

## Overview

### About this Report

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from compliance audit of government departments, autonomous bodies and public sector undertakings of the Government of Maharashtra. Compliance audit refers to examination of the expenditure and revenue of the audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by the competent authorities are being complied with.

The primary purpose of this Report is to bring important results of audit to the notice of the State Legislature. The findings of audit are expected to enable the executive to take corrective actions and also to frame policies and directives that will lead to improved operational efficiency and financial management of the organisations, thus contributing to better governance.

This Report contains 12 paragraphs, including 2 compliance-based thematic paragraphs on Rashtriya Uchchar Shiksha Abhiyan and Utilisation and redevelopment of municipal markets and 10 audit paragraphs.

There are 24 departments, 17 autonomous bodies and 38 public sector undertakings of the Government of Maharashtra headed by Additional Chief Secretary/Principal Secretaries/Secretaries, which are audited by the Principal Accountant General (Audit)-I, Maharashtra, Mumbai.

**(Paragraph 1.1 and 1.2)**

Explanatory Memorandum on 31 paragraphs and reviews included in the Audit Report were outstanding for period ranging between three months and 78 months. Action Taken Notes on 557 recommendations of Public Accounts Committee and Committee on Public Undertakings were pending from 18 departments.

**(Paragraph 1.6.4)**

#### **Significant audit findings are as follows:**

- The implementation of the Rashtriya Uchchar Shiksha Abhiyan (RUSA) in Maharashtra was fraught with delays and ineffective monitoring. As against total grants (Central and State) of ₹ 376.97 crore, Government could spend only ₹ 283.07 crore, leaving an unspent balance of ₹ 93.90 crore. Government decided to participate in the implementation of RUSA in the State in October 2013. However, the State Higher Education Council (SHEC), a supreme policy body for higher education to develop comprehensive, long-term and inclusive higher education plan, was constituted only in August 2017. As a result, Government submitted the State Higher Education Plan for 2015-17 instead of 2014-17. Further, the spending on higher education was less than two *per cent* of Gross State Domestic Product. There was delay in the creation of university by conversion of colleges in a cluster. The monitoring and evaluation of the RUSA was weak as SHEC had not even finalised key performance indicators to assess the performance of the participating higher educational institutions.

**(Paragraph 2.1)**

- Municipal Corporation of Greater Mumbai (MCGM) constructs, maintains, and regulates public markets for sale of fruits, vegetables, meat *etc.* Significant area of the market building constructed under the Accommodation Reservation Scheme was either not utilised or was lying vacant. The Market department failed to take concrete action to evict the lessee despite breach of conditions in the lease agreement. A market building, comprising of ten floors, constructed by MCGM was not being utilised for market services for more than six years. The progress in redevelopment of existing dilapidated markets and rehabilitation of shop owners was poor. Improper maintenance of records related to outstanding dues and short recovery of various charges indicated inadequate internal controls and poor monitoring in the Market Department.

**(Paragraph 2.2)**

- Construction of Sewage Treatment Plants in prohibited zone, which had to be demolished, resulted in wasteful expenditure of ₹ 3.25 crore.

**(Paragraph 2.3)**

- Faulty tender condition stipulating additional loading of overheads and profit percentage which were already included in the schedule of rates, resulted in undue benefit of ₹ 4.36 crore to contractors on extra items of work in three contracts.

**(Paragraph 2.4)**

- Incorrect computation of capital value of property resulted in short levy of property tax amounting to ₹ 7.85 crore.

**(Paragraph 2.5)**

- Failure of Executive Engineers (Prime Minister Gram Sadak Yojna) to reduce the contract cost, subsequent to implementation of GST, resulted in excess payment of ₹ 28.63 crore to the contractors.

**(Paragraph 2.6)**

- Delay in the grant of Revised Administrative Approval to an incomplete hydroelectric project on which an expenditure of ₹ 250.03 crore has been incurred, resulted in blocking of funds for more than six years.

**(Paragraph 2.7)**

- Lack of coordination between Mumbai Slum Improvement Board, Collector, Mumbai Suburban District and Municipal Corporation of Greater Mumbai resulted in idling of multipurpose centre constructed at a cost of ₹ 5.71 crore at Ramabai Ambedkar Nagar, Ghatkopar (East), Mumbai for more than five years.

**(Paragraph 2.10)**

- Incorrect estimation of taxable income and consequent short payment of advance income tax resulted in avoidable payment of interest of ₹ 2.36 crore for the financial year 2017-18.

**(Paragraph 2.11)**

- Failure to acquire land for construction of canal resulted in unfruitful expenditure of ₹ 15.20 crore on the construction of a dam.

**(Paragraph 2.12)**

