



सत्यमेव जयते

ANNUAL TECHNICAL INSPECTION REPORT
ON
LOCAL BODIES



*In terms of the Technical Guidance and
Support of the Comptroller and
Auditor General Of India*

FOR THE YEAR ENDED 31 MARCH 2012



GOVERNMENT OF MADHYA PRADESH

Table of Contents		
	Reference to	
	Paragraph No.	Page No.
Preface		v
Overview		vi to xi
PART – I - URBAN LOCAL BODIES		
CHAPTER – I		
OVERVIEW OF FINANCES OF URBAN LOCAL BODIES INCLUDING THE ACCOUNTING PROCEDURES		
Introduction	1.1	1
Administrative arrangements	1.2	1
Audit coverage	1.3	2
Accounting arrangements	1.4	2
Audit arrangements	1.5	3
Source of revenue	1.6	4
Budgetary allocation and expenditure	1.7	4
Short devolution of grants	1.8	5
Submission of utilisation certificates	1.9	5
Status of outstanding audit paras	1.10	6
Bank Reconciliation statements not prepared	1.11	6
Non recovery of tax/ non-tax revenue	1.12	6
Non adjustment of advances	1.13	7
Non recovery of rent / premium of shops	1.14	7
Conclusion	1.15	8
CHAPTER - II		
PERFORMANCE AUDIT		
Municipal Solid Waste Management	2.1	9 to 35
Thematic paragraph on Public Private Partnership Projects taken-up by the ULBs Khandwa, Shivpuri and Bhopal	2.2	36 to 47
CHAPTER –III		
TRANSACTION AUDIT PARAGRAPH		
Audit findings on release and utilisation of Thirteenth Finance Commission grants for Urban local bodies	3.1	48 to 51
Avoidable surcharge on electricity bills, ₹ 1.23 crore	3.2	51
Avoidable liability for temporary project, ₹ 15.67 crore.	3.3	52
Loss of revenue of ₹ 7.90 crore.	3.4	53

PART – II PANCHAYATI RAJ INSTITUTIONS		
CHAPTER – I		
OVERVIEW ON FINANCES INCLUDING THE ACCOUNTING PROCEDURES OF THE PANCHAYATI RAJ INSTITUTIONS		
Introduction	1.1	55
Administrative arrangements	1.2	56
Roles and responsibilities of three tiers of PRI	1.3	56
Audit coverage	1.4	57
Accounting arrangements	1.5	57
Audit arrangements	1.6	58
Source of revenue	1.7	58
Receipts and expenditure of PRIs	1.8	59
Devolution of State Finance Commission grants	1.9	59
Non preparation of bank reconciliation statement	1.10	60
Status of outstanding audit paras	1.11	60
Defective reporting of utilisation certificates to the Government of India	1.12	61
Non adjustment of advances	1.13	61
Conclusion	1.14	62
CHAPTER-II		
TRANSACTION AUDIT PARAGRAPHS		
Audit findings on release and utilisation of Thirteenth Finance Commission Grants to Panchayati Raj Institutions.	2.1	63 to 69
Loss of ₹ 1.82 crore due to insolvency of bank	2.2	69 to 70

	APPENDIX- ULB	Page No.
Appendix – 1.1	List of ULBs audited during 2011-12	71 to 72
Appendix-1.2	Bank Reconciliation statements not prepared	73
Appendix-1.3	Statement showing non collection of tax revenue (ULBs)	74
Appendix-1.4	Statement showing details of non-collection of non-tax revenue as on 31.03.2012	75
Appendix-1.5	Details of unadjusted advances of ULBs during the year -2011-12	76
Appendix-2.1	List of selected ULBs	77
Appendix- 2.2	Details of shortfall of deployment of manpower in ULB for MSW	78 to 79
Appendix-2.3	Details of diversion of funds	80
Appendix- 2.4	Status of conduction of public awareness programme	81
Appendix- 2.5	Details of shortfall of deployment of manpower in ULB for MSW	82
Appendix-3.1	TFC funding for the year 2011-12	83
Appendix-3.2	Details of unspent grant	84
Annexure -3.3	Statement of surcharged electricity bills on connection code No. 502022	85
Annexure -3.4	Statement of surcharged electricity bills on connection code No. 502023	86
Annexure -3.5	List of unauthorised TIT	87

	APPENDIX- PRI	Page No.
Appendix – 1.1	List of PRIs audited in 2011-12	88 to 92
Appendix-1.2	Receipt and payment statement of Zila panchayat Narsinghpur	93
Appendix-1.3	Non preparation of Bank Reconciliation statements in PRIs units	94
Appendix-1.4	Defective reporting of utilisation certificates of grant in aid under pension scheme to the Government of India	95
Appendix-1.5	Details of unadjusted advances of PRIs- during the year -2011-12	95
Appendix - 2.1	Statement showing the position of GIA received from the GOI and its drawl by the directorate of PRI from treasury and transfer to rural local bodies for the year 2011-2012	96
Appendix-2.2	Statement showing the details of GBG & SABG of FC-XIII Grants transferred to PRIs	97 to 100
Appendix-2.3	Statement of unspent balance in GPs A/C as on 31-03-2012	101 to 103
Appendix-2.4	Statement of recoverable property tax as on 31.03.2012	104 to 106
Appendix-2.5	Non recovery of pending user charges (as on March 2012)	107 to 109
Appendix-2.6	Status of Social Audit during 2011-12	110 to 112

P R E F A C E

This report of Comptroller and Auditor General of India has been prepared for submission to the Governor of Madhya Pradesh under Technical Guidance and support over the audit of Urban Local Bodies and Panchayati Raj Institutions.

