

CHAPTER-VI

COMMERCIAL ACTIVITIES

6.1 Government Printing Presses in Maharashtra

6.1.1 Introduction

There are eight Government printing presses (Presses) in Maharashtra, one each at Mumbai, Aurangabad, Nagpur, Kolhapur, Pune, Wai and two Jail presses at Yeravada (Pune) and Nagpur along with Shivaraj Fine Art Litho Works (taken over in June 1994). An expenditure of Rs 288.86 crore was incurred on these eight presses during the period 1996-97 to 2000-2001. The Presses were declared as commercial entities as departmental undertaking in 1968 and function under the Director of Printing and Stationery (DPS), Mumbai who exercises overall control on finance, administration and production of the presses. The day to day affairs of each press is looked by their respective managers. The working of Presses for the period 1996-2001 at Mumbai, Nagpur, Aurangabad, Pune and Jail press at Yeravada is discussed in the ensuing paragraphs.

6.1.2 Modernisation of Presses

A Committee appointed by the State Government to study the issue of modernisation of presses recommended (January 1992/ March 1994) for replacement of letter press machines and hand composing by modern machines at an estimated cost of Rs 25.04 crore. Based on the recommendations of the Committee, the State sanctioned an amount of Rs 9.77 crore till March 2001 and DPS utilised it to the extent of Rs 9.73 crore. Audit analysis found that despite modernisation the cost per lakh of A-3 impressions has consistently gone up during the period 1996 to 2000. Moreover the *per capita* productivity also decreased in case of Pune and Nagpur presses despite the infusion of Rs 1.87 crore under the modernisation programme. DPS stated that efforts are being made to increase production by holding Joint Management Committee Meetings.

Despite the modernisation expenditure of Rs 9.73 crore, the cost of A-3 impressions has gone up and *per capita* productivity decreased

6.1.3 Capacity utilisation

6.1.3.1 Printing

The aggregate capacity utilisation of the four presses* during 1996-97 to 2000-01 was very low being 29 and 27 *per cent* in respect of letter press and off set printing respectively. The details regarding two major presses at Mumbai and Pune are as under:

Capacity utilisation at Mumbai was 40 *per cent* and at Pune 22 *per cent*

Mumbai: The aggregate capacity utilisation was 40 *per cent* (highest amongst the four presses) and in respect of letter press and off set presses it was 26 *per cent* and 62 *per cent* respectively. The capacity utilisation of off set machines in Mumbai came down from 83 *per cent* in 1996-97 to 48 *per cent* in 1998-99. In Mumbai press the production was high in 1996-97 due to assembly election resulting in increased capacity utilisation. Between 1996-97 and 1998-99 though the production hours declined by 14 *per cent* on account of reduced over time hours the production declined drastically by 42 *per cent*. This was mainly due to increase in unproductive hours from 55 *per cent* to 61 *per cent* and lower efficiency.

Pune: The aggregate capacity utilisation was 22 *per cent* (lowest amongst the four presses). As Pune press did not maintain monthly/yearly consolidated data of productive and unproductive hours the reasons for low capacity utilisation could not be ascertained. The capacity of off set printing in Pune press was reduced from 7112 lakh impressions in 1998-99 to 5352 lakh impressions in 1999-2000 and 2000-01 due to reduced speed of the machinery considered by the press as mentioned in para 6.1.4.3.2 which resulted in loss of production of 806 lakh impressions valuing Rs 58.18 lakh.

No steps have been taken to improve the capacity utilisation in order to obtain optimum services out of the huge investments made in the Presses. DPS attributed (October 2001) the low capacity utilisation in Mumbai and Pune presses to high percentage of unproductive hours on account of breakdown of machines, which were very old. Further DPS stated that efforts were being made to procure new machines under modernisation.

