270.76
32	D-03-Crop Husbandry	2401-111-(ii)(vii) World Agricultural Census Centrally Sponsored Scheme	(+)16.00	(-)31.07
33	D-03-Crop Husbandry	2401-102-(ii)(v) Centrally Sponsored Scheme-Integrated Cereals Development Programme	(-)0.73	(+)289.52
34	D-03-Crop Husbandry	2401-113(ii)(ii) Subsidy for installing sprinkle Irrigation system	(+)123.19	(-)106.97
35	D-03-Crop Husbandry	2401-114-(ii) Intensive Oil Seeds Development Programme	(-)7.84	(+)154.24
36	D-03-Crop Husbandry	2401-114(ii)(i) State Plan Scheme Intensive Oil Seeds Development Programme	(-)2.68	(+)61.85

APPENDIX IX (contd.)				
Sr. No.	Grant No. and title of Grant/Appropriation	Head of Account	Reappropriation (Rupees in lakh)	Excess(+)/ Savings(-) lakh
(1)	(2)	(3)	(4)	(5)
37	D-03-Crop Husbandry	2401-119-(I)-(b)(x) Subsidy to Intensive Development of fruits	(+)370.00	(-)89.74
38	D-03-Crop Husbandry	2401-800-(ii) Input subsidy under Special Component Plan	(-)235.49	(+)1002.97
39	D-05-Animal Husbandry	2403-102-08 Artificial insemination Centre	(-)3.54	(+)32.77
40	D-05-Animal Husbandry	2403-101(01) Hospital and Dispensaries	(+)111.87	(-)790.87
41	D-05-Animal Husbandry	2403-104-(04) Plan Grants to Zilla Parishad (Programme Special Livestock Breeding)	(-)45.42	(+)31.80
42	D-05-Animal Husbandry	2403-109-(19) Establishment of Animal and Fisheries Science University	(+)40.00	(-)150.00
43	D-06-Dairy Development	2404-207 Government Milk Scheme, Satara	(+)193.59	(-)2221.73
44	D-06-Dairy Development	2404-001 Direction and Administration	(-)50.98	(+)544.64
45	D-06-Dairy Development	2404-204 Government Milk Scheme, Miraj	(+)4472.18	(-)2872.54

APPENDIX IX (contd.)

Sr. No.	Grant No. and title of Grant/Appropriation	Head of Account	Reappropriation (Rupees in lakh)	Excess(+)/ Savings(-)
(1)	(2)	(3)	(4)	(5)
46	D-06-Dairy Development	2404-209 Government Milk Scheme, Dhule	(+)1015.11	(-)328.16
47	D-06-Dairy Development	2404-210 Government Milk Scheme, Ahmednagar	(+)810.63	(-)93.23
48	D-06-Dairy Development	2404-216 Government Milk Scheme, Mahad	(-)9.24	(+)43.98
49	D-06-Dairy Development	2404-219 Government Milk Scheme, Aurangabad	(+)464.60	(-)92.34
50	D-06-Dairy Development	2404-220 Government Milk Scheme, Udgir	(+) 445.82	(-)422.54
51	D-06-Dairy Development	2404-001(i)(4) District offices (Charged)	(+)1.97	(-)1231.52
52	D-06-Dairy Development	2404-001 Direction and Administration (Charged)	(-)24.14	(+) 656.18
53	E-01-Interest Payments	2049-03-104-104(a) Other Miscellaneous Funds Provident fund of Ex.- District School Board Fund Primary Teachers and staff	(-)819.81	(+) 649.70

APPENDIX IX (contd.)				
Sr. No.	Grant No. and title of Grant/Appropriation	Head of Account	Reappropriation (Rupees)	Excess(+)/ Savings(-) lakh
(1)	(2)	(3)	(4)	(5)
54	E-02-General Education	2202-01-103(1)(a) Purposive Grants to Zilla Parishads Under Section 182 of the Maharashtra Zilla Parishads and Panchayat Samitis Act 1961	(-)1165.93	(+) 74025.14
55	E-02-General Education	2202-01-103-103(1)(a) Other Local Bodies	(+)2060.45	(-)1151.61
56	E-02-General Education	2202-01-104(II) Purposive Grants to Zilla Parishads Under Section 182 of the Maharashtra Zilla Parishads and Panchayat Samitis Act 1961	(-) 428.60	(+) 1580.65
57	E-02-General Education	2202-02-191(I)(b) Plan Grants to Zilla Parishads Under Section 187 of the Maharashtra Zilla Parishads and Panchayat Samitis Act 1961 for Ex.-Government Secondary Schools	(-)28.55	(+) 90.98
58	E-02-General Education	2202-02-800(ix) Additional Free ship upto Standard X to the Student boys or whose parents income does not exceed Rs.15,000/-per annum	(-)20.77	(+) 169.89
59	E-02-General Education	2202-80-800(XIV) Free Education to the Children of Teachers and non teaching staff of Secondary, Higher Secondary Schools D.Ed.course.	(+)12.33	(-)51.18

APPENDIX IX (contd.)				
Sr. No.	Grant No. and title of Grant/Appropriation	Head of Account	Reappropriation (Rupees in lakh)	Excess(+)/ Savings(-)
(1)	(2)	(3)	(4)	(5)
60	F-14-Internal Debt of the State Government	6003-104 Repayment of loans from the General Corporation of India	(-)93.09	(+)21.68
61	G-03-Other Fiscal Services	2047-103 Promotion of Small savings Directorate of Small savings	(-)78.54	(+)37.22
62	G-05-Interest Payments	2049-04-104-104(2) Shares of Small saving Collections	(-)126758.08	(+)17865.57
63	G-05-Interest Payments	2049-01-200-200(3) Interest on Loans from HUDCO	(+)873.44	(-)773.73
64	G-05-Interest Payments	2049-01-101 Interest on Market Loans	(-)895.42	(+)1613.17
65	G-09 Pension and Other Retirement Benefits	2071-01-101-101(ii) Superannuation and Retirement Allowances-Pensions sanction Under section I of the New Pension Rules,1950-For Service after 1st April 1936	(-)2000.00	(+)18669.93
66	G-09-Pension and Other Retirement Benefits	2071-115 Leave Encashment Benefits	(-)800.00	(+)2484.91
67	G-09 Pension and Other Retirement Benefits	2071-103 Compassionate allowances before 1st April 1936	(+)165.00	(-)300.00
68	H-06-Civil Aviation	3053-102-102(ii)(ii) Maintenance of Air Strips	(-)45.00	(+)30.66

APPENDIX IX (contd.)				
Sr. No.	Grant No. and title of Grant/Appropriation	Head of Account	Reappropriation (Rupees in lakh)	Excess(+)/ Savings(-)
(1)	(2)	(3)	(4)	(5)
69	H-07-Roads and Bridges	3054-03-102(i) Maintenance and Repair to communication in state sector	(-)25841.05	(+)2751.82
70	I-03-Major and Medium Irrigation	2701.80.001.(2)(i) Common establishment Supervisory	(-)12.53	(+)85.17
71	I-03-Major and Medium Irrigation	2701.80.001(2)(ii) Executive	(-)194.86	(+)816.48
72	I-03-Major and Medium Irrigation	2701.80.002(2)(1) Data Collection Establishment	(-)88.20	(+)149.31
73	I-03-Major and Medium Irrigation	2701.80.002.(4) Data collection Works	(-)100.34	(+)102.93
74	I-03-Major and Medium Irrigation	2701.80.01.(2) Expenditure transferred from Converted Regular Temporary Permanent Establishment by way of Book Adjustment	(-)265.71	(+)119.83
75	I-03-Major and Medium Irrigation	2701.80.001.(5) Grant in aid Grant in Aid Payment walmi	(-)184.36	(+)114.16
76	I-03-Major and Medium Irrigation	2701.001.(4) Charges transferred from other Heads.	(+)62.81	(-)189.12
77	I-07-Power	2801.001(i) Direction and Administration Koyana Hydro Electric Project Stage I & II	(-)33.56	(+)34.23

APPENDIX IX (contd.)

Sr. No.	Grant No. and title of Grant/Appropriation	Head of Account	Reappropriation (Rupees in lakh)	Excess(+)/Savings(-)
(1)	(2)	(3)	(4)	(5)
78	I-12-Capital Outlay on Minor Irrigation	4702.800.(2)(1) Other charges Schemes in five year plan Normal Minor Irrigation Scheme Establishment Tools and Plant Shares	(-)66.07	(+)88.42
79	I-16-Capital Outlay on Removal of Regional Imbalance	4701.80.190(v) Investment in Public Sector and other undertakings Share capital contribution to Godavari Marathwada Irrigation Development-Corporation	(-)6897.50	(+)544.87
80	I-16-Capital Outlay on Removal of Regional Imbalance	4702.800.(3) Land acquisition	(-)154.61	(+)142.64
81	L-01-Interest Payments	2049.03.104 Interest on State Provident Funds	(-)1308.02	(+)51450.91
82	L-02-District Administration	2053.093.(1) Zilla Parishad and Panchayat Samitis Administration.	(-)4.99	(+)41.75
83	L-02-District Administration	2053 .093(5)(i) Grants under section 183 of the Maharashtra Zilla Parishads and Panchayat Samitis Act 1961- Revised Staffing Pattern	(-)3405.88	(+)7881.05
84	L-02-District Administration	2053.093 (5)(ii) Performance Budgets of the Zilla Parishads	(-)2.81	(+)66.74

APPENDIX IX (contd.)				
Sr. No.	Grant No. and title of Grant/Appropriation	Head of Account	Reappropriation (Rupees in lakh)	Excess(+)/ Savings(-) (lakh)
(1)	(2)	(3)	(4)	(5)
85	L-02-District Administration	2053.093 (5)(iii) On accounts of pensionary liability	(-)3772.02	(+)5487.49
86	L-02-District Administration	2053.093.(2).(ii) Expenditure connected with elections to Zilla Parishads and Panchayat Samities	(+)1246.28	(-)3499.00
87	L-11-Minor Irrigation	2702.80.191(i) Purposive grants to Zilla Parishad Under section 182 of Maharashtra Zilla Parishad and Panchayat Samitis Act 1961 (Local Sector)	(-)40.00	(+)61.66
88	L-11-Minor Irrigation	2702.80.191(iii) Work charged Daily Rated Staff Programme on regular establishment	(-)8.75	(+)1491.45
89	L-11-Minor Irrigation	2702.80.191(ii)(a) Kolhapur Type Weirs General plan	(-)194.92	(+)429.07
90	L-11-Minor Irrigation	2702.80.191(i)(b) Minor Irrigation Works Special Component Plan.	(-)16.50	(+)149.29
91	L-12-Non Conventional Sources of Energy	2810.01.101(i) Setting up of Gobar Gas Plants	(-)173.98	(+)217.00
92	L-15-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions.	3604.200(V) Assistance to Village Panchayat in lieu of Pilgrim tax.	(-)3.94	(+)24.80

APPENDIX IX (contd.)

Sr. No.	Grant No. and title of Grant/Appropriation	Head of Account	Reappropriation (Rupees in lakh)	Excess(+)/ Savings(-)
(1)	(2)	(3)	(4)	(5)
93	L-19-Capital Outlay on Minor Irrigation	4702.800.(ii)(a) Construction of Kolhapur Type weirs, General Plan (101 to 250 Hectares)	(-)121.29	(+)100.33
94	M-02-Food Storage and Warehousing	2408.01.101(IV) Procurement and Supply Mumbai City	(-)18.63	(+)38.98
95	N-07-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2225.01.001(01)(01) Direction and Administration Directorate of Social Welfare (B.C. Wing)	(-)26.12	(+)37.40
96	N-07 Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2225.01.001(04) Establishment grant to Zilla Parishads under section 183 of Maharashtra Zilla Parishad and Panchayat Samiti Act, 1961 (Local sector) (Paid by treasury)	(-)186.44	(+)270.13
97	N-07 Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2225.01.77.(2)(01)(02) Government of India Post Matric Scholarships	(+)500.00	(-)122.64
98	N-07-Welfare of Scheduled Castes Scheduled Tribes and Other Backward Classes	2225.01.277(4)(01) Grant in aid to Zilla Parishads under section 182 of the Maharashtra Zilla Parishad and Panchayati Samities Act, 1961	(-)32.12	(+)1487.86

APPENDIX IX (contd.)				
Sr. No.	Grant No. and title of Grant/Appropriation	Head of Account	Reappropriation (Rupees in lakh)	Excess(+)/ Savings(-) (lakh)
(1)	(2)	(3)	(4)	(5)
99	N-07-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2225.03.277 (01)(02) Grants in aid to Zilla Parishads under section 182 of the Maharashtra Zilla Parishad and Panchayat Samitis Act 1961 (Local Sector) (Adjustment to Ways and Mean Advances)	(-)54.25	(+)182.46
100	N-07-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2225.03.277(i)(01)(01) Opening and Maintenance of Government Hostels for Economically Backward Class Girls/Boys	(-)15.86	(+)35.17
101	N-07-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2225.277(01)(04) and (02) (03) Payment of Tution fees Examination fees	(-)164.50	(+)103.00
102	N-07-Welfare of Schedules Castes, Scheduled Tribes and Other Backward Classes	2225.277(02)(01) Grants in aid to Zilla Parishad under section 187 of Maharashtra Zilla Parishad and Panchayati Samitis Act 1961 (S.C.P.)	(-)491.88	(+)441.78
103	O-02-Rural Employment	2505.60.(1)(a) Employment Gurantee Scheme	(-)541.23	(+)24714.22
104	Q-04-Housing	2216.02.(3) Slum Improvement fund	(-)6.13	(+)592.26
105	Q-04-Housing	2216.03.800.(i) Centrally Sponsored Scheme. Assistance to District Rural Development Agency	(-)2474.50	(+)137.10

APPENDIX IX (contd.)