The report covering the period 2011-12 contains observations on Urban Local Bodies and Panchayati Raj Institutions. This Report consists of two Parts. Part - I deals with the observations on Urban Local Bodies and Part – II deals with the observations on Panchayati Raj Institutions.

The cases mentioned in the Report are among those, which came to notice in the course of test audit of accounts for the period 2011-12 as well as those which had come to notice in earlier years, but could not be reported in previous Audit Reports; Matters relating to the period subsequent to 2011-12 have also been included, wherever necessary.

Audit has been conducted in conformity with auditing standard issued by the Comptroller and Auditor General of India, based on the auditing standards of the International Organisation of Supreme Audit Institutions.

OVERVIEW

The Report consists of two Parts- Part - I on Urban Local Bodies (ULBs) and Part - II on Panchayati Raj Institutions (PRIs). Part I is divided into three Chapters. Chapter I shows an Overview of the Finances of ULBs including the Accounting Procedures, Chapter II features Performance Audit of Solid waste Management and thematic para on Public Private Partnership projects. Chapter –III contains audit findings on Thirteenth Finance Commission and transaction Audit paragraphs. Part II consists of two Chapters. Chapter I shows an Overview on Finances of PRIs, including accounting procedures and Chapter II contains audit findings on release and utilization of fund provided under Thirteenth Finance Commission and transaction Audit paragraphs.

PART – I URBAN LOCAL BODIES

OVERVIEW OF FINANCES INCLUDING THE ACCOUNTING PROCEDURES OF THE URBAN LOCAL BODIES

Accounting formats as prescribed by the Task Force constituted by the Comptroller & Auditor General of India were not adopted by the ULBs.

(Paragraph 1.4)

Internal audit departments were not created in ULBs.

(Paragraph 1.5.2)

There was short devolution of grants amounting to ₹ 49.55 crore to ULBs.

(Paragraph 1.8)

Reconciliation of difference between cash book and pass book was not carried out by 11 ULBs.

(Paragraph 1.11)

There was non recovery of revenue amounting to ₹ 49.23 crore as tax revenue and ₹ 21.95 crore as non-tax revenue by ULBs.

(Paragraph 1.12)

Temporary advances amounting to ₹ 8.56 crore provided for official work to individuals and agencies of 13 ULBs, remained outstanding for 1 to 33 years, were not adjusted.

(Paragraph 1.13)

CHAPTER – II
PERFORMANCE AUDIT OF SOLID WASTE MANAGEMENT

Funds amounting to ₹10.23 crore provided for implementation of Municipal Solid Waste Management were found blocked

(Paragraph 2.1.6.4)

Expenditure of ₹ 87.77 lakh was incurred on the items which were not covered under the provisions of Municipal Solid Waste Management Rules.

(Paragraph 2.1.6.5)

User charges for house-to-house collection of Municipal Solid Wastes amounting to ₹ 1.28 crore remained outstanding.

(Paragraph 2.1.7.5)

There was inordinate delay in allotment of land for landfill site.

(Paragraph 2.1.7.9)

No arrangement was made for pre-treatment of liquid generated from Slaughter Houses.

(Paragraph 2.1.10.1 (a))

Thematic paragraph on Public Private Partnership Projects taken-up by the ULBs Khandwa, Shivpuri and Bhopal

(Paragraph 2.2)

CHAPTER – III
TRANSACTION AUDIT PARAGRAPHS

There were irregularities in release and utilisation of Thirteenth Finance Commission's grants by ULBs.

(Paragraph 3.1)

Surcharge of ₹ 1.23 crore was levied on Municipal Corporation Ujjain due to non payment of electricity bills regularly.

(Paragraph 3.2)

Ujjain Municipal Corporation received loan for temporary project and did not make efforts for conversion into relief grant creating liability of ₹15.67 crore.

(Paragraph 3.3)

There was loss of revenue due to non-realisation of fees from the telecom companies towards installation of telecom/mobile towers within Bhopal Municipal Corporation area an amount of ₹ 7.90 crore.

(Paragraph 3.4)

PART – II

PANCHAYATI RAJ INSTITUTIONS

CHAPTER - I

OVERVIEW OF FINANCES INCLUDING THE ACCOUNTING PROCEDURES OF THE PANCHAYATI RAJ INSTITUTIONS

Accounts in PRIs were not kept in the formats recommended by the Comptroller and Auditor General of India on the recommendations of the Eleventh Finance Commission.

(Paragraph 1.5.1)

There was non preparation of Annual Budget by Zila Panchayat Narsingpur.

(Paragraph 1.5.3)

There was short devolution of funds to PRIs amounting to ₹ 195.28 crore.

(Paragraph 1.9)

Bank Reconciliation Statement was not prepared by eight Zila Panchayats and 12 Janpad Panchayats.