6.1.3.2 Composing

The production hours of composing in Mumbai press declined by 17 *per cent*

The targets fixed for composing in the five presses excluding Pune press decreased from 3.49 lakh A-4 size pages in 1996-97 to 3.11 lakh in 1999-2000 despite modernisation and the production decreased from 2.13 lakh A-4 size pages in 1996-97 to 1.86 lakh in 1999-2000. While the decrease in composing targets was mainly due to decrease in targets of Mumbai press, the decline in production was due to decline in Hand, Mono and Lino composing in Mumbai and Mono, Lino composing in Nagpur press respectively. Though the

* Aurangabad, Nagpur, Pune and Yeravada

production hours in Mumbai press declined by 17 per cent during 1996-2000 on account of reduced over time the production declined by 24 per cent. DPS attributed (October 2001) the decrease in target and production to switch over from Mono and Lino composing to Desk Top Publishing (DTP) composing as the Mono and Lino composing machines had become old and outdated. The reply is not tenable as the hand and DTP composing targets were also reduced. Moreover, the production in hand composing also declined in Mumbai press while the capacity utilisation of DTP composing ranged between 8 and 27 only during 1996-97 to 1999-2000. The capacity utilisation in Nagpur Press could not be commented in the absence of data of available capacity.

6.1.3.3 Work orders

Even when the capacity of presses was under utilised work orders were kept pending and also there was delay in execution of works which are discussed below:

- (i) The number of appeals pending printing increased from 10,574 (April 1996) to 13,240 (March 2001) in the five presses excluding Pune press.
- (ii) The number of city/village maps pending printing in Pune and Nagpur presses increased from 4614 (April 1996) to 5568 (March 2001).
- (iii) Test-check of 5469 work orders in Pune, Aurangabad, Mumbai and Yeravada presses revealed that in respect of 746 work orders the time taken to complete these works i.e. from issue of work order to despatch of printed material, ranged from 6 to 81 months during 1998-99 to 2000-01.

6.1.3.4 Productive and unproductive hours

Data of productive/unproductive hours of the Presses were either not available (in Mumbai press) or were incomplete. No uniformity is maintained by the different presses in compiling data regarding productive/unproductive hours.

Data of productive/unproductive hours of the press were not available or incomplete. No uniformity in compiling data

The percentage of make ready time to total hours in off set printing ranged from 6 (Yeravada) to 14.62 (Mumbai). Considering the average make ready time percentage of Yeravada and Aurangabad presses, the loss of production due to excess make ready time in Nagpur and Mumbai presses during April 1996 to December 2000 worked out to 2031.79 lakh impressions valuing Rs 12.57 lakh and Rs 77 lakh respectively. Similarly, in Mumbai press the loss of printing impressions due to excess make ready time in letter press printing as compared to other presses worked out to 3364.68 lakh impressions valuing Rs 2.99 crore during 1996-97 to 1998-99. DPS stated (October 2001) that considering the overall machineries, labour, type of work and other miscellaneous factors, the make ready time for each press is fixed. The reply is not tenable as the type of work, machineries and labour in the presses are more or less the same which do not justify fixation of different make ready time.

The percentage of unproductive hours ranged from 22.82 (Aurangabad) to 75.35 (Yeravada) in off set printing, while it was 18.42 (Aurangabad) to 78.45 (Yeravada) in letter printing. Unproductive hours were due to factors such as shortage of work, labour absenteeism and machine break down.

The loss during 1996-97 to 2000-01 on account of shortage of work, (which is basically the time lost in waiting for work from composing section), paper/ink and use of old machinery was 1013.40 lakh, 5618.85 lakh and 583.37 lakh printing impressions respectively valuing Rs 5.06 crore. This could have been avoided by proper planning of work and replacement of uneconomical machines. DPS stated (October 2001) efforts are being made to procure new machineries under modernisation and all the presses have been instructed to ensure that there was no loss of production due to shortage of paper/ink.

72 Lino operating machines at Nagpur press were under repair for long period resulting in idle wage payment of Rs 0.05 crore

Further, the working of 51 off set machines in all the five presses revealed that out of total 2859 machine months during 1997-98 to 2000-01, the machines did not work for the entire month in respect of 397 machine months resulting in idle wages of Rs 15.88 lakh. The Lino operating machines in Nagpur press were under repairs for the entire month for 72 machine months in different spells during the years 1997-98 to 2000-01. This resulted in idle wage payment of Rs 5.41 lakh. Nagpur press stated (June 2001) that the machines were very old and it takes long time to get them repaired locally. Further it was stated that post of chief mechanic was vacant which led to delay in repair.