Sr. No.	Grant No. and title of Grant/Appropriation	Head of Account	Reappropriation (Rupees in lakh)	Excess(+)/ Savings(-) lakh
(1)	(2)	(3)	(4)	(5)
106	Q-06-Social Security and Welfare	2235.104.(2) Financial assistance to landless old labourers	(+246.81	(-)1582.17
107	R-01-Medical and Public Health	2210.01.102.1.(3) Employees State Insurance Scheme, Hospitals	(-)328.92	(+)557.10
108	R-01-Medical and Public Health	2210.03.110.5.(1) Cottage Hospitals	(-)47.99	(+)73.99
109	R-01-Medical and Public Health	2210.03.800.(1) Purposive Grants to Zilla Parishads under section 182 of the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961	(-)37.63	(+)526.93
110	R-01-Medical and Public Health	2210.06.001.(5).(1) Establishment grants to Zilla Parishads and under Panchayat Samities Act, 1961	(-)186.82	(+)300.72
111	R-01-Medical and Public Health	2210.06.010.(1) Up gradation of Primary Health Centers into Rural Hospitals	(-)131.54	(+)276.31
112	R-01-Medical and Public Health	2210.06.101.(v) Cholera control Programme	(-)74.85	(+)138.38
113	R-01-Medical and Public Health	2210.06.101.(9) Leprosy Control units and Hospitals	(-)67.67	(+)836.75

APPENDIX IX (contd.)				
Sr. No.	Grant No. and title of Grant/Appropriation	Head of Account	Reappropriation (Rupees in lakh)	Excess(+)/Savings(-)
(1)	(2)	(3)	(4)	(5)
114	R-01-Medical and Public Health	2210.06.101.(2) District Medical Officer	(+)509.55	(-)500.37
115	R-01-Medical and Public Health	2210.06.001.(5).(2) Purposive grants to Zilla Parishads Under section 182 of Maharashtra Parishads and Panchayat Samitis Act, 1961.	(-)146.73	(+)10112.68
116	R-01-Medical and Public Health	2210.06.101.(19) National Leprosy Control Programme	(-)114.96	(+)63.03
117	R-01-Medical and Public Health	2210.113.(2) Bureau of Health Publicity	(-)75.17	(+)38.77
118	R-02-Family Welfare	2211.001.(7) World Bank Aid Project Reproductive and child Health Programme	(-)3922.15	(+)872.29
119	R-02-Family Welfare	2211.105.(1) Compensations for sterilisations and Intra Uterin Devices	(+)274.75	(-)725.05
120	R-02-Family Welfare	2211.001.(2) District Family Welfare Bureau	(-)125.06	(+)223.07
121	R-02 -Family Welfare	2211.103.(7) Maternity and Child Health Expanded Programme of Immunisation	(-)275.03	(+)638.59

APPENDIX IX (contd.)

Sr. No.	Grant No. and title of Grant/Appropriation	Head of Account	Reappropriation (Rupees in lakh)	Excess(+)/ Savings(-)
(1)	(2)	(3)	(4)	(5)
122	R-02-Family Welfare	2211.101.(3) Rural Family Welfare Services Purposive Grants to the Zilla Parishads under section 182 of the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961	(-)2.80	(+)16.98
123	R-02-Family Welfare	2210.800.(2) Other Expenditure 3 per cent Agency Charges payable to Zilla Parishads	(-)4.00	(+)101.34
124	R-07-Loans to Govt Servants, etc.	7610.201 House Building Advances	(+)10.20	(-)87.82
125	S-01-Medical and Public Health	2210.01.110.(3) Urban Health Services-Allopathy Hospitals and Dispensaries Gokuldas Tejpal Hospital, Mumbai	(-)44.37	(+)63.17
126	S-01-Medical and Public Health	2210.01.110.(1) Hospitals and Dispensaries Sir Jamshetji Jijibhoy Group of Hospitals, Mumbai	(-)1476.77	(+)244.22
127	T-02-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2235.277.(01)(01) Opening and Maintenance of Government Hostels for Scheduled Tribes Boys/Girls	(-)132.00	(+)341.33

APPENDIX IX (contd.)				
Sr. No.	Grant No. and title of Grant/Appropriation	Head of Account	Reappropriation (Rupees in lakh)	Excess(+)/ Savings(-) lakh
(1)	(2)	(3)	(4)	(5)
128	T-02-Welfare of Scheduled castes, Scheduled Tribes and Other Backward classes	2235.277.(03)(03) Grant-in aid to voluntary agencies for running Ashramshala and post Basic Ashramshalas	(+)49.11	(-)446.00
129	T-06-Revenue Expenditure on Tribal Areas Development Sub-Plan	2210-Medical and Public Health	(-)1074.89	(+)2150.69
130	T-06 Revenue Expenditure on Tribal Areas Development Sub Plan	2215-Water Supply and Sanitation	(-)1468.73	(+)3636.29
131	T-06-Revenue Expenditure on Tribal Areas Development Sub Plan	2236-Nutrition	(-)1285.66	(+)4804.95
132	T-06-Revenue Expenditure on Tribal Areas Development Sub Plan	2401-Crop Husbandry	(-)669.79	(+)1151.02
133	T-08-Capital outlay on Tribal Area Development Sub-Plan	4702-Capital outlay on Minor Irrigation	(-)1295.79	(+)336.48
134	T-09 Capital Outlay on Removal of Regional Imbalance	5054-Capital outlay on Roads and Bridges	(-)724.94	(+)422.17
135	U-01 Interest Payments	2049.03.104 Interest on Maharashtra Pollution Control Board, Employees Provident Fund	(-)14.67	(+)631.60

APPENDIX IX (contd.)

Sr. No.	Grant No. and title of Grant/Appropriation	Head of Account	Reappropriation (Rupees in lakh)	Excess(+)/ Savings(-) (lakh)
(1)	(2)	(3)	(4)	(5)
136	V-04-Co-operation	2425.001.(i)(d) Directorate of Handlooms, Powerlooms and Co-operative Textiles	(+)137.87	(-)311.24
137	V-09-Capital Outlay on Co-operation	4425.108.(iii)(ii)(i) Share Capital contribution to Co-operative Sugar Factories	(-)317.19	(+)71.97
138	V-09-Capital Outlay on Co-operation	4425.108(iv)(ii)(ii) Share Capital Contribution to Co-operative Spinning Mills	(-)16092.34	(+)305.00
139	X-02-Nutrition	2236.02.101(1)(i) Special Nutrition Programmes-Grant in Aid to Zilla Parishads under sections 123 and 261 of the Maharashtra Zilla Parishad and Panchayat Samitis Act, 1961	(-)261.15	(+)12186.18
140	X-02-Nutrition	2236.02.101(2)(1) Special Nutrition Programmes-Centrally Sponsored Scheme-Grant- in Aid to Zilla Parishads under sections 123 and 261 of the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961 (Integrated Child Development Scheme)	(-)1366.37	(+)6226.99

APPENDIX IX (concl'd.)

Sr. No.	Grant No. and title of Grant/Appropriation	Head of Account	Reappropriation (Rupees in lakh)	Excess(+)/ Savings(-) lakh
(1)	(2)	(3)	(4)	(5)
141	Y-02-Water Supply and Sanitation	2215.01.102(b)(1) Grants to Village Panchayats/ Zilla Parishads for Piped Water Supply Schemes	(-)454.16	(+)2009.37
142	Y-02-Water Supply and Sanitation	2215.01.102(d)(v) Rural Drinking Water Supply-Piped Water Supply Scheme	(-)70.58	(+)993.41
143	Y-02-Water Supply and Sanitation	2215.01.191(5)(i) Establishment Grants to Zilla Parishads under Section 183 of Maharashtra Zilla Parishads and Panchayats Samitis Act 1961 (Local - Sector – Regular Establishment)	(-)881.67	(+)1398.90

APPENDIX – X

(Reference : Paragraph 2.8; Page 36)

Statement of cases where expenditure was incurred without any provision of funds

Sr. No. (1)	Grant No. (2)	Head of Account (3)	Expenditure (Rupees in lakh) (4)
HOME DEPARTMENT			
1.	B-01	2014- Administration of Justice 109- Coroners courts	3.83
2.	B-06	2055-Police 115-Modernisation of Police Force 115(3)- Forensic Science	2193.53
3.	B-06	2055-Police 115-Modernisation of Police Force 115(1)- City Police	6174.24
REVENUE AND FORESTS DEPARTMENT			
4.	C-01	2029-Land Revenue 001-Direction and Administration	2.95
5.	C-20	4235-Capital Outlay on Social Security and Welfare 01-Rehabilitation 201-Other Rehabilitation Schemes 201(i)-Acquisition of lands from benefited zones for distribution to the Project Affected Persons	38.57
6.	C-23	4701-Capital Outlay on Major and Medium Irrigation (10) Jayakwadi Project	0.88
7.	C-23	4701-Capital Outlay on Major and Medium Irrigation (11) Mula Project	3.67
8.	C-23	4701-Capital Outlay on Major and Medium Irrigation (27)-Upper Penganga Project	1.16

APPENDIX – X (contd.)			
Sr. No. (1)	Grant No. (2)	Head of Account (3)	Expenditure (Rupees in lakh) (4)
9.	C-23	4701-Capital Outlay on Major and Medium Irrigation (0137)(31)- Major Irrigation-Commercial Scheme in Five year Plan-State Plan Scheme Major Works Bawantadi Project	0.36
10.	C-23	4701-Capital Outlay on Major and Medium Irrigation (34)-Majalgaon Project	0.12
11.	C-23	4701-Capital Outlay on Major and Medium Irrigation (39)-Lower Terna Project	0.19
12.	C-23	4701-Capital Outlay on Major and Medium Irrigation (78)- Dawodi Project	0.05
13.	C-23	4701-Capital Outlay on Major and Medium Irrigation (2)-World Bank Aided Major Irrigation Project-Krishna	0.01
14.	C-23	4701-Capital Outlay on Major and Medium Irrigation (4)-Majalgaon	1.13
AGRICULTURE, ANIMAL HUSBANDRY, DAIRY DEVELOPMENT AND FISHERIES DEPARTMENT			
15.	D- 03	2401-Crop Husbandry 114-Development of oil seeds 114(ii)-Special programme for soyabean production or Vidharba region	12.00
16.	D-03	2401-Crop Husbandry 105-Manures and Fertilisers 105(i)(b)- Fertiliser Control Laboratory	9.53
FINANCE DEPARTMENT			
17.	G-09	2071-Pensions and other Retirement Benefits 101(1)(1)-Superannuation and Retirement Allowances Pensions sanctioned under section 1 of the New Pension Rules,1950- for service before 1 April 1936	40.98

APPENDIX – X (contd.)

