TABLE OF CONTENTS

	Paragraph Number	Page Number		
Preface		iii		
Chapter 1 - Introduction				
About this report	1.1	1		
Auditee profile	1.2	1		
Authority for audit	1.3 2			
Planning and conduct of audit 1.4		3		
Significant audit observations	gnificant audit observations 1.5			
Performance Audit on Implementation of Textile Policy 2013-18	1.5.1	4		
Performance Audit on Agricultural Marketing Reforms in Karnataka	1.5.2	4		
Thematic Audit on Diversion of forestlands and Functioning of Karnataka State Compensatory Afforestation Fund Management and Planning Authority	1.5.3	6		
Compliance Audit	1.5.4	7		
Lack of responsiveness of the Government to Audit	1.6	8		
Response of Departments to the Draft Paragraphs	1.6.1	8		
Follow-up on Audit Reports	1.6.2	8		
Paragraphs to be discussed by the Public Accounts Committee	1.6.3	9		
Chapter 2 – Performance Audit				
COMMERCE AND INDUSTRIES DEPARTMENT (HANDLOOMS	& TEXTILES)			
Implementation of Textile Policy 2013-18	2.1	13		
CO-OPERATION DEPARTMENT				
Agricultural Marketing Reforms in Karnataka	2.2	46		
Chapter 3 – Compliance Audit				
AGRICULTURE & HORTICULTURE DEPARTMENT (SERICULTURE)				
Parking of funds in violation of rules	3.1	95		
FOREST, ECOLOGY & ENVIRONMENT DEPARTMENT				
Diversion of forestlands and Functioning of Karnataka State Compensatory Afforestation Fund Management and Planning Authority	3.2	97		

MINOR IRRIGATION & GROUND WATER DEVELOPMENT DEPARTMENT			
Irregularities in execution of works	3.3	120	
Unfruitful expenditure due to incomplete projects	3.4	126	
PUBLIC WORKS, PORTS AND INLAND WATER TRANSPORT DEPARTMENT			
Payment to Contractors in contravention of agreement	3.5	132	
Undue benefit to contractor	3.6	136	
Excess payment to the contractor	3.7	138	

LIST OF APPENDICES

Appendix No.	Details	Page No.
1.1	Details of Departmental Notes pending as of September 2018	145
1.2	Number of paragraphs/Reviews yet to be discussed by PAC as of September 2018	146
2.1	Incentive packages offered to M/s Himmatsingka Seide	147
2.2	Spinning Mills in Co-operative Sector	148
2.3	Statement showing low market arrivals compared to marketable surplus	149
3.1	Time-line for CAMPA	150
3.2	Statement showing details of cases of diversion of forestland (in 10 test-checked divisions)	151
3.3	Details of forest area used for Non-forest purposes without prior approval of Central Government	154
3.4	Non-renewal of lease for diversion of forests	155
3.5	Progress in resumption of diverted forest areas	156
3.6	Deviation from Annual Plan of Operations	157
3.7	Short recovery of CA and other charges	158
3.8	Cases of non-implementation of stipulations	159