6.1.3.5 Delay in utilisation of machinery and computers

DTP machines at Aurangabad were not utilised for 19 to 23 months

Under the modernisation programme, Aurangabad press received (May/November 1995) off set printing and DTP machines costing Rs 74.62 lakh. However, these machines were utilised at a delay of 19 to 23 months from the date of their receipt due to non-availability of additional power supply. It was noticed in audit that the estimates for additional load were received by the press from Public Works Department in March 1995 and approved by Government in October 1996. Thus, lack of proper planning resulted not only in blocking up of funds amounting to Rs 74.62 lakh for about 2 years but also loss of production of printing impressions and composing pages valued Rs 31.87 lakh.

6.1.4 Labour efficiency

Based on the standards fixed for various printing operations, the presses work out the productivity index of labour by comparing the actual man hours with that of standard man hours. The major findings of audit in this regard are as follows:

6.1.4.1 Off set and letter press machines

The productivity index of off set machines in Yeravada press was the lowest ranging between 36 and 41 during 1996-97 to 2000-01 which was partly due to fixation of higher speed of machines as standard by Yeravada press as

against lower speed of similar machines by other presses. Similarly, the productivity index in letter press printing was also the lowest in Yeravada press.

6.1.4.2 Hand and Desk Top Publishing composing

The index in hand composing section in Mumbai and Yeravada presses was less than 55 during 1996-97 to 2000-01. Monthly and yearly abstract of labour productivity index of hand composing was not maintained by Nagpur press during 1996-97 to 1999-2000 in the absence of which control over productivity of labour was not possible for the management. Nagpur, Pune and Aurangabad presses citing reasons that in absence of standards productivity index of DTP composing were not worked out. However, efforts made, if any, to procure the standards from other presses was not on record. Index in Mumbai press ranged between 23 and 42 while it ranged between 65 and 75 in Yeravada press.

6.1.4.3 Reading and tracing sections

Index of reading section was not worked out by Aurangabad and Pune presses, the reasons for which were awaited (November 2001). The tracing section of Nagpur and Pune presses traces the village/city maps before printing. However, no standards were fixed for working out the index of the labour working in this section for proper control.

No standards for index of labour at Aurangabad and Pune presses

Idle wages payment of Rs 23.06 crore due to low labour productivity

6.1.4.3.1 In view of low labour productivity, the idle wages on excess hours in the five presses worked out to Rs 23.06 crore. DPS stated (October 2001) that the main reasons for low productivity of labour were untrained workers, increase in repair hours due to old and outdated machineries, non-availability of spare parts for machineries, shortage of labour, vacant post of supervisor and labour absenteeism. The reply is not tenable as increase in repair hours, non-availability of spare parts, shortage of labour and labour absenteeism being unproductive hours are excluded while working out the labour productivity. Moreover, labour could have been given proper training to improve the productivity. The Press Managers did not maintain data of productive and unproductive hours and productivity index of labour.

6.1.4.3.2 As per Government resolution of July 1997 employees of State Government Printing Presses were granted pay parity with those of Central Government Presses. The revised pay was made applicable from November 1989. An agreement to increase the work standard by 30 per cent was also executed between Management and Employees Unions in August 1997 duly approved by Labour Commissioner. For revising the work standard the DPS constituted in February 1998 a committee consisting of workers' and management's representatives. The report of the committee, which was to be submitted by April 1998, was not on record/produced to Audit. It was noticed in audit that the Presses continued to use the old standards. Based on the

saving in man hours considering 30 per cent revision in standard, the avoidable expenditure on the excess hours worked out to Rs 5.33 crore during 1998-99 to 2000-01 in respect of hand composing, DTP composing, reading and binding sections. Nagpur press stated (June 2001) that the committees report pertaining to Nagpur press was sent to DPS in October 1998 and the revised standard is now being used. Information regarding submission of committees report was awaited.

Notwithstanding appointment of the committee for revision of standards, Pune press in March 1999, revised the standards, on their own which were implemented from April 1999 onwards. It was seen that the standards of off set machines and binding operations were reduced. It appears that the speed of the machines was reduced so as to suit the requirement of 30 per cent increase in work standard. DPS stated (October 2001) that due to reduced efficiency of machines standards may reduce with passage of time. The reply was, however, silent about why the press revised the standard on its own despite appointment of committee by DPS.