(Paragraph 1.10)

There was defective reporting of utilisation certificates to Government of India.

(Paragraph 1.12)

There was non-adjustment of advances amounting to ₹ 19.42 lakh.

(Paragraph 1.13)

CHAPTER – II

TRANSACTION AUDIT PARAGRAPHS

There were irregularities in release and utilisation of Thirteenth Finance Commission's grants by PRIs.

(Paragraph 2.1)

There was loss of scheme funds amounting to ₹ 1.82 crore due to insolvency of bank, resulting in non- implementation of schemes.

(Paragraph 2.2)

PART – II PANCHAYATI RAJ INSTITUTIONS

CHAPTER – I

OVERVIEW ON FINANCES INCLUDING THE ACCOUNTING PROCEDURES OF THE PANCHAYATI RAJ INSTITUTIONS

1.1 Introduction

To promote greater autonomy at the grass root level and to involve people in identification and implementation of development programmes involving Gram Sabhas, the Seventy-third Constitutional Amendment Act, 1992 was promulgated. According to the provisions of Article 243 G of the Constitution, the Legislature of a State may, by law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provision for the devolution of powers and responsibility upon Panchayat at the appropriate level, subject to such conditions as may be specified therein with respect to:-

- (a) The preparation of plans for economic development and social justice;
- (b) The implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to the matters listed in the Eleventh Schedule¹;

Similarly, according to the provisions of Article 243 H of the Constitution, the legislature of state may:-

- (a) Authorise a panchayat to levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such procedure and subject to such limits,
- (b) Assign to a Panchayat such taxes, duties, tolls and fees levied and collected by the State Government for such purposes and subject to such conditions and limits,
- (c) Provide for making such Grants-in-Aid to the Panchayats from the Consolidated Fund of the State.
- (d) Provide for the constitution of such funds for crediting all moneys received respectively by or on behalf of the Panchayats and also for the withdrawal of such money there from as may be specified in the Law.

Consequently three-tier system of Panchayati Raj Institutions (PRIs) had been established in the Madhya Pradesh.

- Zila Panchayat (ZP) at district level
- Janpad Panchayat (JP) at block level and
- Gram Panchayat (GP) at village level.

At present, there are 50 ZPs, 313 JPs and 23006 GPs (November 2012) in the State.

¹ Article 243 G and H of the Constitution (Seventy - third Amendment) Act. 1992.

The basic information about the State of Madhya Pradesh is given below:

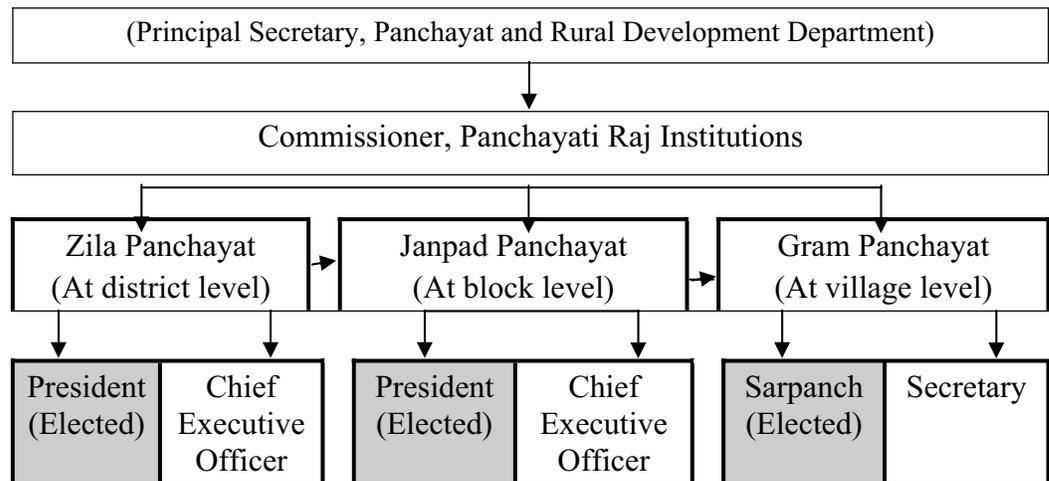
Particulars	Unit	State figure	All India figures
Population	Crore	7.26	121.02
Share in Country's population	<i>per cent</i>	6	--
Rural population	Crore	5.25	83.31
Share of Rural Population	<i>per cent</i>	72	69
Population Density	per sq. Km.	236	382
Literacy rate	<i>per cent</i>	71	74
Sex ratio (Females per thousand males)	Ratio	930/1000	940/1000

Source: provisional census 2011

1.2 Administrative arrangements

As per Chapter 3 of the Panchayat Raj Avam Gram Swaraj Adhiniyam, 1993, all the PRIs are distinct legal authorities to discharge the functions devolved under the provisions of Acts and Rules subject to monitoring powers vested in state authorities provided therein. The organisational structure of governance at State, District, Block and Village level is given below:

Organisational Chart



1.3 Roles and responsibilities of three tiers of PRI

Sl. No.	PRIs	Responsibilities
1.	ZP	To co-ordinate, evaluate and monitor activities and guide the Janpad Panchayat and Gram Panchayat
2.	JP	To implement, execute, supervise, monitor and manage works, scheme programmes and project through Gram Panchayat or through executing agencies, transferred by the State Government to Panchayats.
3.	GP	To ensure the execution of schemes, works projects entrusted to it by any law and those assigned to it by the Central or State Government or Zila Panchayat or Janpad Panchayat.

