Economic Sector
This Audit Report contains findings on one performance audit and deficiencies noticed during compliance audit of Government transactions. The gist of audit findings are as under:

**Performance Audit**

**Working of Maharashtra Forest Department**

Maharashtra has a forest area of 61,579 sqkm which is about 20.01 *per cent* of its total geographical area of 3,07,713 sqkm. The tasks of conservation, protection and development of State’s forest including management of wildlife habitats rest with the Maharashtra Forest Department.

A performance audit of the Maharashtra Forest Department for the period 2010-15 revealed that despite implementation of State Forest Policy since 2008, the forest cover in the State over a period of eight years remained stagnant at 16.45 *per cent*. Substantial land under ‘Zudpi Jungle’ and private forest land were not brought under the reserved/protected category. A number of territorial Divisions in the State whose working plans had expired were either continuing with the old working plans or no plans for the last two to 26 years. The outlay for the forestry sector in the State was merely one *per cent* of the total plan outlay in contrast to 2.5 *per cent* recommended by the National Forest Commission in 2006. There were enormous gaps between the funds demanded by the Department and that released by the State Government. The apportionment of forest development tax to the Department was abysmally lower than that remitted to the State Government annually, to support any meaningful forest development activity. A number of Divisions could not attain the physical targets fixed in the working plans which had a spilling effect on the achievement of targets of other interdependent and sequential activities. The management of CAMPA funds was far from satisfactory. There were shortfalls in harvesting of bamboo
coupes leading to loss of revenue. The monitoring, evaluation and internal controls in the Department were deficient.

(Paragraph 2.1)

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The maintenance and repair works to Government buildings were taken up by the Public Works Department in an ad-hoc manner, without preparation of annual repair programmes. The Public Works Divisions sanctioned and carried out repair works in excess of the available budget and thus, saddled with huge liability. The Department did not revise the norms (financial and physical) for maintenance and repair works for the last 10 to 24 years. The funds demanded by the Divisions and that released by the Department were both unrealistic. Buildings in urgent need of repairs remained unattended for substantially long durations thus, endangering the lives of the occupants and the passers-by as well as other structures located on ground. Works of capital nature were executed from maintenance grants in violation of Department’s guidelines. The internal controls and monitoring mechanism in the Department was weak.

(Paragraph 3.1)

• Procurement and milling of paddy under Minimum Support Price Scheme

Implementation of procurement and milling of paddy under Minimum Support Price Scheme revealed that the procurement centres did not have the requisite equipment (moisture meters and image analysis kits) to check the quality of paddy procured by the two State Government Agencies (SGAs). Delay in milling of paddy and delivery of custom milled rice to the FCI resulted in significant accumulation of stocks with the SGAs and the millers. There was loss of `82.96 crore on account of disposal of 11.44 lakh quintal
unmilled paddy. The millers were also granted undue financial benefits as the GoM did not levy penalty of `160.41 crore for their inability to deliver 5.85 lakh quintal custom milled rice to the FCI during KMS 2009-14. Further, penalties totaling `4.62 crore for delay in lifting of paddy by the millers within the stipulated period and short-deposit of the required grade of custom milled rice with the FCI were also not levied on the millers.

(Paragraph 3.2)

- The Dhule Medium Project Division No.2, Nandurbar commenced a medium irrigation project without ensuring availability of land for the major components (dam proper and canals), in violation of the provisions contained in the Maharashtra Public Works Manual. Further, the project which was envisaged to be completed in four years (August 1988) at an estimated cost of `7.09 crore could not be completed even after lapse of 27 years and an expenditure of `81.19 crore. Significantly, the tribal population of Nawapur taluka who were expected to be the major beneficiaries of this project also remained deprived of the intended benefits for the last 27 years.

(Paragraph 3.3)

- The Amravati Irrigation Division made an inadmissible payment of `13.63 crore to a contractor due to wrong application of clause 38 and non-adherence to contract conditions.

(Paragraph 3.4)

- Irregular grant of mobilization advance of `8.68 crore to a contractor as well as admitting his claim for idle charges of `1.43 crore and subsequent trade-off between the contractor and Vishnupuri Project Division to waive off the interest component on mobilization advance in consideration of idle charges resulted in short-recovery of interest amount of `47.75 lakh.

(Paragraph 3.5)
• Contrary to the tender conditions, the Chief Engineer, Nashik sanctioned extra items of `4.48 crore to a contractor for construction of a major bridge across Tapi river at Hatoda in Nandurbar district, which was irregular.

(Paragraph 3.6)

• The Superintending Engineer, Public Works Raigad Circle unauthorisedly diverted `1.45 crore from work contingencies of 25 works for construction of store shed and record room at Navenagar-Mahad, district Raigad, in contravention of the recommendations of the Public Accounts Committee and the provisions contained in the Maharashtra Public Works Manual.

(Paragraph 3.7)

• The Public Works Division, Parbhani in violation of contract conditions admitted irregular additional claims of a contractor amounting `1.07 crore against two works which had already been completed and paid for eight years back.

(Paragraph 3.8)

• A bridge constructed by the Executive Engineer, Public Works Division, Bhandara in March 2014 at a cost of `3.05 crore remained non-operational for public use as of December 2015 due to non-construction of approaches to the bridge.

(Paragraph 3.9)