Thus, due to unauthorised revision of standards, the Management could not ensure 30 per cent increase in work standard as stipulated in Government resolution. Reply of Management was awaited (November 2001).

6.1.5 Costing

Review of cost sheets and rates fixed for billing revealed the following:

6.1.5.1 Preparation of cost sheet/rate is in arrears in all the five presses as shown below:

Press	Cost sheet/rate in arrears from
Mumbai	1991-92
Nagpur	1993-94
Pune and Yeravada	1996-97
Aurangabad	1997-98

In the absence of cost sheets and cost control, cost reduction was not possible. Further the correct cost for billing also could not be determined in absence.

6.1.5.2 DPS did not monitor the rates fixed by the presses. As a result, the rates applied for billing varied from press to press.

Ad hoc increase in rates and under-billing of Rs 0.24 crore in Aurangabad and Yeravada presses

In Mumbai press, the rates for 1998-99 were fixed by adding 70 per cent to the 1991-92 rates i.e. an addition of 10 per cent for each year from 1992-93 onwards. However, the rates were not similarly increased for the bills raised during 1999-2000 to 2000-01 resulting in under billing to the extent of Rs 4.60 lakh on test check of 178 bills. Nagpur press added 10 per cent to the 1993-94 rates; approval of manager was taken for increase in rate by 10 per cent for the years 1999-2000 and 2000-01. Approval for earlier years was not on record. However, approval of DPS for such *ad hoc* increase by Nagpur and Mumbai

presses was not on record. Considering the methodology adopted by Mumbai press, the under billing in Nagpur press in respect of impressions generated and composing done worked out to Rs 60.20 lakh during 1996-97 to 2000-01. The under billing in Aurangabad and Yeravada presses in respect of impressions generated and composing worked out to Rs 23.87 lakh during 1996-97 while in respect of Pune press the under billing on test check of 124 bills worked out to Rs 2.87 lakh during 1997-98 which was mainly due to delay in preparation of cost statements.

6.1.5.3 The paper used in printing was billed by Nagpur press during 1996-97 to 1999-2000 by adding 10 *per cent* to the average rate of paper for the year 1995-96 to 1996-97 instead of the average rate of previous year as was done in all other presses. This resulted in over billing to the extent of Rs 14.53 lakh on test check of six different sizes of off set paper consumed during 1998-99 and 1999-2000. Nagpur press stated (June 2001) that the revised rates pertaining to the respective years will be applied henceforth.

6.1.5.4 Though the weighted average rates prepared by Yeravada press provided for levy of 20 *per cent* despatch charges on the total cost of printing, the same was not levied, reasons for which were not on record. The under billing on account of non-levy of despatch charges worked out to Rs 1.34 crore during 1996-2001.

6.1.5.5 In the absence of cost sheets it was not possible to compare the cost of printing of different presses. DPS stated in October 2001 that instructions have been issued to all the presses to prepare cost sheets during the current year.

6.1.5.6 The estimated cost of production of ration cards for distribution under Public Distribution System was worked out by Mumbai press at Rs 2.50 per card and intimated to DPS in December 1996. The DPS intimated Food, Civil Supplies and Consumer Protection Department (FCS and CD) in January 1997, the estimated cost of printing at Rs 27 lakh for 10 lakh ration cards i.e. Rs 2.70 per card after adding for other contingencies, which was accepted by the department in June 1997. On scrutiny of estimated cost worked out by Mumbai Press, it was seen that only additional 30 *per cent* was added to the cost arrived at on 1991-92 rates instead of adding 50 *per cent* considering 10 *per cent* increase for each year as was done in respect of bills raised for printing work executed by the press. Considering the above facts, the cost worked out to Rs 2.86 per card which led to under billing to the extent of Rs 32.53 lakh in respect of 203.32 lakh ration cards printed during 1997-98 to 2000-2001 in Mumbai, Aurangabad, Pune, Yeravada and Nagpur presses.