Standing committees of Zila Panchayat and Janpad Panchayat

- a. General Administration Committee
- b. Agriculture Committee
- c. Education Committee
- d. Communication and Works Committee
- e. Cooperation and Industries Committee

Standing committees of Gram Panchayat

- a. General Administration Committee
- b. Construction and Development Committee
- c. Education, health and social welfare committee

1.4 Audit coverage

Out of 23369 PRIs (50 ZPs, 313JPs and 23006 GPs) in the state, records of 1267 PRIs (47 ZPs, 185 JPs and 1035 GPs) were scrutinised during the year 2011-12 (**Appendix-1.1**).

1.5 Accounting arrangements

1.5.1 Maintenance of Accounts in formats prescribed by the C&AG

The Eleventh Finance Commission (EFC) recommended that the C&AG should prescribe the formats for the preparation of budgets and for keeping of accounts for the local bodies. Similarly, the Thirteenth Finance Commission recommended that all State should adopt an accounting framework and codification pattern consistent with the Model Panchayat Accounting System (MPAS) which was developed by the C&AG and the Ministry of Panchayati Raj, which was to be adopted from 1 April 2010.

In test check of records of 47 ZPs, 185 JPs and 1035 GPs, during the year 2011-12, it was observed that, none of the PRIs at different levels kept the accounts in the prescribed formats.

On this being pointed out Commissioner, PRI replied (August 2012) that instruction for maintenance of Accounts in prescribed format was issued (September 2011) which was under process in the year 2011-12.

1.5.2 Budget and Annual Accounts of GPs

As per section 72 of M.P. Panchayat Raj Avam Gram Swaraj Adhiniyam 1993, the Secretary of the Panchayat shall prepare the Budget and Annual Accounts, as prescribed in section 73. Rules 3, 4 and 5 of the MP Gram Panchayat Rules (Budget Estimates) 1997 stipulate that the GPs should prepare its Annual Budget and get it approved from the Janpad Panchayat by 15 March each year and Rule 63 and 64 of MP Gram Panchayat (Accounts) Rules, 1999 stipulate that the Annual Accounts of the GP should be prepared and placed before General Administration Committee of Gram Sabha for approval on or before 15 May each year.

In test check of records of GPs during 2011-12 it was noticed that Annual Budget and Accounts were not prepared as prescribed in the above rules.

1.5.3 Non-preparation of Annual Budgets of Zila Panchayat Narsinghpur

Under Section 72 of MP Panchayat Raj Avam Gram Swaraj Adhiniyam, 1993 and Rule 12 & 13 of MP Zila Panchayat (Budget Estimates) Rules, 1997, each ZP was to prepare Budget estimates before 10 January of each year and get it approved through elected body of Zila Panchayat (ZP) before 20 January and submitted to Commissioner for final approval before 15 March of each year.

During scrutiny of records of the ZP, Narsinghpur it was observed that the Budget Estimates for the year 2010-11 & 2011-12 were not prepared and approved by the elected body of the ZP. Thus the receipt and expenditure of the ZP Narsinghpur remained out of the legislative control of elected body.

Despite, the ZP incurred an expenditure of ₹60.44 crore during the year 2010-11 and ₹77.15 crore during the year 2011-12, which was unauthorised. Details are given in **Appendix-1.2**.

On this being pointed out in audit, the Chief Executive Officer, ZP Narsinghpur stated (September 2012) that the Budgets for the above period were not prepared and got approved. The same would be prepared in future.

The reply of the CEO was not in accordance with the above Rules, as the Budget should be prepared and got approved before incurring any expenditure.

1.6 Audit arrangements

As per recommendations of the EFC, audit of PRIs by DLFA has been brought (November 2001) under the TG&S of the C&AG. Accordingly, the audit of 47 ZPs, 185 JPs and 1035 GPs was conducted during 2011-12 and Inspection Reports were sent to the DLFA for providing Technical Guidance.

Para 10.121 of the recommendations of Thirteenth Finance Commission envisages that State Government must put in place an audit system for all local bodies (all tiers of PRIs). The C&AG must be given TG&S for all local bodies in the state at every tier and his Annual Technical Inspection Report as well as the Annual Report of Director/Commissioner of Local Fund Audit (DLFA) must be placed before the State Legislature. Accordingly, the MP Panchayat Raj Avam Gram Swaraj Adhiniyam 1993 was amended in July 2011.

1.7 Source of revenue

There are mainly two sources of revenue for the PRIs (i) Government grants and (ii) own revenues. Own revenue resources of PRIs comprise of tax and non-tax revenues realised by them. Government grants comprise of funds released by the State Government and the GOI on the recommendation of Central & State Finance Commission and State & GOI share for implementation of various schemes.