Sr. No. (1)	Grant No. (2)	Head of Account (3)	Expenditure (Rupees in lakh) (4)
PUBLIC WORKS DEPARTMENT			
18.	G-09	2071-Pensions and other Retirement Benefits 101(2)-Payment to Other Government under S.R. Act 1956 and B.R. Act, 1960	20.80
19.	G-09	2071-Pensions and other Retirement Benefits 110(2)-Pension to Government servants allotted to Zilla Parishad under Maharashtra Zilla Parishad and Panchayat Samitis Act, 1961	3.40
20.	G-09	2071-Pensions and other Retirement Benefits 200-Other Pensions 200(1)(2)-Convenanted Civil Service Pensions in respect of Retired member of the I.C.S., Hyderabad	9.24
21.	G-09	2071-Pensions and other Retirement Benefits 101- Superannuation and Retirement Allowance 101(i)(i)-Pensions sanctioned under section 1 of the New Pension Rules, 1950- for service before 1 April, 1936	31.34
22.	G-14	6003-Internal Debt of the State Government 109-Loans from other institutions	14.42
PUBLIC WORKS DEPARTMENT			
23.	H-07	3054-Roads and Bridges 04-District and Other Roads 800-Other expenditure	430.93
24.	H-09	2059-Public Works 059-Maintenance and Repairs Miscellaneous Repairs	5.00

APPENDIX – X (contd.)			
Sr. No. (1)	Grant No. (2)	Head of Account (3)	Expenditure (Rupees in lakh) (4)
IRRIGATION DEPARTMENT			
25.	I-05	2705-Command Area Development (3)-Command Area Development Authority, Aurangabad Land Development Works Establishment (Centrally Sponsored 24 per cent)	2.26
RURAL DEVELOPMENT AND WATER CONSERVATION DEPARTMENT			
26.	L-08	2505-Rural Employment 60- Other Programmes 60(1)(a)-Employment Guarantee Scheme	541.07
27.	L-08	2505-Rural Employment 01-National Programmes 702-Jawahar Rozgar Yojana 701(8)-Grant-in-aid to DRDAs/ZPs under Jawahar Rojgar yojana for Special and Novel Projects	5089.13
28.	L-09	2515-Other Rural Development Programmes 800(iii)-Panchayat Raj Janjagaran Programme	2.47
29.	L-11	2702-Minor Irrigation 80-General 799-Suspense Debit	37.99
30.	L-11	2702-Minor Irrigation 01-Surface Water 104-Ayacut Development (ii)(i)-Schemes in Five year Plan Land Development Work under Ayacut Development	0.57
31.	L-11	2702-Minor Irrigation 800-Other Expenditure (i)-Centrally Sponsored Scheme Census of Minor Irrigation Scheme	3.34

APPENDIX - X (contd.)

Sr. No.	Grant No.	Head of Account	Expenditure (Rupees in lakh)
(1)	(2)	(3)	(4)
32.	L-15	3604-Compensation and Assignments to Local Bodies and Panchayati Raj institutions 200(i)-Other Miscellaneous Compensation and Assignments Stamp duty grants to Zilla Parishads under section 158 of the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961	6.72
SOCIAL WELFARE, CULTURAL AFFAIRS AND SPORTS DEPARTMENT			
33.	N-04	2205-Art and Culture 102(01)(17)-Films-International Chitrapat Mahotsava	15.00
34.	N-07	2225-Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes 01-Welfare of Scheduled Castes 283-Housing (02)(01)-Financial Assistance to other backward classes for replacement of manglory tiles (S.C.P.)	489.62
35.	N-08	2235-Social Security and Welfare 02-Social Welfare 101-Welfare of handicapped (3)-Education and Welfare of Orthopaedically handicapped 101(01)(01)- Maintenance of Government Institutions	16.12
36.	N-08	2235-Social Security and Welfare 02-Social Welfare 101-Welfare of handicapped (3)-Education and Welfare of Orthopaedically handicapped 101(01)(04)-Mixed group complex for physically handicapped	22.75
PLANNING DEPARTMENT			
37.	O-02	2055-Rural Employment (Charged)	1.95

APPENDIX – X (contd.)			
Sr. No. (1)	Grant No. (2)	Head of Account (3)	Expenditure (Rupees in lakh) (4)
HOUSING DEPARTMENT			
38.	Q-02	2053-District Administration 094-Other Establishments (i)-Staff for urban Land (Ceiling and Regulation) Act,1976	79.20
PUBLIC HEALTH DEPARTMENT			
39.	R-01	2210-Medical and Public Health 06-Public Health 101-Prevention and Control of diseases (17)-National Filaria Control Programme	7.28
TRIBAL DEVELOPMENT DEPARTMENT			
40.	T-02	2235-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes 02-Welfare of Scheduled Tribes 277-Education (04)(a)- Ashramshala Complexes(DTASP)	5.93
CO-OPERATION AND TEXTILES DEPARTMENT			
41.	V-04	2425-Co-operation 001-Direction and Administration (i)(1)-Directorate of Sericulture	182.79
42.	V-04	2425-Co-operation 107- Assistance to Credit Co-operatives (i)(a)-Subsidy to Land Development Bank on account of differential rate of interest	2000.00
43.	V-15	6851-Loans for Village and Small Industries 109-Composite Village and Small Industries Co-operatives (i)(a)-Loans to MAHATEX, Bombay	35.25
44.	V-16	6860-Loans for Consumer Industries 109(ii)(iv)- Loans to Handloom Corporation Ltd., Nagpur	341.00

APPENDIX - X (concl.)

Sr. No. (1)	Grant No. (2)	Head of Account (3)	Expenditure (Rupees in lakh) (4)
HIGHER AND TECHNICAL EDUCATION DEPARTMENT			
45.	W-03	2203-Technical Education 001(ii)(b)-Strengthening of the Directorate of Vocational Education and Training	1.71
46.	W-03	2203- Technical Education 001(i)(d)- Strengthening of the Development of Technical Education	7.12
47.	W-03	2203- Technical Education 105(i)(d)- Expansion and Development of Government Polytechnic	3.15
WATER SUPPLY AND SANITATION DEPARTMENT			
48.	Y-02	2215-Water Supply and Sanitation 01- Water Supply 191-Assistance to Local Bodies, Municipalities, etc. (7)- Grant-in-Aid to Nashik Municipal Corporation for emergency work	5.46
49.	Y-02	2215-Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply Programme (B)(vi)- Community participation	1.87
50.	Y-02	2215-Water Supply and Sanitation 01-Water Supply 102-Rural Water Supply Programme (B)(viii)(i)- Sanitation Programme- Construction of Roadside gutters and public soak pits	5.00
Total:			17903.08

APPENDIX XI

(Reference : Paragraph 2.9.1; Page 36)

Details of cases where no part of saving was surrendered

Sr. No. (1)	Number and name of grant/appropriation (2)	Savings (Rupees in crore) (3)
1	B-03-Taxes on Vehicles	0.08
2	B-17-Tourism	8.99
3	B-19-Capital Outlay on Road Transport	42.48
4	C-03-Other Taxes and Duties on Commodities and Services	0.24
5	C-18-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	0.03
6	D-01-Interest Payments	4.61
7	D-03-Crop Husbandry	30.19
8	D-03-Crop Husbandry	0.02
9	D-06-Dairy Development	5.92
10	D-07-Fisheries	0.01
11	D-12-Capital Outlay on Animal Husbandry	0.01
12	D-14-Capital Outlay on Fisheries	0.21
13	D-17-Loans for Animal Husbandry	0.02
14	F-07-Secretariat-Social Services	0.12
15	F-12-Capital Outlay on Urban Development	0.15
16	G-16-Loans to Government Servants, etc.	0.31
17	H-01-Other Administrative Services	0.01

APPENDIX XI (contd.)

Sr. No. (1)	Number and name of grant/appropriation (2)	Savings (Rupees in crore) (3)
18	H-13-Capital Outlay on Public Works and Administrative and Functional Buildings	0.06
19	I-03-Major and Medium Irrigation	0.01
20	I-14-Capital Outlay on Power Projects	0.01
21	I-15-Capital Outlay on Space Research	0.08
22	K-04-Other Administrative Services	0.26
23	K-06-Social Security and Welfare	0.02
24	K-08-Non-Conventional Sources of Energy	1.39
25	K-11-Secretariat-Economic Services	0.06
26	K-19-Loans to Government Servants, etc.	0.07
27	L-04-Soil and Water Conservation	0.26
28	L-21-Loans for Housing	0.04
29	M-06-Loans to Government Servants, etc.	0.09
30	N-02-General Education	0.19
31	N-04-Art and Culture	3.59
32	N-10-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	24.25
33	N-12-Loans to Government Servants, etc.	0.53
34	O-1A-District Administration	15.05

APPENDIX XI (contd.)

Sr. No. (1)	Number and name of grant/appropriation (2)	Savings (Rupees in crore) (3)
35	Q-01-Interest Payments	0.53
36	Q-02-District Administration	3.14
37	Q-07-Secretariat-Economic Services	0.39
38	Q-08-Internal Debt of the State Government	0.23
39	Q-10-Loans for other Social Services	0.73
40	R-01-Medical and Public Health	0.04
41	R-02-Family Welfare	0.05
42	S-03-Secretariat-Social Services	0.01
43	T-01-Interest Payments	0.70
44	V-03-Social Security and Welfare	0.01
45	V-06-Secretariat-Economic Services	0.08
46	V-12-Internal Debt of the State Government	0.13
47	V-14-Loans for Co-operation	0.01
48	X-08-Loans to Government Servants, etc.	0.11
49	Z-07-Loans to Government Servants, etc.	0.09
50	ZB-03-Social Security and Welfare	0.01
51	ZB-05-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.69
52	ZB-06-Loans to Government Servants, etc.	0.03

APPENDIX XI (concl.)

Sr. No. (1)	Number and name of grant/appropriation (2)	Savings (Rupees in crore) (3)
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53	ZC-01-Parliament/State/Union Territory Legislature	7.02
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Total		----- 153.36
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APPENDIX XII

(Reference : Paragraph 2.9.1; Page 36)

Details of saving of Rs 1 crore and above not surrendered

Sr. No.	Number and name of grant/appropriation	Saving (Rupees) (3)	Surrender in (4)	Saving which remained to be surrendered crore) (5)
(1)	(2)	(3)	(4)	(5)
1	A-03-Election	22.00	17.58	4.42
2	B-04-Other taxes and duties on commodities and services	2.89	0.06	2.83
3	B-06-Police	287.36	95.74	191.62
4	B-08-Other Administrative services	6.28	4.90	1.38
5	B-14-Ports and Light Houses	3.44	1.41	2.03
6	B-23-Loans for Government servants, etc.	2.12	1.04	1.08
7	C-01-Land Revenue	17.06	14.55	2.51
8	C-06-District Administration	55.82	50.10	5.72
9	C-07-Public Works	77.68	60.78	16.90
10	C-13-Relief on account of Natural Calamities	95.74	0.12	95.62
11	C-15-Forestry and Wild Life	30.84	18.64	12.20
12	C-31-Loans to Government servants, etc.	3.20	0.88	2.32
13	D-06-Dairy Development	114.27	8.38	105.89
14	D-07-Fisheries	3.61	1.29	2.32
15	D-08-Agricultural Research and Education	13.00	5.70	7.30
16	D-11-Capital Outlay on Crop Husbandry	3.13	1.05	2.08

APPENDIX XII (contd.)

Sr. No.	Number and name of grant/appropriation	Saving (Rupees)	Surrender in	Saving which remained to be surrendered (crore)
(1)	(2)	(3)	(4)	(5)
17	D-13-Capital Outlay on Dairy Development	3.32	1.81	1.51
18	D-19-Loans to Government servants, etc.	7.50	2.92	4.58
19	E-01-Interest Payments	70.85	42.48	28.37
20	E-03-Sports and Youth Services	2.88	1.86	1.02
21	F-04-Urban Development	209.25	171.28	37.97
22	F-11-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	79.53	73.75	5.78
23	G-03-Other Fiscal Services	20.85	2.07	18.78
24	I-09-Secretariat-Economic Services	1.82	0.07	1.75
25	I-14-Capital Outlay on Power Projects	1.66	0.01	1.65
26	I-18-Loans to Government Servants, etc.	1.71	0.66	1.05
27	J-01-Administration of Justice	13.90	12.19	1.71
28	J-01-Administration of Justice	10.65	7.01	3.64
29	K-03-Stationary and Printing	2.67	1.43	1.24
30	K-05-Labour and Employment	4.26	1.47	2.79
31	K-07-Power	661.44	8.29	653.15
32	K-10-Industries	32.30	28.47	3.83

APPENDIX XII (contd.)				
Sr. No.	Number and name of grant/appropriation	Saving	Surrender	Saving which remained to be surrendered
		(Rupees)	in	(crore)
(1)	(2)	(3)	(4)	(5)
33	K-14-Other Capital Outlay on Industries and Minerals	4.00	2.85	1.15
34	K-16-Loans for Power Projects	24.89	8.51	16.38
35	L-07-Special Programmes for Rural Development	36.50	32.82	3.68
36	L-08-Rural Employment	63.04	53.69	9.35
37	L-09-Other Rural Development Programmes	241.45	236.06	5.39
38	L-15-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	161.11	146.92	14.19
39	L-15-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions (C)	22.14	20.14	2.00
40	L-17-Capital Outlay on soil and Water Conservation	35.62	30.68	4.94
41	L-20-Capital Outlay on Removal of Regional Imbalance	44.10	21.39	22.71
42	L-25-Miscellaneous Loans	1046.87	1006.33	40.54
43	N-05-Housing	18.86	11.50	7.36
44	N-08-Social Security and Welfare	5.43	4.22	1.21
45	O-03-Other Rural Development Programmes	7.05	4.13	2.92

APPENDIX XII (concl.d.)