6.1.6 Billing system and outstanding dues

A review of billing system and dues in the five presses revealed the following:

6.1.6.1 Billing system

6.1.6.1.1 As per the procedure followed, work order, on completion of work is sent by despatch section to planning section which in turn sends it to the billing section. However, there was no system to ensure that all work orders on completion were billed. Work order wise data regarding date of despatch of printed materials, date of sending the work order to planning and billing section respectively and the date of billing was not maintained by the presses. Thus, proper control over billing of all chargeable work without delay was found lacking.

6.1.6.1.2 Test-check of work orders billed during 1998-99 to 2000-01 revealed that delay in billing ranged between 1 and 66 months in Aurangabad, Mumbai, Yeravada, Pune and Nagpur presses. In the absence of proper monitoring and control the presses did not identify sectionwise delays for fixing responsibility. The Aurangabad press did not bill for 72, 78 and 111 work orders pertaining to 1998-2001 on the ground that the remaining work orders pertaining to the same office were not completed. Similarly, in Pune press test-check of work order pending completion revealed that in respect of 7 work orders though the percentage of work completed and despatched ranged between 33 and 93 *per cent* of the ordered quantity no bills were raised for years. Improper monitoring by DPS and delay in raising the bills led to lapse of budgetary provision of the indenting departments contributing to large accumulation of dues. In reply DPS stated (October 2001) that the reasons for delay in billing and the official responsible for the same will be ascertained from the respective presses and necessary action taken.

6.1.6.2 Outstanding dues

6.1.6.2.1 The total amount recoverable by the five presses (Aurangabad, Mumbai, Nagpur, Pune and Yeravada) from the indenting departments as at the end of 31 March 2001 was Rs 61.82 crore, of which the dues relating to the Mumbai press was Rs 46.11 crore. An amount of Rs 3.1 crore was outstanding from Central Government Departments, Corporations, etc in Mumbai press. No reminders were issued for clearing the old dues. The loss of interest on outstanding amount worked out to Rs 12.51 lakh.

6.1.6.2.2 As per Government's instruction of September 1991, work of Government offices which had not cleared their earlier dues were not to be executed. However, the presses disregarded the instructions. Test-check of bills raised during 1999-2001 in the five presses revealed that work of 58 Government offices valuing Rs 2.70 crore was executed by the presses though earlier bills of Rs 4.93 crore against them were outstanding. DPS did not monitor the compliance of Government instructions and the reasons for not following the instruction of Government were awaited from the respective Press Managers (November 2001).

6.1.6.2.3 As per the Printing and Stationery Manual, the departments shall certify while placing the order for printing that budget grants are available to cover the cost of printing. However, it was noticed that, such certificates were not given to any of the presses and the same was not insisted upon by the presses. DPS stated (October 2001) that instructions have been issued to all the presses to insist for the certificate.

6.1.6.2.4 An amount of Rs 45.39 lakh (Yeravada-Rs 5.95 lakh, Pune-Rs 8.17 lakh and Nagpur-Rs 31.27 lakh) was outstanding against various Government departments for the supply of paper. No efforts for recovery of such dues were made by Yeravada press. In Nagpur press, 67 *per cent* of the dues pertained to more than 5 years. Thus, there was a need for vigorous recovery drive to avoid difficulty in recovery with efflux of time.

6.1.7 *Pro forma accounts not prepared*

The presses have not compiled *pro forma* accounts since 1968-69 to know the cost of service and the financial position as at the end of each financial year. The DPS has failed in his duty towards ensuring the preparation of *pro forma* accounts and as a result though an amount of Rs 288.86 crore was spent on the presses during the period 1996-2001 the financial position and commercial viability of the presses could not be ascertained.

The above points were referred to Secretary in July 2001. No reply has been received (December 2001).

6.2 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 *pro forma* accounts in the prescribed format annually 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 2001, there are 51 such undertakings in the State, out of these the position of arrears in preparation of accounts is as follows: one undertaking for more than 15 years, one undertaking for more than 8 years, 5 undertakings for more than one year but less than 6 years and 14 undertakings for one year. Of the total 51 commercial and quasi-commercial undertakings, only 30 undertakings (Government Milk Schemes) had finalised their *pro forma* accounts for 2000-01 by 15 November 2001. The loss incurred by them aggregated Rs 108.63 crore.