1.8 Receipts and expenditure of PRIs

Funds (Share of tax revenue of the state, schemes and grants etc.) allocated to PRIs by the State Government through State Budget including GOI's share of the schemes and grants recommended by Central and State Finance Commission were as follows:-

(₹ in crore)

Sl. No.	Grants in aid			Actual Expenditure			Saving (5-8)	Percentage of Savings	
	Year	Revenue	Capital	Total	Revenue	Capital			Total
1	2	3	4	5	6	7	8	9	10
1.	2007-08	3221.86	3.04	3224.90	2996.51	3.03	2999.54	225.46	7
2.	2008-09	3985.44	2.04	3987.48	3125.25	0.03	3125.28	862.20	22
3.	2009-10	4942.02	7.02	4949.04	4038.20	5.01	4043.21	905.83	18
4.	2010-11	6585.74	231.40	6817.14	5678.75	198.65	5877.40	939.74	14
5.	2011-12	7670.04	241.08	7911.12	6697.87	365.29	7063.16	847.96	11

(Source:- Compiled from Detailed Appropriation Accounts)

The above table shows that the savings were ranging between 07 to 22 per cent during 2007-12.

The details of receipts and expenditure of all PRIs were not being maintained at the Panchayati Raj Directorate (PRD).

On this being pointed out, Commissioner, Panchayati Raj replied (November 2012) that the information regarding collection of taxes by ZP, JP and GPs was not available at the Directorate. Reminder was issued (May 2013), reply is yet to be received .

1.9 Devolution of State Finance Commission Grants

Article 243 W of the Constitution had made it mandatory for the State Government to constitute a State Finance Commission within a year from the commencement of the Constitutional Amendment Act and thereafter on expiry of every five year to review the financial condition of the PRIs and to make recommendations to the Governor for devolution of funds.

The recommendations of Third SFC were adopted in January 2010 by the State Government. The Third SFC recommended that the four per cent of divisible fund² of previous year of State Government should be devolved to the PRIs which would be collected in the divisible fund.

Audit found that the funds actually devolved by State Government to the PRIs were short of ₹ 195.28 crore during 2010-11 and 2011-12 as detailed below:-

² Divisible fund means total tax revenue of previous year minus ten per cent of expenditure for collection of taxes and deduction of assigned revenue to PRIs & ULBs.

(₹ in crore)

Year	Division fund of State Government	Funds to be devolved as per Third SFC recommendations	Funds devolved to PRIs by State Government	Short release
2010-11	13960.22	558.41	490.94	67.47
2011-12	17410.17	696.41	568.60	127.81
Total	31370.39	1254.82	1059.54	195.28

(Source: Finance Account and information provided by Commissioner, PRI of MP.

The actual reasons of short release of funds were not furnished to Audit by the Finance Department of the State Government (November 2012). Despite reminder issued (May 2013) to the Government, reply is awaited.

1.10 Non preparation of Bank reconciliation statement

Rules 25-26 of Madhya Pradesh, Janpad Panchayat Lekha Niyam 1999, provide that the reconciliation of any difference between the balances of Cash book and balances of bank accounts is required to be conducted every month.

Audit found that balances of cash book was less than balances of bank accounts of ₹ 26.23 crore in 16³ PRIs (seven ZPs and Nine JPs.) It was further noticed that there was shortage of funds of ₹4.30 crore in bank accounts of ZP, Rewa and three JPs (Keshatla, Petlawad & Rampur Naikin) in comparison to cash book. Details are shown in **Appendix-1.3**.

On this being pointed out in Audit, the Chief Executive Officers of above PRIs replied (September & October 2012) that Bank reconciliation statements would be prepared in future.

The reply of Chief Executive Officers of above PRIs was not in consonance of the above financial rules. Updated position called for (May 2013), reply is awaited.

1.11 Status of outstanding audit Paras

According to TGS arrangement, the DLFA would pursue the compliance of paragraphs in the Inspection Reports of the Accountant General (Audit) as if these are his own reports.

The status of outstanding audit objections of PRIs included in the AG's Inspection Reports for last five years is as under :-

S. No	Financial Year	Opening balance of outstanding audit objection	Addition	No of objections settled	No of objection outstanding
1	2007-08	5853	3877	07	9723
2	2008-09	9723	1544	31	11236
3	2009-10	11236	1171	Nil	12407
4	2010-11	12407	1621	465	13563
5	2011-12	13563	4926	1033	17456

Source :- Monthly Arrear Reports of the SSA-1 Wing.

³ CEO ZP-Hoshangabad, Burhanpur, Dewas, Jabalpur, Katni, Tikamgarh & Narsinghpur. CEO JP- Dewas, Pohri, Jatara, Guna, Chachouda, Khaknar, Aaron, Jawra & Kannod.

Despite regular correspondence with DLFA, no effective pursuance was made by them for settlement of outstanding objections. Latest correspondence has been made in this regard in April 2013.

1.12 Defective reporting of Utilisation Certificates to the Government of India

As per Rule 212(1) of GFR, In respect of recurring grants Ministry or Department concerned should release any amount sanctioned for the subsequent financial year only after UC in respect of grants of preceding financial year is submitted. Release of grants-in-aid in excess of 50 *per cent* of the total amount sanctioned for the subsequent financial year shall be done only after the annual audited statement relating to grants-in-aid release in the preceding year are submitted to the satisfaction of the Ministry/ Department concerned.

