

## OVERVIEW

This report comprises of two sections (i) Economic Sector and (ii) Revenue Sector. There are seven chapters containing two performance audits, a follow-up audit and 24 compliance audit paragraphs.

Chapter I to Chapter III contain audit findings pertaining to economic sector including one performance audit on “Construction and Maintenance of Bridges in Maharashtra by Public Works Department and the Maharashtra State Road Development Corporation” and one thematic audit on “*Tur* procurement and disposal under Market Intervention Scheme of Government of Maharashtra for *Kharif* season 2016”.

Chapter IV to Chapter VII contain audit findings pertaining to revenue sector including one follow-up audit of “Sale/allotment of land and levy and collection of conversion charges” and one performance audit on “Preparation of Annual Statement of Rates for determination of market value for levy of stamp duty and registration fee”.

## ECONOMIC SECTOR

### Performance Audit

#### Public Works Department

Performance audit on “Construction and Maintenance of Bridges in Maharashtra by Public Works Department and the Maharashtra State Road Development Corporation” revealed that:

State of Maharashtra has constructed large number of bridges on various roads and the pace of construction was intensive particularly in the last two to three decades. The Public Works Department (PWD) and Maharashtra State Road Development Corporation (MSRDC) under Government of Maharashtra are responsible for the construction and maintenance of bridges in the State of Maharashtra. The Road Development Plan 2001-2021(RDP) was approved in April 2012. There was no evidence of strategic planning for bridge development and maintenance. Periodic targets were not fixed for the implementation of RDP. Inadequate planning in construction of bridges on account of acquisition of land, estimation, approval to design and indecisiveness resulted in inordinate delay and extra cost. Planning for maintenance of bridges was ineffective as reflected in non-conduct of initial/routine inspections and structural audits leading to non-approval of maintenance works of bridges which are in urgent need of repairs.

Separately allotted minor head meant for bridges was not being operated which resulted in non-availability of separate information in respect of funds demanded, allotted and expenditure incurred relating to construction as well as maintenance of bridges separately at a glance and deprived the department of disaggregated data on bridges needed for monitoring. There was absence of financial planning as the allotment and expenditure incurred were not related to the actual requirement.

Works remained incomplete due to non-acquisition of required land prior to commencement of works. There was unfruitful expenditure due to incomplete work of super structure, non-execution of approaches to bridge.

Inspection and monitoring were deficient as reflected from non-maintenance of bridge register, non/improper maintenance of masonry registers, shortfall in conduct of routine, special and comprehensive inspections and non-preparation of calendar of inspection. In the absence of preventive maintenance, cost of maintenance may increase drastically besides putting the life of commuters at risk.

**(Paragraph 2.1)**

### **Compliance Audit**

#### **Co-operation, Marketing and Textile Department**

Thematic audit on “*tur* procurement and disposal under Market Intervention Scheme of Government of Maharashtra for *kharif* season 2016” revealed that:

The production of *tur* in the state was 20.89 lakh metric tonne (MT) during the *kharif* season 2016 as against 4.44 lakh MT during the previous year. Due to bumper crop, the market price declined which was less than the Minimum Support Price (MSP) declared by Government of India. The introduction of the Market Intervention Scheme (scheme) in the state by the Co-operation, Marketing and Textile Department (department) was delayed despite the availability of information and estimation of bumper crop. Even after the introduction of the scheme, there was delay in taking decision to procure leading to delay in procurement, despite registration done by the farmers for sale of *tur*.

To add to the distress of the farmers, the payment of MSP to farmers was delayed. Payments to farmers were done through cheques instead of payment through NEFT/RTGS. The department did not ensure that implementing agencies adhered to the scheme instructions regarding direct payment to farmers’ bank account. There was delay in disposal of *tur* which increased the warehouse charges and interest on loans. The delay in disposal was also one of the factors for delay in payment to farmers. The monitoring of the scheme by the department was weak.

**(Paragraph 3.1)**

### **Public Works Department**

- Inadmissible payment of ₹ 97.65 lakh due to non-compliance of condition for additional cost of 16.50 *per cent*.

**(Paragraph 3.2)**

- Absence of inter-department compliance system resulting in extra payment ₹ 75.40 lakh.

**(Paragraph 3.3)**

- Arbitrary withdrawal of part works from one contractor and awarded to another contractor at higher rate without inviting tender, resulted in avoidable expenditure of ₹ 2.86 crore, besides vitiating transparency in the award of work.

**(Paragraph 3.4)**

## Water Resources Department

- Execution of height raising work of dam of Anjani medium project without acquiring the required land for submergence and non-assessment of economic viability of the entire project resulted in wasteful expenditure of ₹ 32.38 crore.

(Paragraph 3.5)

- Wasteful expenditure ₹ 4.38 crore due to commencement of the work without acquisition of land.