Sr. No.	Number and name of grant/appropriation	Saving (Rupees)	Surrender in	Saving which remained to be surrendered (crore)
(1)	(2)	(3)	(4)	(5)
46	O-06-Secretariat-Economic Services	6.57	1.59	4.98
47	V-05-Village and Small Industries	4.59	2.45	2.14
48	V-09-Capital Outlay on Co-operation	180.34	170.19	10.15
49	V-14-Loans for Co-operation	180.30	0.63	179.67
50	W-03-Technical Education	27.73	11.65	16.08
51	W-04-Art and Culture	2.35	0.91	1.44
52	W-07-Secretariat-Social Services	4.13	2.55	1.58
53	W-09-Loans to Government Servants, etc.	2.11	0.26	1.85
54	X-01-Social Security and Welfare	10.22	6.63	3.59
55	Y-09-Loans for Water Supply and Sanitation	92.03	81.36	10.67
56	Z-04-Non-ferrous Mining and Metallurgical Industries	35.49	0.04	35.45
57	ZA-01-Labour and Employment	9.90	6.20	3.70
58	ZB-02-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	13.39	10.07	3.32
	Total:	4143.24	2511.76	1631.48

APPENDIX XIII

(Reference : Paragraph 2.9.2; Page 37)

Cases of surrender of funds on 30 and 31 March 2002

Sr. No.	Department	Grant No.	Major Head	Name of the grant	Amount of Surrender (Rupees in Crore)
(1)	(2)	(3)	(4)	(5)	(6)
1	General Administration	A-01	2012 - President/Vice-President/Governor	Administrator of Union Territories(C)	0.06
2	"	A-02	2013 - Council of Ministers		1.69
3	"	A-03	2015 - Elections		13.58
4	"	A-04	2051 - Public Service Commission(C)		0.52
5	"	A-04	2051 - Public Service Commission		0.02
6	"	A-05	2052 - Secretariat-General Services		2.82
7	"	A-06	2059 - Public Works		1.01
8	"	A-07	2070 - Other Administrative Services		0.07
9	"	A-08	2075 - Miscellaneous General services		1.52
10	"	A-09	2205 - Art and Culture		0.03
11	"	A-11	2220 - Information and Publicity(C)		0.01
12	"	A-11	2220 - Information and Publicity		1.15
13	"	A-12	2235 - Social Security and Welfare		1.55
14	"	A-14	2251 - Secretariat-Social Services		0.03
15	"	A-15	3454 - Census, Surveys and Statistics		0.27
16	"	A-15A	4235 - Capital Outlay on Social Security and Welfare		0.05

APPENDIX XIII (contd.)

Sr. No.	Department	Grant No.	Major Head	Name of the grant	Amount of Surrender (Rupees in Crore)
(1)	(2)	(3)	(4)	(5)	(6)
17	General Administration	A-16	7610 - Loans to Government Servants, etc.		0.14
18	Home	B-01	2014 - Administration of Justice		2.63
19	"	B-02	2039 - State Excise		0.12
20	"	B-03	2041 - Taxes on Vehicles		26.66
21	"	B-04	2045 - Other Taxes and Duties on Commodities and Services		0.06
22	"	B-05	2052 - Secretariat-General Services		0.50
23	"	B-06	2055 - Police		95.74
24	"	B-07	2056 - Jails		6.54
25	"	B-08	2070 - Other Administrative Services		4.90
26	"	B-09	2075 - Miscellaneous General Services		0.01
27	"	B-11	2235 - Social Security and Welfare		0.27
28	"	B-12	2250 - Other Social Services		0.20
29	"	B-13	3001 - Indian Railways-Policy Formulation, Direction Research and other Miscellaneous Organisations		0.06
30	"	B-14	3051 - Ports and Light Houses		1.41
31	"	B-15	3055 - Road Transport		0.03

APPENDIX XIII (contd.)

Sr. No.	Department	Grant No.	Major Head	Name of the grant	Amount of Surrender (Rupees in Crore)
(1)	(2)	(3)	(4)	(5)	(6)
32	Home	B-16	3056	Inland Water Transport	1.06
33	"	B-22	6216	Loans for Housing	0.54
34	"	B-23	7610	Loans to Government Servants, etc	1.04
35	Revenue and Forests	C-01	2029	Land Revenue(C)	0.01
36	"	C-01	2029	Land Revenue	14.55
37	"	C-12	2235	Social Security and Welfare	2.91
38	"	C-15	2406	Forestry and Wild Life	18.64
39	"	C-18	3604	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	0.01
40	Agriculture, Animal Husbandry, Dairy Development and Fisheries	D-02	2235	Social Security and Welfare	0.01
41	"	D-05	2403	Animal Husbandry	2.39
42	"	D-08	2415	Agricultural Research and Education	5.70
43	"	D-09	2702	Minor Irrigation	0.11
44	"	D-10	3451	Secretariat-Economic Services.	0.50
45	"	D-11	4401	Capital Outlay on Crop Husbandry	1.05
46	"	D-16	6216	Loans for Housing.	0.03
47	"	D-19	7610	Loans to Government servants, etc.	2.92

APPENDIX XIII (contd.)

Sr. No.	Department	Grant No.	Major Head	Name of the grant	Amount of Surrender (Rupees in Crore)
(1)	(2)	(3)	(4)	(5)	(6)
48	School Education	E-07	2251 - Secretariat-Social Services		0.03
49	Urban Development	F-01	2049 - Interest payments (C)		0.60
50	"	F-02	2053 - District Administration		0.43
51	"	F-03	2070 - Other Administrative Services		0.04
52	"	F-04	2217 - Urban Development(C)		0.01
53	"	F-04	2217 - Urban Development		171.28
54	"	F-05	2230 - Labour and Employment		7.23
55	"	F-06	2235 - Social Security and Welfare		0.01
56	"	F-08	3054 - Roads and Bridges		10.51
57	"	F-09	3435 - Ecology and Environment		5.00
58	"	F-10	3475 - Other General Economic Services		0.01
59	"	F-11	3604 - Compensation and Assignments to Local Bodies and Panchayati Raj Institutions(C)		0.01
60	"	F-11	3604 - Compensation and Assignments to Local Bodies and Panchayati Raj Institutions		73.75

APPENDIX XIII (contd.)

Sr. No.	Department	Grant No.	Major Head	Name of the grant	Amount of Surrender (Rupees in Crore)
(1)	(2)	(3)	(4)	(5)	(6)
61	"	F-13	5475	Capital Outlay on other General Economic Services	0.04
62	"	F-14	6003	Internal Debt of the State Government (C)	0.93
63	"	F-16	7610	Loans for Government Servants, etc.	0.40
64	Finance	G-02	2040	Taxes on Sales, Trade etc.	3.92
65	"	G-03	2047	Other Fiscal Services	2.07
66	"	G-06	2052	Secretariat-General Services	4.97
67	Public Works	H-03	2235	Social Security and Welfare	0.01
68	"	H-06	3053	Civil Aviation	0.52
69	"	H-09		Public Works and Administrative and functional buildings	
			2059	Public Works	74.76
70	"	H-11	4711	Capital Outlay on Flood Control Project	2.30
71	"	H-12	5054	Capital Outlay on Roads and Bridges	0.12
72	Irrigation	I-03	2701	Major and Medium Irrigation	11.31
73	"	I-06	2711	Flood Control and Drainage	0.06
74	"	I-07	2801	Power	1.75
75	"	I-08	3402	Space Research	0.02

APPENDIX XIII (contd.)

Sr. No.	Department	Grant No.	Major Head	Name of the grant	Amount of Surrender (Rupees in Crore)
(1)	(2)	(3)	(4)	(5)	(6)
76	Irrigation	I-09	3451	Secretariat-Economic Services	0.07
77	"	I-10	4402	Capital Outlay on Soil and Water Conservation	2.91
78	"	I-11	4701	Capital Outlay on Major Medium Irrigation	254.65
79	"	I-12	4702	Capital Outlay on Minor Irrigation	10.12
80	"	I-14	4801	Capital Outlay on Power Projects	0.01
81	"	I-16		Capital Outlay on Removal of Regional Imbalance	
				4701 - Capital Outlay on Major and Medium Irrigation	184.44
82				4702 -Capital Outlay on Minor Irrigation	35.14
83	"	I-17	6402	Loans for Soil and Water Conservation	1.98
84	"	I-18	7610	Loans to Government Servants, etc	0.66
85	Law and Judiciary	J-01	2014	Administration of Justice (C)	7.01
86	"	J-02	2052	Secretariat-General Services	0.01
87	"	J-03	2070	Other Administrative Services	0.15
88	"	J-04	2235	Social Security and Welfare (C)	0.01
89	"	J-04	2235	Social Security and Welfare	0.02

APPENDIX XIII (contd.)

Sr. No.	Department	Grant No.	Major Head	Name of the grant	Amount of Surrender (Rupees in Crore)
(1)	(2)	(3)	(4)	(5)	(6)
90	"	J-06	3475 –	Other General Economic Services	0.03
91	Law and Judiciary	J-08	7610 -	Loans to Government Servants, etc	0.06
92	Industries, Energy and Labour	K-01	2045 -	Other Taxes and Duties on Commodities and Services	0.64
93	"	K-02	2057 -	Supplies and Disposals	0.13
94	"	K-03	2058 -	Stationery and printing	1.43
95	"	K-05	2230 -	Labour and Employment	1.47
96	"	K-07	2801 -	Power	8.29
97	"	K-09	2851 -	Village and Small Industries	1.34
98	"	K-10	2852 -	Industries	28.47
99	"	K-13	4425 -	Capital Outlay on Co-operation	0.25
100	"	K-14	4885 -	Other Capital Outlay on Industries and Minerals	2.85
101	"	K-15	6250 -	Loans for Other Social Services	3.26
102	"	K-16	6801 -	Loans for Power Projects	8.51
103	"	K-17	6851 -	Loans for Village and Small Industries	0.27
104	"	K-18	6885 –	Other Loans to Industries and Minerals	6.11

APPENDIX XIII (contd.)

Sr. No.	Department	Grant No.	Major Head	Name of the grant	Amount of Surrender (Rupees in Crore)
(1)	(2)	(3)	(4)	(5)	(6)
105	Rural Development and Water Conservation	L-02	2053 - District Administration		88.72
106	"	L-03	2235 - Social Security and welfare		0.05
107	"	L-05	2406 - Forestry and Wild Life		0.75
108	"	L-06	2415 - Agricultural Research and Education		0.66
109	"	L-07	2501 - Special Programmes for Rural Development		19.88
110	"	L-08	2505 - Rural Employment		52.72
111	"	L-09	2515 - Other Rural Development Programmes		233.93
112	"	L-11	2702 - Minor Irrigation (C)		0.01
113	"	L-11	2702 - Minor Irrigation		3.89
114	"	L-12	2810 - Non-conventional sources of Energy		0.64
115	"	L-13	3451 - Secretariat-Economic services		0.15
116	"	L-15	3604 - Compensation and Assignment to Local Bodies and Panchayati Raj Institutions (C)		14.20
117	"	L-15	3604 - Compensation and Assignment to Local Bodies and Panchayati Raj Institutions		107.00

APPENDIX XIII (contd.)

Sr. No.	Department	Grant No.	Major Head	Name of the grant	Amount of Surrender (Rupees in Crore)
(1)	(2)	(3)	(4)	(5)	(6)
118	"	L-17	4402	Capital Outlay on Soil and Water Conservation	14.33
119	"	L-18	4406	Capital Outlay on Forestry and Wild Life	0.39
120	"	L-19	4702	Capital Outlay on Minor Irrigation	12.53
121	"	L-20		Capital Outlay on Removal of Regional Imbalance	
			4402	Capital Outlay Soil and Water Conservation	21.39
122	"	L-23	6702	Loans for Minor Irrigation	0.13
123	"	L-24	7610	Loans to Government servants, etc.	0.12
124	"	L-25	7615	Miscellaneous Loans.	785.67
125	Food, Civil Supplies and Consumer Protection	M-01	2235	Social Security and Welfare	0.01
126	"	M-02	2408	Food, Storage and Warehousing (C)	0.01
127	"	M-02	2408	Food, Storage and Warehousing	190.15
128	"	M-03	3451	Secretariat-Economic Services	0.12
129	"	M-04	3475	Other General Economic Services	0.04
130	"	M-05	4408	Capital Outlay on Food, Storage and Warehousing	872.29
131	Social Welfare, Cultural Affairs and Sports	N-03	2204	Sports and Youth Services	15.04

APPENDIX XIII (contd.)