The Comptroller and Auditor General of India repeatedly commented in the Audit Reports of the state 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 investment made by the Government are given in Appendices XXV and XXVI respectively. The summarised financial statement of these undertakings is given in Appendix XXVII.

AGRICULTURE, ANIMAL HUSBANDRY, DAIRY DEVELOPMENT AND FISHERIES DEPARTMENT

Some important irregularities noticed in the Audit of *pro forma* Accounts for 2000-01 are as follows.

6.2.1 Government milk schemes

6.2.1.1 Interest on mean capital

Due to erroneous calculation of mean capital and interest there on, loss was understated by Rs 12.21 crore.

6.2.1.2 Capital

In deviation from Government's directives, loss incurred during the year has been shown as deduction from capital instead of exhibiting under assets side in the balance sheet.

This had resulted in understatement of capital by Rs 104.07 crore in respect of 30 units.

6.2.1.3 Liabilities

6.2.1.3.1 This has been overstated by Rs 43.47 lakh due to excess provision towards water charges payable.

This represents cheques withdrawn from Treasury, remaining unpaid, which has to be added to Capital Account of water works scheme.

Consequently liability has been overstated and assets have been understated by Rs 20.68 lakh.

6.2.1.3.2 Liability has been overstated by Rs 43.68 lakh towards exhibition of accumulated audit fees instead of adding to capital, resulting in understatement of capital by the same amount.

6.2.1.4 Closing stock

This has been understated by Rs 35.62 lakh due to erroneous calculation in the valuation of closing stock at cattle feed scheme, Goregaon.

6.2.1.5 Manufacturing account and Profit and Loss account

6.2.1.5.1 Loss has been overstated by:

6.2.1.5.1 (i) Rs 116.88 lakh due to non-inclusion of two-third portion of toll collection in Agricultural Scheme Unit.

6.2.1.5.1 (ii) Rs 91.86 lakh due to non-accounting the cost of milk recovered through book adjustment from Dairy Science Institute.

6.2.1.5.1 (iii) Rs 17.21 lakh due to excess charging of electricity charges.

6.2.1.5.1 (iv) Rs 10.75 lakh being the depreciation charged for the building, which had already transferred to Industrial Training Institute, Nashik.

6.2.1.5.2 Loss has been understated by:

6.2.1.5.2 (i) Rs 19.53 lakh being the excess credit made towards licence fee and penalty by unit scheme.

6.2.1.5.2 (ii) Rs 1.34 lakh being the excess sales tax debited to Profit and Loss account.

6.2.1.5.2 (iii) Rs 30.17 lakh being the electricity charges and taxes due but not paid during the year has not been charged to Profit and Loss Account.

FOOD, CIVIL SUPPLIES AND CONSUMER PROTECTION DEPARTMENT

Some important irregularities noticed in the course of Audit of *pro forma* accounts for the year 1999-2000 are as follows:

6.2.2 *Procurement, Distribution and Price Control Scheme, Mumbai and Thane rationing area*

6.2.2.1 *Closing stock: Rs 73.33 crore*

This includes Rs 1.98 crore being the value of stock of stale oil (lying since 17 years) despite being pointed out by audit and assurance of the Department to clear the items from accounts. This has resulted in overstatement of Stock Account to that extent.

6.2.2.2 *Net loss : Rs 120.40 crore*

This does not include Rs 308 crore (Rs 224.48 crore + Rs 83.52 crore) towards subsidy receivable from Government on account of loss sustained under STHIR BHAV YOJNA and Annapurna (whole Maharashtra) for the year 1999-2000. This has resulted in over statement of loss by Rs 308 crore with corresponding under statement of assets to that extent.

6.2.2.3 *Balance sheet – Liability side*

6.2.2.3.1 Liability includes dues payable to various parties amounting to Rs 235.08 crore for which no details/documentary evidence is available with the department.

6.2.2.3.2 *Suspense accounts*

This includes Rs 3.82 crore shown under suspense account for more than 10 years and no steps were taken for their clearance. Similarly, Rs 5.12 crore has been shown under assets side also for the equal period.

6.2.2.4 *Asset side*

6.2.2.4.1 Assets included dues receivable from mofussil/districts under various heads totalling Rs 349.53 crore. However, corresponding amount of Rs 15 crore only was shown as payable in the books of mofussil *pro forma* accounts.