During scrutiny of records of the Commissioner, Directorate of Social Justice, it was found that the UCs of the grants-in-aid amounting to ₹1477.14 crore released to the ZP during 2008-12 for pension schemes were not obtained from the ZP. It was further noticed that the Commissioner Social Justice sent the UCs to the GOI on the basis of grant released to the ZPs without ascertaining actual utilisation of funds under pension distribution. The details are given in **Appendix-1.4**.

On this being pointed out in audit (August 2012), Commissioner, Social Justice stated (August 2012) that the physical certificate of the pension distribution was obtained from the ZP. The Financial certificates were not being obtained, which would be ensured in future.

The reply of Commissioner was not in consonance of the above financial rules.

1.13 Non adjustment of Advances

Rule 52 of the MP Zila Panchyat and Account Rules, 1999 and Rule 49 of MP Janpad Panchyats Accounts Rules, 1999 stipulate that it will be the responsibility of the person who took the advance to submit the details of expenditure just after the completion of purpose for which the advance was taken. Failing this the total amount of advance would be recovered from the salary of next month or emoluments payable to him.

Scrutiny of records of test checked ZP Katni and Rewa and three Janpad Panchayats⁴ revealed that an amount of temporary advance of ₹19.42 lakh was outstanding from one to eleven years as on 31 March 2012. As detailed in **Appendix-1.5** these were not adjusted in books of accounts as per existing accounting rules of the ZP and Janpad Panchayats.

On this being pointed out CEOs stated that adjustment of Advances will be made soon. Updated position called for (May 2013) reply is awaited.

⁴ Khaknar, Burhanpur and Keshala.

1.14 Conclusion

- Budget and Annual Accounts were not prepared by the PRIs in prescribed formats.

(Paragraph 1.5.1)

- Details of receipts and expenditure of PRIs were not compiled at the PRD level.

(Paragraph 1.8)

- The State Government did not devolve the funds according to recommendations of Third SFC.

(Paragraph 1.9)

- Active pursuance was not made by DLFA for settlement of outstanding Paras of PAG's Audit Inspection Reports.

(Paragraph 1.11)

- Utilisation of grants transferred to the PRIs was not ensured.

(Paragraph 1.12)

CHAPTER-II

2. Transaction Audit Paragraphs

2.1 Audit findings on release and utilisation of Thirteenth Finance Commission Grants to Panchayati Raj Institutions.

The Thirteenth Finance Commission (TFC) had made the recommendation on measures needed to augment the Consolidated Fund of the State to supplement the resources of PRIs. In this regard the TFC recommended Grant-In-Aid to Local Bodies (LBs) for both General Areas and Special Areas for award period of the year 2010-15. In addition to these grant, the general performance grant would be available from 2011-12 to the States which met the conditions imposed for its release. Thus there are four sub-categories of the grant:

- (i) General Basis Grant (GBG)
- (ii) General Performance Grant (GPG)
- (iii) Special Area Basic Grant (SABG)
- (iv) Special Area Performance Grant (SAPG)

The Grants received by Government of Madhya Pradesh from the GOI on the recommendations of TFC for the year 2011-12 are depicted in **Appendix-2.1**.

Audit collected information form Finance Department (FD) Government of Madhya Pradesh, Commissioner Panchayat Raj (PR), Chief Executive Officer (CEO), Zila Panchayat (ZP) Mandla and Sagar and their related CEO Janpad Panchayats and Gram Panchayats (GPs) for the year 2011-12. The audit findings in this regard are as under:-

2.1.1 Delay in release of grant by GOI

A Para 5.1 of GOI guideline of TFC stipulates that all local body grants will be released in two tranches in July and January every fiscal year. Para 6.2 envisaged that release of any installment would be subject to UC for the previous installment drawn. Para 7.5 of the GOI guidelines stipulated that State Finance Secretary would be required to provide a certificate within 10 days showing dates and amounts of grant received by the State from the GOI and release of grant to the PRIs.

Scrutiny of records of FD of the GOMP (August 2012) revealed that out of first and second installment of GBG and SABG an amount of ₹ 507.34 crore (GBG first installment ₹ 239.85 crore second installment ₹ 244.93 crore and SABG first and second installment of ₹ 11.28 crore each) related to the year 2011-12 were released late by the GOI as shown in **Table No-1**.

Table No.-1

Sl. No.	Particulars	Due date of release by GOI	Actual date of release by GOI	Period of delay in release of grant
1	2	3	4	5
1.	First installment of GBG & SABG	July 2011	8 th December 2011	130 days ¹
2.	Second installment of GBG & SABG	January 2012	22 nd March 2012	50 days ²

It would be seen from above table that there were delays of 130 days and 50 days in release of first and second installment of GBG and SABG of TFC grant respectively. When called for in Audit (January 2013), the reasons for delayed release of grant were neither found recorded nor stated to audit.

2.1.2 Creation of liabilities due to delayed transfer of grants

According to Para 4.2 of GOI guidelines of TFC, funds must be transferred within five days of receipt from the GOI in case of State with easily accessible banking infrastructure. In case of delayed transferred of grant to PRIs beyond specific period of five days, the State Government was required to release the installment with interest at the Bank Rate of RBI for the number of days of delay.