Sr. No.	Department	Grant No.	Major Head	Name of the grant	Amount of Surrender (Rupees in Crore)
(1)	(2)	(3)	(4)	(5)	(6)
132	"	N-05	2216	Housing	11.50
133	"	N-07	2225	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	22.28
134	"	N-08	2235	Social Security and Welfare	4.22
135	"	N-09	2251	Secretariat-Social Services	0.04
136	Planning	O-02	2505	Rural Employment	5.41
137	"	O-03	2515	Other Rural Development Programmes	4.13
138	"	O-04	2551	Hilly Areas	5.92
139	"	O-06	3451	Secretariat-Economic Services (C)	0.17
140	"	O-06	3451	Secretariat-Economic Services	0.75
141	"	O-07	3454	Census, Survey and Statistics	0.42
142	"	O-08	5465	Investments in General Financial and Trading Institutions	0.44
143	Parliamentary Affairs	P-01	2052	Secretariat-General Services	0.01
144	"	P-03	7610	Loans to Government servants, etc.	0.02
145	Housing	Q-04	2216	Housing	366.64
146	"	Q-09	6216	Loans for Housing	0.05
147	"	Q-11	7610	Loans to Government servants, etc.	0.10

APPENDIX XIII (contd.)

Sr. No.	Department	Grant No.	Major Head	Name of the grant	Amount of Surrender (Rupees in Crore)
(1)	(2)	(3)	(4)	(5)	(6)
148	Public Health	R-01	2210 –	Medical and Public Health	20.78
149	"	R-02	2211 –	Family Welfare	45.10
150	"	R-04	2251 –	Secretariat-Social Services	0.14
151	"	R-06	4210 –	Capital Outlay on Medical and Public Health	3.67
152	Medical Education and Drugs	S-01	2210 –	Medical and Public Health	2.19
153	"	S-02	2235 –	Social Security and Welfare	0.02
154	"	S-04	7610 –	Loans to Government Servants, etc	0.03
155	Tribal Development	T-08		Capital Outlay on Tribal Area Development Sub-plan	
			4059 –	Capital Outlay on Public Works	0.38
156	"		4202 –	Capital Outlay on Education, Sports, Art and Culture	0.33
157	"		4210 –	Capital Outlay on Medical and Public Health	0.30
158	"		4225 –	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	1.26
159	"		4250–	Capital Outlay on Other Social Services	0.73
160	"		4402–	Capital Outlay on Soil and Water Conservation	4.52

APPENDIX XIII (contd.)

Sr. No.	Department	Grant No.	Major Head	Name of the grant	Amount of Surrender (Rupees in Crore)
(1)	(2)	(3)	(4)	(5)	(6)
161	"		4403	Capital Outlay on Animal Husbandry	0.13
162	"		4404	Capital Outlay on Dairy Development	0.03
163	"		4405	Capital Outlay on Fisheries	0.07
164	"		4406	Capital Outlay on Forestry and Wild Life	1.24
165	"		4425	Capital Outlay on Co-operation	2.12
166	"		4702	Capital Outlay on Minor Irrigation	12.96
167	"		5054	Capital Outlay on Roads and Bridges	19.05
168	Environment	U-01	2049	Interest Payments (C)	0.14
169	"	U-04	3435	Ecology and Environment	0.05
170	"	U-05	7610	Loans to Government Servants, etc	0.06
171	Co-operation and Textiles	V-04	2425	Co-operation	0.52
172	"	V-05	2851	Village and Small Industries	2.17
173	"	V-07	3456	Civil Supplies	0.02
174	"	V-09	4425	Capital Outlay on Co-operation	41.55
175	"	V-11	5475	Capital Outlay on other General Economic Services	0.15
176	"	V-14	6425	Loans for Co-operation	0.63

APPENDIX XIII (contd.)

Sr. No.	Department	Grant No.	Major Head	Name of the grant	Amount of Surrender (Rupees in Crore)
(1)	(2)	(3)	(4)	(5)	(6)
177	Co-operation and Textiles	V-15	6851	Loans for Village and small Industries	0.59
178	"	V-17	7475	Loans for other General Economic Services	0.01
179	Higher and Technical Education	W-01	2049	Interest Payments (C)	19.89
180	"	W-02	2202	General Education	50.25
181	"	W-03	2203	Technical Education	11.65
182	"	W-04	2205	Art and Culture	0.91
183	"	W-05	2230	Labour and Employment (C)	0.01
184	"	W-05	2230	Labour and Employment	8.85
185	"	W-06	2235	Social Security and Welfare	0.04
186	"	W-07	2251	Secretariat-Social Services	2.55
187	"	W-08		Revenue expenditure on Removal of Regional Imbalance	
			2203	Technical Education	2.99
188	"		2230	Labour and Employment	0.05
189	"	W-09	7610	Loans to Government servants, etc	0.26
190	Women and Child Development	X-01	2235	Social Security and Welfare	6.63
191	"	X-02	2236	Nutrition	50.30

APPENDIX XIII (contd.)

Sr. No.	Department	Grant No.	Major Head	Name of the grant	Amount of Surrender (Rupees in Crore)
(1)	(2)	(3)	(4)	(5)	(6)
192	Women and Child Development	X-04	2515 - Other Rural Development Programmes		0.06
193	"	X-05	3606 - Aid Materials and Equipments		0.28
194	"	X-06	4235 - Capital Outlay on Social Security and Welfare		0.15
195	"	X-07	6235 - Loans for Social Security and Welfare		0.01
196	Water Supply and Sanitation	Y-01	2049 - Interest Payments(C)		19.84
197	"	Y-02	2215 - Water Supply and Sanitation		483.34
198	"	Y-04	2702 - Minor Irrigation		0.21
199	"	Y-05	3451 - Secretariat-Economic Services		0.07
200	"	Y-06	3604 - Compensation and Assignments to Local Bodies and Panchayati Raj Institutions		1.25
201	"	Y-07	4215 - Capital Outlay on Water Supply and Sanitation		0.95
202	"	Y-08	4402 - Capital Outlay on Soil and Water Conservation (C)		0.02
203	"	Y-08	4402 - Capital Outlay on Soil and Water Conservation		0.04
204	"	Y-09	6215 - Loans for Water Supply and Sanitation		81.36
205	Trade, Commerce and Mining	Z-02	2851 -Village and Small Industries		0.35
206	"	Z-03	2852 - Industries		0.74

APPENDIX XIII (concl'd.)

Sr. No.	Department	Grant No.	Major Head	Name of the grant	Amount of Surrender (Rupees in Crore)
(1)	(2)	(3)	(4)	(5)	(6)
207	Trade, Commerce and Mining	Z-04	2853 – Non-Ferrous Mining and Metallurgical Industries		0.04
208	"	Z-05	3451 – Secretariat-Economic Services (C)		0.01
209	"	Z-05	3451 - Secretariat–Economic Services		0.11
210	"	Z-06	4851 – Capital Outlay on Village and Small Industries		0.35
211	Employment and Self-Employment	ZA-01	2230 – Labour and Employment		6.20
212	"	ZA-03	2251 – Secretariat-Social Services		0.15
213	"	ZA-04	4250 – Capital Outlay on Other Social Services		4.36
214	"	ZA-05	7610 – Loans to Government Servants, etc.		0.41
215	Vimukta Jatis, Nomadic Tribes, Other Backward Classes and Special Backward Classes Welfare	ZB-01	2216 - Housing		0.13
216	"	ZB-02	2225 –Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes		10.07
217	"	ZB-04	2251 – Secretariat-Social Services		0.07
Total					4930.31

APPENDIX XIV

(Reference : Paragraph 2.9.3; Page 37)

Details of surrender in excess of actual savings in the grants/appropriation involving substantial amounts

Sr. No. (1)	Number and name of grant/appropriation (2)	Amount Surrendered (3)		Actual Saving (4) (crore)
		(Rupees	in	
1	A-02-Council of Ministers	3.63		2.22
2	A-06-Public Works	1.13		0.16
3	A-07-Other Administrative Services	0.76		0.36
4	A-14-Secretariat-Social Services	0.19		0.04
5	B-01-Administration of Justice	2.63		1.84
6	B-03-Taxes on Vehicles	26.66		26.48
7	B-05-Secretariat-General Services	0.50		0.32
8	B-07-Jails	6.54		2.75
9	B-11-Social Security and Welfare	0.27		0.07
10	C-02-Stamps and Registration	25.38		19.38
11	C-12-Social Security and Welfare	2.91		1.80
12	F-14-Internal Debt of the State Government	0.93		0.71
13	G-02-Taxes on Sales, Trade, etc.	3.92		2.59
14	G-05-Interest Payments	1135.30		416.24
15	G-10-Miscellaneous General Services	1564.08		1563.46
16	H-06-Civil Aviation	0.52		0.29
17	H-07-Roads and Bridges	357.66		269.23

APPENDIX XIV (concl'd.)			
Sr. No. (1)	Number and name of grant/appropriation (2)	Amount Surrendered (3) (Rupees in crore)	Actual Saving (4) (crore)
18	H-10-Capital Outlay on Housing	4.55	3.74
19	H-12-Capital Outlay on Roads and Bridges	238.41	190.08
20	H-13-Capital Outlay on Public Works and Administrative and Functional Buildings	24.11	13.98
21	H-14-Capital Outlay on Removal of Regional Imbalance	76.66	48.59
22	I-07-Power	1.75	1.32
23	I-12-Capital Outlay on Minor Irrigation	10.12	9.17
24	K-09-Village and Small Industries	1.34	0.59
25	O-04-Hill Areas	5.92	4.60
26	Q-04-Housing	372.93	366.53
27	R-02-Family Welfare	61.24	51.39
28	R-06-Capital Outlay on Medical and Public Health	4.07	3.93
29	T-08-Capital Outlay on Tribal Area Development Sub-plan	43.11	24.21
30	T-09-Capital Outlay on Removal of Regional Imbalance	9.15	4.22
31	W-01-Interest Payments	19.89	19.26
32	W-02-General Education	50.25	47.19
33	W-05-Labour and Employment	8.85	3.57
34	Y-02-Water Supply and Sanitation	483.34	442.24
	Total:	4548.70	3542.55

APPENDIX -XV

(Reference : Paragraph 2.10; Page 38)

Cases of drawal from Contingency Fund where the expenditure was not such as could not have been foreseen

Sr. No.	Sanction No. and Date	Department	Purpose for which drawn	Amount Sanctioned
(1)	(2)	(3)	(4)	(5)
1	CNF-11-01/1/BUD-12 dated 11.4.01	Co-operation and Textile	Loan to Maharashtra State Textile Corporation Ltd.	15,00,00,000
2	CNF-11-01/2 BUD-13 dated 21.4.01	Industries, Energy and Labour	Loans to Maharashtra State Electricity Board for completing electricity project work	70,00,00,000
3	CNF-11-01/9 BUD-12 dated 11.6.01 and CNF-11-01/9/BUD-12 dated 30.6.2001	Co-operation and Textiles	Payment of the interest due on bond-loan to State Co-operative Cotton Marketing Federation	15,00,00,000 increased to 65,00,00,000
4	CNF-11-01/15/BUD-10 dated 22.06.2001 and CNF-11-01/15 BUD-10 dated 25.6.2001	Law and Judiciary	Purchase of air-conditioned Maruti Exteem cars for Judges of High Court	20,00,000 increased to 50,00,000
5	CNF-1101/12/BUD-7 dated 20.6.01	Finance	Payment of Professional Tax sending of notice to registration holders under Maharashtra State Professional Tax Act 1975	33,30,000
6	CNF-1101/25/BUD-15 dated 3.8.01	Planning	Works to be undertaken for the ensuring Sinhastha Kumbhamela 2003-2004	5,00,000
7	CNF-11-01/29/BUD-10 dated 5.9.01	Law and Judiciary	Creation of staff for High-Court	29,40,000

APPENDIX –XV (concl.)