6.2.2.4.2 Assets included dues recoverable from various parties amounting Rs 490.30 crore for which no details/documentary evidence was available with the Department.

6.2.2.4.3 As per sectional Register of advances, opening balance of advance paid to Maharashtra State Warehousing Corporation and Central Warehousing Corporation for the year was Rs 7.76 crore and Rs 1.88 crore respectively. However, as per books of accounts opening balance of advance was Rs 5.54 crore and Rs 0.21 crore only.

6.2.3 *Procurement, Distribution and Price Control Scheme, mofussil*

6.2.3.1 *Closing stock: Rs 95.61 crore*

6.2.3.1.1 This includes minus stock of food grains, *Chana dal* and edible oil of Rs 4.10 crore, which has been carried forward from earlier years.

6.2.3.1.2 This includes stock of food grains and palm oil amounting Rs 1.05 crore, which does not exist physically. This has resulted in overstatement of closing stock and understatement of loss to that extent.

6.2.3.1.3 *Other miscellaneous receipts: Rs 6.46 crore*

This includes an amount of Rs 1.26 crore being the cost of ration cards payable to the office of Financial Advisor and Deputy Secretary but credited to profit/loss account.

This has resulted in understatement of loss with corresponding understatement of liabilities to that extent.

6.2.3.3 Balance sheet – Liability side**6.2.3.1 Differential cost of levy sugar payable to Financial Advisor and Deputy Secretary : Rs 7.20 crore**

This does not include an amount of Rs 3.19 crore differential cost of levy sugar payable to Financial Advisor and Deputy Secretary. This has resulted in understatement of liability to that extent.

6.2.3.4 Balance sheet – Asset side**6.2.3.4.1 Other assets : Rs 62.28 crore**

The above includes Rs 25.50 crore recoverable under 14 different items shown for more than 10 years for which no details were available.

6.2.3.4.2 Amount recoverable from Financial Advisor and Deputy Secretary : Rs 276 crore - Loss in Above Poverty Line : Below Poverty Line system and Annapurna Yojna : Rs 191.65 crore

This includes an amount of Rs 1.50 crore shown recoverable from Financial Advisor and Deputy Secretary on account of subsidy claim pertaining to the year 1995-96, for which no provision was made by Financial Advisor and Deputy Secretary. This had resulted into understatement of loss and overstatement of assets to that extent.

6.2.3.4.3 Suspense account: Rs 38.32 crore

This includes Rs 22.55 crore against four different accounts for more than 10 years and steps were not taken for their clearance.

6.2.3.4.4 Railway claims: Rs 84.42 crore

6.2.3.4.4 (i) As per claim register an amount of Rs 2.29 crore was recoverable from railways against loss of wagon etc, however, as per *pro forma* accounts amount recoverable is Rs 0.19 crore only.

6.2.3.4.4 (ii) As per register of advances to Food Corporation of India (FCI) maintained at District Supply Offices, an amount of Rs 91.61 crore was advanced to FCI. However, as per *pro forma* accounts amount advanced to FCI is Rs 168.58 crore.

6.2.3.4.5 There are 75 godowns under control of four districts (Jalgaon –18, Ratnagiri-16, Buldhana-20 and Beed-21).

These godowns are not valued/depreciation provided and shown under the balance sheet resulting in understatement of assets to that extent.

6.2.3.4.6 Cost of jeep: Rs 3.84 crore

This does not include cost of eight numbers of door delivery vans provided to Jalgaon district amounting to Rs 36.38 lakh. This has resulted in understatement of assets.

6.2.4 Government Printing Presses

The printing presses, which function under the control of Director of Printing and Stationery, Mumbai were declared as a commercial department in September 1968, however, the presses have not compiled *pro forma* accounts since 1968-69. In the absence of *pro forma* accounts, the exact financial position, capital employed and commercial viability of the presses could not be ascertained.

Mumbai,
The

(K.S.MENON)
Principal Accountant General (Audit)-I,
Maharashtra

Countersigned

New Delhi,
The

(V.K.SHUNGLU)
Comptroller and Auditor General of India