Scrutiny of records (August 2012) of FD revealed that the GBG, SABG and GPG first installment & GPG forfeited amount were not released in specified period during the year 2011-12 as shown in **Table No-2**.

Table No-2

Interest Calculation on Delayed Transfer of 13th FC Grant to PRIs in 2011-12

(₹ In Lakh)

Sl. No.	Name of Grants	Received from GOI		Drawl from Treasury			Transferred to PRI		Delay in transfer in days	Amount on which interest is calculated	Interest amount ³
		Amount	Date	Bill NO.	Date	Amount	Amount	Date			
1	2	3	4	5	6	7	8	9	10	11	12
1	General Basic Grant-I	23985.00	08-12-11	395	14-12-11	23788.00	23788.00	16-12-11	3	23788.00	11.73
2	Special Area Basic Grant-I	1128.00	08-12-11	394	14-12-11	1128.00	1128.00	16-12-11	3	1128.00	0.56
3	General Performance Grant-I	8270.00	31-03-12	592	31-03-12	7475.00	5000.00	11-09-12	159	5000.00	206.92
				593	31-03-12	795.00					
4	General Performance Grant (For fitted ⁴)	2383.09	31-03-12	24	11-04-12	2383.09	3450.00	14-09-12	162	3450.00	145.47
5	General Performance Grant (For fitted)	3349.19	31-03-12	23	11-04-12	3349.19	2400.00	20-09-12	168	2400.00	104.94
6	-	-	-				1975.00	24-09-2012	172	1975.00	88.42
7	-	-	-				1175.00	11-12-2012	250	1175.00	76.46
Total											634.50

Source: Finance Department of M P & Commissioner PR

¹ Aug. 31 + Sep. 30 + Oct. 31 + Nov. 30 + Dec. 8 = 130 days

² Feb 28 + Mar. 22 = 50 days

³ RBI Bank Rate revised w.e.f. 13.02.2012 from 06 to 9.50 per cent per annum, Interest calculated accordingly.

⁴ Grants forfeited by non performing states

From above table, it was revealed that first installment of GBG and SABG were transferred to GPs with a delay of three days. Similarly GPG first installment and GPG forfeited grant was transferred to GPs with a delay ranging from 159 days to 250 days. As per guidelines, the FD had to be pay interest to PRIs for such delayed transfer of grant to ₹ 6.35 crore. It was also observed in audit that an amount of interest of ₹ 2.98 crore was not drawn and released to GPs by Commissioner PR for delayed transfer of TFC grant for the year 2010-11.

On this being pointed out (December 2012), Commissioner, PR replied that the proposal of sanctioning interest was sent to government.

- Further, test check in 116 GPs (September to October 2012) revealed that there were delay ranging between 20 to 125 days in release of GBG first installment and between 23 to 190 days in release of GBG second installment in crediting of their respective bank accounts as detailed in **Appendix-2.2**. Hence, GPs were deprived of interest for such delayed period.

2.1.3 Non-release of performance grants to GPs

Para 6.4.2 (a) of GOI guidelines stipulates that the State government must put in place a supplement to the budget documents separately for PRIs furnishing details of plan and non plan wise classification of transfers separately for all tiers of PRIs from major head to object head, which have been depicted in the main budget under the minor head 196,197 and 198. Panchayat and Rural Development Ministry issued instruction (September 2012) to Commissioner PR and other concerns, at least 70 *per cent* of grant must pertain to Gram Panchayat and work to be done from the performance grant as under:

Scrutiny of records of Commissioner PR revealed that an amount of ₹ 140.02 crore was drawn as GPG from treasury for 2011-12 (₹ 82.70 crore as first instalment of GPG and ₹ 57.32 crore as share of forfeited grant of other States) and released ₹ 140 crore to ZPs⁵ and JPs⁶ during September to December 2012. It is further observed that the Commissioner PR did not release any amount to GPs.

On this being pointed out (November 2012) Commissioner, PR replied (December 2012) that funds were utilised as per instructions issued by PRDD.

The reply was not convincing as 70 *per cent* of grants were not transferred to GPs.

⁵ @ ₹ 1.00 crore per ZP ₹ 50.00+11.75 crore (ZP Dewas ₹1.75 crore, Sehore- ₹4, crore, Raisen- ₹1 crore, Vidisha- ₹2 crore and Sagar- ₹3 crore)

⁶ @ ₹ 0.25 crore per JP ₹ 78.25 crore

2.1.4 Expenditure incurred without preparation of shelf of Project by GPs

Para 6 of State guidelines of TFC stipulated that each GP should prepare an Annual Work Plan (Shelf of Project) with the approval of Gram Shabha. Gram Panchayat should send a copy of shelf of Project to JP and ZP for information and there after, GPs should execute work as per Shelf of Project.

During test check of records of JPs (Mandla and Sagar district), it was observed that expenditure was incurred on execution of work without preparing annual work plan.

On this being pointed out (September to October 2012), CEO JPs replied (September to October 2012) that action Plan for Panch Parmeshwar Yojna at Janpad Panchayat level was prepared accordingly and directed to execute the work. Thus the work executed without preparing action plan for TFC.