Sr. No.	Sanction No. and Date	Department	Purpose for which drawn	Amount Sanctioned
(1)	(2)	(3)	(4)	(5)
8	CNF-11-01/57 BUD-5 dated 9.11.01	Women and Child Development	Grant to the Anganwadi workers and Anganwadi helpers at Bhaubeej Bhet under Integrated Child Development Service Scheme	5,25,22,000
9	CNF-11- 01/58/BUD-15 dated 13.11.01	Planning	Additional requirement for Employment Guarantee Scheme State Plan Scheme	25,00,00,000
10	CNF-11- 02/101/BUD-15 dated 28.3.02	Planning	Works to be undertaken ensuing Sinhastha Kumbhmela 2003-2004	10,00,00,000
Total				1,91,42,92,000

APPENDIX-XVI

(Reference : Paragraph 2.13; Page 38)

Statement showing unreconciled expenditure

Sr. No.	Department	Expenditure for 2001-02 not reconciled (Rupees in crore)	Month for which expenditure was not reconciled (Grant/ Major Head within bracket)
(1)	(2)	(3)	(4)
1	General Administration	4.25	October-2001 to March 2002 (A-02, 2013 Council of Ministers)
2	-do-	4.67	November 2001 to March 2002(A-03, 2015 Elections)
3	-do-	6.27	December 2001 to March 2002 (A-03, 2015 Elections)
4	-do-	762.36	October 2001 to March 2002 (A-05, 2052 Secretariat General Services)
5	-do-	2.28	January 2002 to March 2002 (A-11, 2220 Information and publicity)
6	-do-	1.67	April 2001 to March 2002 (A-13, 2250 Other Social Services)
7	Home	4.50	April 2001 to March 2002 (B-01, 2014 Administration of Justice)
8	-do-	3.63	October 2001 to March 2002 (B-02, 2039 State Excise)
9	-do-	1.27	October 2001 to March 2002 (B-03, 2041 Taxes on Vehicles)
10	-do-	2.95	October 2001 to March 2002 (B-03, 2041 Taxes on Vehicles)
11	-do-	0.16	January 2002 to March 2002 (B-04, 2045 Other Taxes and Duties on Commodities and services)

APPENDIX-XVI (Contd.)

Sr. No.	Department	Expenditure for 2001-2002 not reconciled (Rupees in crore)	Month for which expenditure was not reconciled (Grant/Major Head within bracket)
(1)	(2)	(3)	(4)
12	-do-	5.13	November 2001 to March 2002 (B-06,2055 Police)
13	-do-	8.51	April 2001 to March 2002(B-08,2070 Other Administrative Services)
14	-do-	0.56	November 2001 to March 2002 (B-16,3056 Inland Water Transport)
15	-do-	1.50	April 2001 to March 2002(B-20,5075 Capital outlay on other Transport services)
16	Revenue and Forests	2.20	October 2001 to March 2002(C-01,2029 Land Revenue)
17	-do-	0.27	April 2001 to March 2002(C-15,2406 Forestry and Wild Life)
18	-do-	0.01	October 2001 to March 2002 (C-26, 6003 Internal Debt of State Government)
19	Agriculture, Animal Husbandry, Dairy Development and Fisheries	39.70	April 2001 to March 2002 (D-03,2401 Crop husbandry)
20	-do-	0.44	June 2001 to March 2002 (D-10,3451 Secretariat Economic Services)
21	School Education	475.45	August 2001 to March 2002 (E-02,2202 General Education)
22	Finance	0.11	March 2002(G-02,2040 Taxes on Sales, Trade, etc)

APPENDIX-XVI (Contd.)

Sr. No.	Department	Expenditure for 2001-2002 not reconciled (Rupees in crore)	Month for which expenditure was not reconciled (Grant/Major Head within bracket)
(1)	(2)	(3)	(4)
23	Finance	0.68	April 2001 to March 2002(G-08,2070 Other Administrative Services)
24	-do-	89.55	March 2002(G-10, 2075 Miscellaneous General Services)
25	Public Works	0.01	January 2002 to March 2002(H-07, 3054 Roads and Bridges)
26	-do-	17.12	April 2001 to March 2002(H-09,2059 Public Works)
27	-do-	89.64	April 2001 to March 2002(H-09,2059 Public Works)
28	-do-	0.28	April 2001 to March 2002(H-13,4217 Capital Outlay on Urban Development)
29	-do-	0.36	April 2001 to March 2002(H-13,4250 Capital Outlay on other Social Services)
30	-do-	0.43	November 2001 to March 2002 (H-14,5054 Capital Outlay on Roads and Bridges)
31	Industries, Energy and Labour	22.24	December 2001 to March 2002(K-3, 2058 Stationery and Printing)
32	-do-	6.26	April 2001 to March 2002(K-11, 3451 Secretariat Economic Services)
33	Social Welfare, Cultural Affairs and Sports	2.51	August 2001 to March 2002 (N-3, 2204 Sports and Youth Services)

APPENDIX-XVI (Contd.)

Sr. No.	Department	Expenditure for 2001-2002 not reconciled (Rupees in crore)	Month for which expenditure was not reconciled (Grant/Major Head within bracket)
(1)	(2)	(3)	(4)
34	Planning	2.20	January 2002 to March 2002(O-07, 3454 Census, Surveys and Statistics)
35	Housing	1.01	April 2001 to March 2002(Q-7, 3451 Secretariat-Economic Services)
36.	-do-	0.13	April 2001 to March 2002(Q-10, 6250 Loans for Other Social Services)
37.	Pubic Health	0.95	July 2001 to March 2002(R-2, 2211 Family Welfare.)
38.	-do-	0.08	January 2002 to March 2002 (R-1, 2210 Medical and Public Health.)
39.	-do-	2.30	January 2002 to March 2002 (R-6, 4210 Capital Outlay on Medical and Public Health.)
40.	Co-operation and Textiles	3.30	April 2001 to March 2002(V-6, 3451 Secretariat Economic Services.)
41.	Higher and Technical Education	29.32	November 2001 to March 2002(W-3, 2203- Technical Education.)
42.	-do-	2.15	February 2002 to March 2002 (W-7, 2251 Secretariat Social Services)
43.	Water Supply and Sanitation	37.32	March 2002 (Y-2, 2215 Water Supply and Sanitation)
44.	Trade, Commerce and Mining	0.45	April 2001 to March 2002 (Z-5, 3451 Secretariat Economic Services.)
45.	-do-	1.51	January 2001 to March 2002 (Z-4, 2853 Non ferrous, Mining and Metallurgical Industries)

APPENDIX-XVI (Concl'd.)

Sr. No.	Department	Expenditure for 2001-2002 not reconciled (Rupees in crore)	Month for which expenditure was not reconciled (Grant/ Major Head within bracket)
(1)	(2)	(3)	(4)
46.	Maharashtra Legislature Secretariat.	19.17	April 2001 to March 2002 (ZC-1, 2011- Parliament/State/union Territory Legislature.
Total:-		1656.86	

Appendix XVII

(Para 3.8.7; Page 61)

Statement showing the excess expenditure incurred on training

District	Total trainees	Expenditure on Training	Expenditure on Training admissible (Rs 148/- per trainee for two days)	Excess Expenditure incurred
			(Rupees)	
Amravati	12267	4036000	1815516	2220484
Bhandara	3253	2545000	481444	2063556
Dhule	6612	3920000	978576	2941424
Jalna	2339	2515000	346172	2168828
Latur	6678	2161000	988344	1172656
Nagpur	9207	1915000	1362636	552364
Osmanabad	5009	2372000	741332	1630668
Sangli	18517	2856000	2740516	115484
Total	63882	22320000	9454536	12865464

APPENDIX XVIII

(Reference : Para No. 3.13; Page 74)

**Statement showing cases of misappropriation reported upto March 2002
and pending finalisation as on 30 September 2002**

Sr. No.	Name of Department	Reported upto March 1998		Reported during 1998-99		Reported during 1999-2000		Reported during 2000-2001		Reported during 2001-2002		Total	
		Cases	Amounts	Cases	Amounts	Cases	Amounts	Cases	Amounts	Cases	Amounts	Cases	Amounts
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
		(Rupees in lakh)											
1.	Agriculture, Animal Husbandry, Dairy Development and Fisheries	38	20.90	1	0.41	-	-	3	3.68	25	25.85	67	50.84
2.	Employment and Self employment	1	0.09	-	-	-	-	-	-	-	-	1	0.09
3.	Finance	5	110.79	-	-	-	-	1	13.89	1	0.58	7	125.26
4.	Food, Civil Supplies and Consumer Protection	14	30.29	-	-	-	-	-	-	-	-	14	30.29
5.	General Administration	2	1.35	-	-	-	-	-	-	-	-	2	1.35
6.	Housing and Special Assistance	3	0.64	-	-	-	-	-	-	-	-	3	0.64
7.	Higher and Technical Education and Employment	3	1.55	-	-	1	0.70	-	-	-	-	4	2.25
8.	Home	20	13.85	-	-	-	-	1	7.60	-	-	21	21.45
9.	Industries, Energy and Labour	-	-	-	-	-	-	-	-	-	-	-	-
10.	Irrigation	4	2.82	-	-	-	-	-	-	1	3.37	5	6.19
11.	Law and Judiciary	2	1.53	-	-	-	-	1	5.51	3	0.43	6	7.47

APPENDIX XVIII (concl'd.)

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
(Rupees in lakh)													
12.	Medical Education and Drugs	4	7.38	-	-	-	-	-	-	-	-	4	7.38
13.	Public Health	17	11.86	-	-	-	-	1	2.31	4	11.11	22	25.28
14.	Public Works	1	1.08	-	-	-	-	-	-	-	-	1	1.08
15.	Revenue and Forests	146	27.10	-	-	4	1.63	1	3.19	1	0.08	152	32.00
16.	Rural Development and Water Conservation	19	200.90	-	-	-	-	-	-	-	-	19	200.90
17.	School Education	2	2.56	-	-	-	-	-	-	-	-	2	2.56
18.	Social Welfare, Cultural Affairs and Sports Tourism	8	84.64	-	-	-	-	-	-	-	-	8	84.64
	TOTAL	289	519.33	1	0.41	5	2.33	8	36.18	35	41.42	338	599.67

Appendix XIX
(Reference : Paragraph 4.1.6; Page 81)
Statement showing Time and Cost Overrun

Sr. No.	Name of the project	Category of project	Original estimated cost	Revised estimated cost	Cost over run	Year of commencement of work	Stipulated year of completion	Time over run	Actual expenditure incurred as on March 2002	Funds required for completion of project	Projected IP	Created IP	Percentage of created IP
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
1	Tillari	Major	45.20	952.54	907.34	1979	1987	15	430.01	522.53	23654	300	1.27
2.	Bhatsa	Major	13.68	358.24	344.56	1967-68	1974-75	27	239.01	119.23	23000	5002	21.74
3.	Surya	Major	18.91	228.22	209.31	1975	1982	20	222.47	5.75	14696	12188	82.93
4.	Arunavati	Major	19.14	224.16	205.02	1979-80	1986-87	15	175.15	49.01	24003	21441	89.32
5.	Wan	Major	13.37	228.40	215.03	1979-80	1986-87	15	191.26	37.14	19177	16275	84.87
6.	Lower Wunna	Major	24.83	276.31	251.48	1980	1988	14	220.84	55.47	25545	20382	79.79
7.	Upper Wardha	Major	39.88	661.86	621.98	1976-77	1988-89	13	545.28	116.58	80250	61335	76.43
8.	Lower Terna	Major	28.61	283.55	254.94	1980-81	1987-88	14	235.36	48.19	11610	8253	71.08
9.	Vishnupuri	Major	32.24	186.60	154.36	1982	1990	12	163.39	23.21	28340	15563	54.92
10	Waghur	Major	12.28	167.61	155.33	1978	1985	17	99.24	68.37	26325	--	--
11.	Lower Wardha	Major	48.08	444.52	396.44	1980	1991	11	154.43	290.09	51655	--	--
12.	Gosikhurd	Major	372.22	2091.10	1718.88	1980	1987	15	762.41	1328.69	250800	7760	3.09
13.	Lower Dudhana	Major	28.41	474.06	445.65	1973	1980	22	159.67	314.39	34430	--	--
14.	Upper Penganga	Major	35.06	867.46	832.40	1967	1974	28	539.67	327.79	125495	63707	50.76
15.	Nandur Madhmeshwar	Major	48.70	578.36	529.66	1988	1995	7	314.11	264.25	43860	--	--
16.	Lendi	Major	45.52	226.00	180.48	1981	1988	14	35.01	190.99	26934	--	--
17	Mor	Medium	1.23	40.15	38.92	1978	1983	19	26.33	13.82	2125	--	--
18	Mangrul	Medium	1.07	13.05	11.98	1977-78	1982-83	19	9.59	3.46	1935	--	--
19	Bahula	Medium	2.66	36.62	33.96	1977-78	1982-83	19	25.33	11.29	1652	700	32.37
20	Channanadi	Medium	1.83	17.40	15.57	1977-78	1982-83	19	1.43	15.97	2320	--	--
21	Dongargaon	Medium	1.50	24.15	22.65	1979-80	1984-85	17	23.15	1.00	3942	2300	58.35
22	Jam	Medium	5.51	65.19	59.68	1983-84	1988-89	13	53.02	12.17	7184	2700	37.58
23	Kar	Medium	3.68	126.40	122.72	1986-87	1991-92	10	44.81	81.59	6744	3500	51.90
24	Madan	Medium	2.84	50.98	48.14	1979-80	1984-85	17	29.55	21.43	3280	--	--
25	Tembhapuri	Medium	3.20	33.92	30.72	1976	1981	21	27.29	6.63	4784	4784	100.00

Appendix XIX (Concl.)