(Paragraph 3.6)

- Injudicious planning resulted in unfruitful expenditure of ₹ 117.58 crore due to stoppage of work of lift irrigation scheme for more than three years.

(Paragraph 3.7)

- Deficient planning resulting in unfruitful expenditure of ₹ 55.22 crore on uneconomical Unkeshwar high level barrage.

(Paragraph 3.8)

- Avoidable extra payment of ₹ 102.12 lakh due to non-compliance to the Government of Maharashtra guidelines regarding design/revised design procedure of canal.

(Paragraph 3.9)

- Failure to comply with prescribed norms resulted in incorrect/defective estimation and excess expenditure of ₹ 2.15 crore under Clause 38.

(Paragraph 3.10)

## REVENUE SECTOR

### Tax administration

The total revenue receipts of the state during the year 2018-19 were ₹ 2,78,996.27 crore, of which revenue raised by the State Government was ₹ 2,03,279.95 crore and receipts from Government of India was ₹ 75,716.32 crore. The revenue raised by the State Government constituted 73 per cent of the total net receipts of the state. The receipts from Government of India included ₹ 42,054.20 crore on account of the state share of divisible union taxes which registered an increase of 13 per cent over the previous year and ₹ 33,662.12 crore received as grants in aid.

### Taxes on Sales, Trade, etc.

### Compliance Audit

- Erroneous allowance of dual credit of ₹ 15.05 lakh and non-levy of interest of ₹ 11.93 lakh on dues arising after assessment.

(Paragraph 5.4)

- Short levy of sales tax of ₹ 16.29 lakh and interest of ₹ 15.64 lakh due to irregular allowance of inter-state sales at concessional rate

*(Paragraph 5.5)*

- Non-levy of penalty of ₹ 63.67 lakh for late filing of audit report in Form 704

*(Paragraph 5.6)*

- Non/short levy of interest under section 30(2) of Maharashtra Value Added Tax Act 2002 ₹ 42.58 lakh

*(Paragraph 5.7)*

### **Stamp Duty and Registration Fee**

### **Performance Audit**

Performance audit on “Preparation of Annual Statement of Rates for determination of market value for levy of stamp duty and registration fee” for the period 2014-15 to 2018-19 revealed that:

Data considered for preparation of Annual Statement Rates (ASR) was not complete and correct. Change in status of land like conversion to non-agricultural land was not ascertained from the revenue authorities and updated. The changes in survey numbers due to fragmentation/amalgamation of areas were also not updated. Value zone maps were not updated as per development plan and also separate value zones for high value transactions were not formed. Valuation guidelines (VG) for determination of depreciation, impact of floor space index/transferable development rights and buildable public reservation in valuation of land were not uniform throughout the state. The VG for increase in valuation of properties located in large housing projects situated in municipal corporation/council limits was not applicable to properties having similar potential situated in influence zone. VG for valuation of parking spaces allotted free of cost to owner is absent.

There was no mechanism of internal audit in the Joint Director of Town Planning office to draw assurance on the quality of work being done for proper preparation of ASR. Periodical returns to monitor stages of preparation of ASR were not prescribed.

*(Paragraph 6.4)*

### **Compliance Audit**

- Short levy of stamp duty due to undervaluation of property

*(Paragraph 6.5)*

- Short levy of stamp duty in conveyance deed due to incorrect application of provisions of Maharashtra Stamps Act and Annual Statement Rates

*(Paragraph 6.6)*

- Short levy of stamp duty in cases of lease deed

*(Paragraph 6.7)*

- Short levy of stamp duty due to non-impounding of instrument

*(Paragraph 6.8)*

- Short levy of stamp duty due to non-consideration of distinct matters in one instrument and non-application of instructions to Annual Statement of Rates

*(Paragraph 6.9)*

- Short levy of stamp duty due to irregular grant of remission of stamp duty

*(Paragraph 6.10)*

### Land Revenue

#### Follow-up Audit

A follow-up audit of performance audit on “Sale/allotment of land and levy and collection of conversion charges” revealed that:

Department did not take action to resume land in four out of nine cases, on which no construction had taken place and were lying vacant for 12 to 27 years.

Government had not implemented a clear and transparent policy for grant of land to private institutions for education and other activities till date and had not evolved a revised system for granting of concession in fees to trusts and other societies.

Department had not taken concrete steps to upload the information regarding land allotment to bring more transparency in the process as recommended by the PAC.

*(Paragraph 7.3)*

#### Compliance Audit

- Short recovery of unearned income

*(Paragraph 7.4)*

- Short levy of occupancy price due to application of incorrect rates

*(Paragraph 7.5)*

- Short recovery of *nazarana*

*(Paragraph 7.6)*

- Short levy of royalty and penalty on illegal extraction of clay for bricks due to incorrect calculation

*(Paragraph 7.7)*