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
26	Anjana Palsi	Medium	2.47	49.32	46.85	1976	1981	21	40.62	8.70	2030	2030	100.00
27	Purna Neopur	Medium	1.46	16.41	14.95	1977	1982	20	12.90	3.51	1470	1470	100.00
28	Shivna Takli	Medium	8.02	65.05	57.03	1980	1985	17	54.10	10.95	6600	--	--
29	Narangi	Medium	3.93	17.48	13.55	1984	1989	13	16.48	1.00	1000	1000	100.00
30	Bor Dahegaon	Medium	2.43	26.61	24.18	1980	1985	17	24.31	2.30	1600	1600	100.00
31	Renapur	Medium	6.12	56.93	50.81	1986	1991	11	51.11	5.82	4400	2000	45.45
32	Kajala	Medium	1.77	14.87	13.10	1989	1994	8	11.97	2.90	1115	500	44.85
33	Khari	Minor	5.63	17.75	12.12	1992	1995	7	13.70	4.05	1050	--	--
34	Suna	Minor	0.88	4.82	3.94	1996	1999	3	3.57	1.25	506	506	100.00
35	Palaiguda	Minor	1.14	10.12	8.98	1996	1999	3	7.84	2.28	713	500	70.13
36	Mandvi	Minor	3.88	11.72	7.84	1996	1999	3	8.05	3.67	688	500	73.00
37	Domari	Minor	3.17	21.15	17.98	1989	1992	10	19.67	1.48	1269	1269	100.00
38	Gunavati	Minor	1.69	8.88	7.19	1986	1989	13	7.53	1.35	870	680	78.00
39	Murumbi	Minor	1.24	10.97	9.73	1986	1989	13	9.68	1.29	1083	728	67.00
40	Manakarnika	Minor	2.81	20.73	17.92	1986	1989	13	19.29	2.44	1490	1490	100.00

Appendix XX

(Reference : Paragraph 6.2, Page 110)

**Statement showing departmentwise break up of outstanding Utilisation certificates
(Grants)**

Sr. No.	Department	Number of certificates	Amount (Rupees)
1	Agriculture, Animal Husbandry, Dairy Development and Fisheries	4216	2383240847
2	Co-operation and Textiles	1557	507568863
3	Employment and Self employment	8	2048100
4	Environment	2	4689800
5	Finance	51	185109891
6	Food and Civil supplies	3	48295
7	General Administration	151	50277262
8	Higher and Technical Education	560	945941731
9	Home	159	79289244
10	Housing	137	68706908
11	Industries, Energy and Labour	96	1219167403
12	Irrigation	69	69638907
13	Law and Judiciary	30	3229439
14	Medical Education and Drugs	48	176930898
15	Planning	4570	6083580357
16	Public Health	1163	977120197
17	Revenue and Forests	1015	185556388
18	Rural Development and Water Conservation	1386	2417354809
19	School Education	3145	10451856793
20	Social Justice, Cultural Affairs, Sports and Special Assistance	24915	6024227010
21	Town planning	12	1516928800
22	Trade and Economics	11	9274000
23	Tribal Development	721	702940963
24	Urban Development	205	1223670475
25	Vimukh Jati N.T. OBC Welfare department	90	139617973
26	Water Supply and Sanitation	1022	15488420795
27	Women and Child Welfare	325	145214239
	Total	45667	51061650387

Departmentwise break up of outstanding Utilisation certificates (Loans)

1.	Agriculture, Animal Husbandry, Dairy Development and Fisheries	161	1498437118
2.	Co-operation and Textiles	441	900226821
3.	Housing	178	123435129
4.	Industries, Energy and Labour	1615	214114689
5.	Revenue and Forests	214	56417550
6.	Rural Development and Water Conservation	18	13560975
7.	Tribal Development	452	259174834
8	Urban Development	383	151136567
	Total	3462	3216503683

APPENDIX XXI

(Reference : Paragraph 6.4 ; Page 111)

Statement showing performance of autonomous bodies

Sr. No.	Department	Total No. of bodies	Did not render the accounts/ year of accounts	Did not render accounts in the prescribed format	Did not utilise 50 per cent of grants given in a year/ amount remaining unutilised	Which diverted/ misutilised the funds (including grants released by GOI)/ amount diverted/ misutilised	Defaulted repayment of loans/ amount over due	Which did not maintain cash book, maintained irregularly	Which did not invest its surplus funds/ retained huge balances in cash chest/ average amount of surplus funds	Any other interesting points noticed from the audit of accounts
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
	Home	1								
1.	Maharashtra Maritime Board (Accounts of 2000-01)		No such cases	Forms of Accounts adopted was not approved by Government.	No such instances noticed	No such instances noticed	No such instances noticed	No such instances noticed	Investment Committee not set up.	--
	Housing	1								
2.	Maharashtra Housing and Area Development Authority		No such cases	-do-	-do-	-do-	-do-	-do-	-do-	Bank reconciliation was heavily in arrears in all

APPENDIX XXI (contd.)

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
										Boards ranging from April 1991 to October 1998. Liabilities were overstated by Rs 57.21 crore and assets were understated by Rs 3.99 crore.
	Industry, Energy and Labour	1								
3.	Maharashtra State Khadi and Village Industries Board (Accounts of 2000-01)		-do-	Board did not prepare Income and Expenditure Account. Did not disclose major accounting policy.	-do-	-do-	-do-	-do-	-do-	--

APPENDIX XXI (contd.)

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
	Irrigation	5								
4.	Konkan Irrigation Development Corporation (Accounts of 1.1.98 to 31.3.98 to 31.3.99 (15 months))		-do-	Corporation continued to maintain the accounts on cash basis	-do-	-do-	-do-	-do-	-do-	--
5.	Maharashtra Krishna Valley Development Corporation (Accounts of 1996-97 to 1999-2000)		-do-	-do-	-do-	-do-	-do-	-do-	-do-	--
6.	Vidharbha Irrigation Development Corporation (accounts of 1997-1998 to 1999-2000)		-do-	-do-	-do-	-do-	-do-	-do-	-do-	Audit of accounts for the year 1997-98 to 1999-2000 completed SAR not issued
7.	Tapi Irrigation Development Corporation (accounts of 1998-99 to 1999-2000)		-do-	-do-	-do-	-do-	-do-	-do-	-do-	Audit of accounts for the year 1998-99 and 1999-2000 completed SAR not issued

APPENDIX XXI (contd.)

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
8.	Godavari Marathwada Irrigation Development Corporation (accounts of 1998-99 to 1999- 2000)		-do-	-do-	-do-	-do-	-do-	-do-	-do-	-do-
	Urban Development	1								
9.	Mumbai Metropolitan Region Development Authority (Accounts of 2000-01)		-do-	-do-	-do-	-do-	-do-	-do-	-do-	--
	Water Supply and Sanitation	1								
10.	Maharashtra Jeevan Pradhikaran (Accounts of 2000-01)		-do-	-do-	-do-	-do-	-do-	-do-	-do-	Outstanding balance in suspense head as on 31 March 2001 was Rs 77.06 crore. Some of these items are outstanding since 1979-80.

APPENDIX XXI (concl.)

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.
										Interest of Rs 2.23 crore accrued on GOI grants were not disclosed in the accounts
	Women and Child Development	1								
11	Maharashtra State Commission for Women		2000-01	-do-	Commission refunded unspent grant of Rs 0.22 crore during 1998-99 and 1999-2000	-do-	-do-	-do-	-do-	--

Annexure XXII

(Reference: Paragraph 6.11; Page 128)

Details of Avoidable Expenditure on item of "Leaving Wood in trenches"

Name of work	Quantity executed in cubic metre	Rate at which the extra item paid (rupees/cubic metre)	Rate as per Fair Market Drainage 1989 Schedules applicable at the time of preparation of estimates (Rupees/cubic metre)	Difference in rates	Additional Expenditure (Rupees in lakh)	Reasons for extra items
P and L R.C. pipe sewer line (NP3) class along Ghatkopar, Mankhurd Road	575	5163	2600	2563	14.74	Back-filled area. To protect private compound wall and newly constructed compound wall
P and L R.C. pipe sewer line (NP3) class along, Ghatkopar Mankhurd Road, Part II-A	533.042	5075	2600	2475	13.19	Back-filled area. To protect private compound wall and newly constructed compound wall
P and L 1600 mm R.C.C. sewer pipe line from Kurla Pumping Station to Dharavi drop shaft Part-III and IV						Due to heavy traffic cracks were developed on sides of trenches.
(i) Partly New and Partly Old	302.8267 (old)	4340+43.45 per cent	2600+43.45 per cent	2496.03	7.56	Further to protect number of utility services such as cable water main, etc.
(ii) Entire new	842.7119 (new)	5650	2600+43.45 per cent	1920.30	16.18	
				Total	51.67	

APPENDIX XXIII

(Reference: Paragraph 7.1 Page 145)

Departmentally managed Commercial and Quasi-Commercial Undertakings whose *Pro forma* Accounts are in arrears for more than one year

AGRICULTURE, ANIMAL HUSBANDRY, DAIRY DEVELOPMENT AND FISHERIES DEPARTMENT

Milk Scheme	Arrears since	No.of accounts	Remarks
Government Milk Scheme- Latur	August 1999	3	New Dairy-first accounts awaited
Paragrass Production Scheme, Mumbai	2000-01	2	
Unit Scheme, Mumbai	2000-01	2	
Electricity Scheme, Mumbai	2000-01	2	
Cattle Feed Scheme, Mumbai	2000-01	2	
Water Works Scheme, Mumbai	2000-01	2	
Others			
Land Development by Bulldozer Scheme, Amravati	1996-97	6	
Land Development by Bulldozer Scheme, Aurangabad	1998-99	4	
Land Development by Bulldozer Scheme, Pune	1995-96	7	
Land Development by Bulldozer Scheme, Nagpur	1997-98	5	
Revenue And Forest			
Allapali Forest Ranges	1986-87	16	

APPENDIX XXIV

(Reference Paragraph 7.1 Page: 145)

Summarised statement of finalisation of accounts and the government investment thereon in departmentally managed commercial and quasi-commercial undertakings

Sr. No.	Department	Number of undertakings under the Department	Account not finalised (Name of undertakings)	Year from which accounts are due	Investment as per last accounts (Rupees in crore)	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(A)	Agriculture, Animal Husbandry, Dairy Development and Fisheries Department	43	Government Milk Scheme			
Mumbai Region						
1.			Greater Mumbai Milk Scheme, Worli	2000-01	4.81	
2.			Mother dairy, Kurla	2000-01	4.03	
3.			Aarey Milk Scheme, Goregaon	2000-01	(-) 2.38	Accumulated loss has eroded the capital
4.			Milk Transport Service, Worli	2001-02	6.33	
5.			Paragrass Production Scheme, Mumbai	1999-00	0.79	
6.			Unit Scheme, Mumbai	1999-00	4.55	
7.			Electricity Scheme, Mumbai	1999-00	3.71	
8.			Cattle Feed Scheme, Mumbai	1999-00	0.49	
9.			Water Works Scheme, Mumbai	1999-00	1.05	
10.			Dairy Project, Dapchari	2000-01	6.73	
11.			Government Milk Scheme, Chiplun	2001-02	3.65	
12.			Government Milk Scheme, Mahad	2001-02	1.58	
13.			Government Milk Scheme, Ratnagiri	2001-02	2.64	
14.			Government Milk Scheme, Khopoli	2001-02	(-) 0.58	Accumulated loss has eroded the capital
15.			Government Milk Scheme, Kankavali	2001-02	3.18	
16.			Government Milk Chilling Centre, Saralgaon	2001-02	0.32	

APPENDIX XXIV (Contd.)						
(1)	(2)	(3)	(4)	(5)	(6)	(7)
17.			Cattle Breeding and Rearing Farm Palghar	2000-01	1.46	
18.			Government Milk Distribution Depot, Gove, Bhiwandi	2001-02	(-) 1.58	Accumulated loss has eroded the capital
Pune Region						
19.			Government Milk Scheme, Pune	2001-02	2.93	
20.			Government Milk Scheme, Solapur	2001-02	1.00	
21.			Government Milk Scheme, Miraj	2001-02	1.39	
22.			Government Milk Scheme, Mahabaleshwar	2001-02	4.81	
23.			Government Milk Scheme, Satara	2001-02	35.26	
Nagpur Region						
24.			Government Milk Scheme, Nagpur	2001-02	5.37	
25.			Government Milk Scheme, Wardha	2000-01	1.82	
26.			Government Milk Scheme, Chandrapur	2000-01	2.10	
27.			Government Milk Scheme, Gondia	2000-01	3.92	
Aurangabad Region						
28.			Government Milk Scheme, Aurangabad	2000-01	7.12	
29.			Government Milk Scheme, Udgir	2001-02	19.41	
30.			Government Milk Scheme, Beed	2001-02	27.20	
31.			Government Milk Scheme, Nanded	2001-02	3.95	
32.			Government Milk Scheme, Bhoom	2000-01	3.82	
33.			Government Milk Scheme, Parbhani	2000-01	1.78	
Nashik Region						
34.			Government Milk Scheme, Nashik	2001-02	5.33	
35.			Government Milk Scheme, Dhule	2001-02	20.58	
36.			Government Milk Scheme, Chalisgaon	2001-02	2.39	

APPENDIX XXIV (Concl.)						
(1)	(2)	(3)	(4)	(5)	(6)	(7)
37.			Government Milk Scheme, Ahmednagar	2001-02	74.39	
38.			Government Milk Scheme, Wani	2001-02	1.19	
Amaravati Region						
39.			Government Milk Scheme, Amaravati	2000-01	1.96	
40.			Government Milk Scheme, Akola	2001-02	15.76	
41.			Government Milk Scheme, Nandura	2001-02	1.63	
42.			GMS, Latur	First Accounts awaited	N.A.	
43.			GMS, Yavatmal	2001-02	4.00	
(B)	Agricultural, Animal Husbandry, Dairy Development and Fisheries Department	4	Land Development by Bulldozers Scheme			
44.			Land Development by Bulldozers Scheme, Pune	2001-02	4.00	
45.			Land Development by Bulldozers Scheme, Aurangabad	1997-98	0.27	
46.			Land Development by Bulldozers Scheme, Amravati	1995-96	0.01	
47.			Land Development by Bulldozers Scheme, Nagpur	1996-97	0.03	
(C)	Food, Civil Supplies And Consumer Protection Department	2	Procurement Distribution and Price Control Scheme			
48.			Procurement Distribution and Price Control Scheme (Mumbai) and Thane Rationing Areas)	2000-01	3.63	
49.			Public Distribution and Price Control Scheme of Mofussil	2000-01	119.68	
50.	Revenue And Forest Department	1	Allapalli and Pedigundam Forest Ranges of Forest Divisions including Saw Mills and Timber Depot	1985-86	N.A.	

APPENDIX XXV

(Reference: Paragraph 7.1 Page No. 146)

**SUMMARISED FINANCIAL STATEMENT OF DEPARTMENTALLY MANAGED COMMERCIAL/
QUASI-COMMERCIAL UNDERTAKINGS**

Sl. No.	Particulars of Undertaking	Year of commencement of activities	Period of accounts	Government capital (Mean capital)	Block assets at depreciated cost	Depreciation provided during the year	Turn over	Net profit(+)/ Net loss(-)	Interest on mean capital	Total return 9 + 10)	Percentage of return on mean capital
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(Rupees in lakh)											
AGRICULTURE, ANIMAL HUSBANDRY, DAIRY DEVELOPMENT AND FISHERIES DEPARTMENT											
A	Government Milk Schemes										
	Mumbai Region										
1.	Greater Mumbai Milk Scheme, Worli	1947	2000-01	3721.11	424.64	33.82	18437.08	(-) 1772.18	141.75	(-) 1630.43	-
2.	Mother dairy, Kurla	1975	2000-01	3733.86	593.34	31.82	10917.79	(-) 2400.35	208.22	(-) 2192.13	-
3.	Aarey Milk Scheme, Goregaon	1950	2000-01	2268.57	294.61	30.59	7772.12	(-) 1185.38	22.41	(-) 1162.97	-
4.	Milk Transport Scheme, Worli	1951	2000-01	500.30	321.60	65.48	---	--	67.87	---	-
5.	Paragrass Production Scheme, Mumbai	1950	1999-00	275.68	96.91	0.68	74.57	(-)415.46	36.34	(-) 379.12	-
6.	Unit Scheme, Mumbai	1950	1999-00	576.23	443.53	22.08	154.43	(-) 345.82	76.07	(-)269.75	-
7.	Electricity Scheme, Mumbai	1950	1999-00	514.32	18.68	3.17	478.64	(-)34.12	67.76	(+) 33.64	6.54
8.	Cattle Feed Scheme, Mumbai	1950	1999-00	78.11	9.74	0.13	89.70	(-) 56.32	10.26	(-)46.06	-

APPENDIX XXV (contd.)

Sl. No.	Particulars of Undertaking	Year of commencement of activities	Period of accounts	Government capital (Mean capital)	Block assets at depreciated cost	Depreciation provided during the year	Turn over	Net profit(+)/ Net loss (-)	Interest on mean capital	Total return (9 + 10)	Percentage of return on mean capital
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(Rupees in lakh)											
9.	Water Works Scheme, Mumbai	1950	1999-00	151.28	67.53	1.71	172.35	(-)54.53	18.41	(-) 36.12	-
10.	Dairy Project, Dapchari	1960	2000-01	1484.62	579.49	21.42	186.31	(-) 705.68	128.89	(-) 576.79	-
11.	Government Milk Scheme, Chiplun	1964	2001-02	405.78	81.27	4.10	367.28	(-)125.63	34.39	(-) 91.24	-
12.	Government Milk Scheme, Mahad	1966	2001-02	277.88	150.03	4.41	81.10	(-) 108.16	32.90	(-) 75.26	-
13.	Government Milk Scheme, Ratnagiri	1966	2001-02	273.15	83.77	5.19	196.44	(-)139.83	35.43	(-) 104.40	-
14.	Government Milk Scheme, Khopoli	1966	2001-02	139.98	148.05	5.37	4598.70	(-) 103.16	16.80	(-) 86.36	-
15.	Government Milk Scheme, Kankavali	1967	2001-02	496.88	318.08	16.30	230.22	(-)149.68	46.64	(-)103.04	-
16.	Government Milk Chilling Centre, Saralgaon	1979	2001-02	69.44	10.04	0.59	12.82	(-) 26.74	8.33	(-)18.41	-
17.	Cattle Breeding and Rearing Farm Palghar	1979	2000-01	261.43	77.68	1.63	95.45	(-)65.23	18.42	(-)46.81	-
18.	Government Milk Distribution Depot, Gove, Bhiwandi	1987	2001-02	60.28	42.01	2.12	668.23	(-) 153.58	7.23	(-) 146.35	-
Pune Region											
19.	Government Milk Scheme, Pune	1950	2001-02	3915.10	502.40	30.83	12660.42	(-) 4301.77	360.60	(-) 3941.17	-
20.	Government Milk Scheme, Solapur	1960	2001-02	574.23	90.15	7.92	460.37	(-) 283.29	32.65	(-) 250.64	-

APPENDIX XXV (contd.)

Sl. No.	Particulars of Undertaking	Year of commencement of activities	Period of accounts	Government capital (Mean capital)	Block assets at depreciated cost	Depreciation provided during the year	Turn over	Net profit(+)/ Net loss (-)	Interest on mean capital	Total return (9 + 10)	Percentage of return on mean capital
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(Rupees in lakh)											
21.	Government Milk Scheme, Miraj	1961	2001-02	3219.25	509.86	52.09	7465.64	(-) 3387.36	341.72	(-) 3045.64	-
22.	Government Milk Scheme, Mahabaleshwar	1962	2001-02	441.02	64.03	2.37	520.24	(-) 98.15	47.89	(-) 50.26	-
23.	Government Milk Scheme, Satara	1979	2001-02	2994.78	368.35	11.43	3439.81	(-) 531.74	329.29	(-) 202.45	-
Nagpur Region											
24.	Government Milk Scheme, Nagpur	1958	2001-02	1596.84	216.87	25.07	2482.92	(-) 940.97	124.21	(-) 816.76	-
25.	Government Milk Scheme, Wardha	1976	2000-01	495.63	51.56	3.11	219.23	(-) 177.21	33.38	(-) 143.83	-
26.	Government Milk Scheme, Chandrapur	1979	2000-01	347.41	194.93	14.27	942.63	(-)121.77	32.20	(-)89.57	-
27.	Government Milk Scheme, Gondia	1979	2000-01	639.16	79.90	4.65	1143.45	(-)204.98	60.88	(-)144.10	-
Aurangabad Region											
28.	Government Milk Scheme, Aurangabad	1962	2000-01	977.31	249.70	9.30	1436.83	(-) 288.48	88.35	(-) 200.13	-
29.	Government Milk Scheme, Udgir	1971	2001-02	3015.83	562.50	22.29	2535.37	(-) 1372.45	187.53	(-) 1184.92	-
30.	Government Milk Scheme, Beed	1978	2001-02	3683.21	498.82	15.09	4319.54	(-) 742.37	371.61	(-) 370.76	-
31.	Government Milk Scheme, Nanded	1977	2001-02	1162.12	111.32	4.85	1161.97	(-)395.01	94.04	(-) 300.97	-

APPENDIX XXV (contd.)

Sl. No.	Particulars of Undertaking	Year of commencement of activities	Period of accounts	Government capital (Mean capital)	Block assets at depreciated cost	Depreciation provided during the year	Turn over	Net profit(+)/ Net loss (-)	Interest on mean capital	Total return (9 + 10)	Percentage of return on mean capital
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(Rupees in lakh)											
32.	Government Milk Scheme, Bhoom	1978	2000-01	758.77	183.04	4.79	538.90	(-) 279.48	70.56	(-) 208.92	-
33.	Government Milk Scheme, Parbhani	1979	2000-01	547.97	83.66	3.03	341.68	(-)239.03	32.57	(-)206.46	-
Nashik Region											
34.	Government Milk Scheme, Nashik	1960	2001-02	661.95	77.33	4.59	1303.95	(-) 280.46	60.32	(-) 220.12	-
35.	Government Milk Scheme, Dhule	1962	2001-02	2456.57	373.56	15.95	2205.61	(-) 853.77	267.40	(-) 586.37	-
36.	Government Milk Scheme, Chalisgaon	1969	2001-02	339.45	8.42	0.79	396.99	(-) 83.70	34.15	(-) 49.55	-
37.	Government Milk Scheme, Ahmednagar	1969	2001-02	5671.65	357.56	15.69	9936.70	(-) 616.45	648.65	(+) 32.20	-
38.	Government Milk Scheme, Wani	1978	2001-02	151.97	15.59	0.50	260.71	(-) 57.21	11.91	(-) 45.30	-
Amaravati Region											
39.	Government Milk Scheme, Amaravati	1962	2000-01	507.74	191.94	4.78	283.55	(-) 221.10	37.20	(-) 183.90	-
40.	Government Milk Scheme, Akola	1962	2001-02	3348.51	628.54	26.83	2339.89	(-) 1247.48	275.09	(-) 972.39	-
41.	Government Milk Scheme, Nandura	1978	2001-02	426.55	82.16	10.04	188.21	(-) 213.82	30.64	(-) 183.18	-
42.	GMS, Latur	1999	First Pro forma Accounts not submitted so far.								
43.	GMS, Yavatmal	2000	2001-02	420.45	286.67	12.09	244.99	(-) 177.95	50.26	(-) 127.69	-

APPENDIX XXV (concl.d.)

Sl. No.	Particulars of Undertaking	Year of commencement of activities	Period of accounts	Government capital (Mean capital)	Block assets at depreciated cost	Depreciation provided during the year	Turn over	Net profit(+)/ Net loss (-)	Interest on mean capital	Total return (9 + 10)	Percentage of return on mean capital
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
(Rupees in lakh)											
B. Land Development By Bulldozers Scheme											
44.	Land Development by Bulldozers Scheme, Pune	1944	1994-95	144.26	77.47	4.52	46.75	(-) 72.83	18.75	(-) 54.08	-
45.	Land Development by Bulldozers Scheme, Aurangabad	1960	1997-98	23.95	1.69	---	2.56	(-) 21.89	4.49	(-) 17.4	-
46.	Land Development by Bulldozers Scheme, Amravati	1965	1995-96	2.82	0.41	---	1.80	(-) 4.46	0.40	(-) 4.06	-
47.	Land Development by Bulldozers Scheme, Nagpur	1966	1996-97	6.55	0.52	---	0.08	(-) 5.63	0.94	(-) 4.69	-
FOOD, CIVIL SUPPLIES AND CONSUMER PROTECTION DEPARTMENT											
C. Procurement Distribution and Price Control Scheme											
48.	Procurement Distribution and Price Control Scheme (Mumbai) and Thane Rationing Areas)	1959	2000-01	18133.48	15.93	31.35	5959.65	(-) 2088.85	2266.68	--	-
49.	Public Distribution and Price Control Scheme of Mofussil	1957	2000-01	2910.44	566.43	488.78	57717.95	(-) 3102.04	363.80	-	-
REVENUE AND FOREST DEPARTMENT											
50.	Allapalli and Pedigundam Forest Ranges of Forest Divisions including Saw Mills and Timber Depot	1926	1985-86	1857.85	15.57	9.27	826.24	(+) 383.32	170.74	(+) 554.06	29.82