2.1.5 Poor implementation of e-Panchayat scheme

As per Para 4.1 of the State guidelines issued (August 2010) by the Panchayat and Rural Development Department (PRDD) of State for the utilisation of the grant received on the recommendations of TFC the provision for deduction of ₹ 745.19 crore was made from the GBG and GPG for the implementation of e-Panchayat system in the GPs for the period of 2010-15. Out of the above ₹147.50 crore was to be provided for the year 2010-12, as detailed below:-

(₹ In crore)			
Year	Total grant received	Amount to be deducted for e-governance	Funds to be released to the GPs
2010-11	383.10	46.34	336.76
2011-12	596.07	101.16	494.91
Total	979.17	147.50	831.67

Source: State guideline of TFC issued by PRDD.

Chief Secretary of the State, during fifth meeting (August 2012) of High Level Monitoring Committee (HLMC) instructed the Commissioner PR to get the procedure for expenditure of the above amount approved from the Ministry of Panchayati Raj, GOI for the implementation of e-Panchayat scheme.

We observed that the Commissioner PR had drawn ₹ 191.55 crore (September 2010) from the treasury and transferred ₹ 145.21 crore to the GPs. The remaining amount of ₹ 46.34 crore was kept by the Commissioner, PR in Bank Account to implement the e-Panchayat scheme. Further, the Commissioner, PR deposited (March 2011) in the Bank Account of Chief Executive Officer (CEO), Zila Panchayat Bhopal instead of transferring the amount to the GPs. The amount remained idle in the bank account of CEO Zila Panchayat till 07.11.2011.

The idle amount of ₹ 46.34 crore (November 2011) and interest of ₹ 97 lakh was transferred (December 2012) to the Madhya Pradesh State Tech

e-Panchayat Society (MPSTEPS) which was established (January 2011) to promote e-Governance in the PRIs.

The MPSTEPS transferred (February 2012) only ₹ 9.47 crore to 42 ZP for 947 GP⁷s and ₹ 1.41 crore (₹ 74 lakh in February 2012 & ₹ 67 lakh in March 2012) was paid to BSNL for providing connectivity in these GPs. But MPSTEPS reported an expenditure of ₹ 11.03 crore till 2011-12 instead of ₹10.88 crore (₹ 9.47 crore + ₹ 1.41 crore). The difference of expenditure amounting to ₹ 15 lakh (₹ 11.03-10.88 crore) was not clear. The remaining amount of ₹ 36.28 crore was still lying unspent (December 2012). Commissioner, PR transferred total received amount during 2011-12 to GPs without deducting a sum of ₹ 101.16 crore for e-Governance. Hence no funds were provided to MPSTEPS for e-Panchayat.

We also noticed that Commissioner PR had not got approved the procedure of expenditure of the above amount from the Ministry of Panchayati Raj, GOI as directed by Chief Secretary of GOMP.

On this being pointed out (November 2012), the Additional CEO, MPSTEPS Stated (December 2012) that action for the transfer of the remaining amount for concurrent audit and construction of pre-fabricated/traditional e-Panchayat room is being taken as per the instructions of the Government.

The reply was not in consonance with the provisions of the guidelines as the amount of ₹ 46.34 crore remained idle in the bank account of CEO, ZP, Bhopal for seven months (March 2011 to November 2011) and only ₹ 11.03 crore could be utilised till December 2012 and no funds were deducted in 2011-12 which shows the poor implementation of the e-Panchayat scheme in the State.

2.1.6 Non submission of utilisation certificates

Para 11 of State guidelines for TFC grant issued by the Ministry of PRDD of the State envisages that every ZP is required to furnish a consolidated UC to Commissioner PR by 15 of every month after compilation of the figures of expenditure intimated by GPs and JPs.

Test check of records of 116 GPs of two districts (Mandla and Sagar) revealed that no UC were furnished by GPs. However, out of ₹ 6.68 crore available, only ₹ 2.86 crore was spent and ₹ 3.82 crore (57 per cent) lying unspent with them (**Appendix-2.3**).

On this being pointed out Commissioner PR Stated that consolidation of UCs is being done (December 2012). Updated position called for (May 2013), reply is awaited.

⁷

@ ₹ One lakh per GP

2.1.7 Recovery of Taxes/User charges

2.1.7.1 Non Levy/ recovery of property tax:

Para 6.4.8 of GOI guidelines stipulates that all local bodies must be fully enabled to levy property tax (including tax for all type of residential and commercial property) and any hindrance in this regard must be removed. Further, Para 3.2 of State guidelines stipulates that it is required to made provision of a fund (with 5% of TFC grant) to encourage GPs for taxation.

Scrutiny of records of 116 GPs revealed that only 56 GPs (48 *per cent*) imposed property tax and recovered ₹ 2.16 lakh (seven *per cent*) out of ₹ 29.75 lakh (previous year ₹ 20.19 lakh and current year ₹ 9.56 lakh) against recoverable property tax of 2011-12. Detailed shown in **Appendix-2.4**

On this being pointed out (December 2012) Commissioner PR did not furnish the details of provision of fund and about its release to GPs for encourage taxation.

2.1.7.2 Non recovery of pending user charges:

As per the TFC guidelines of State Government (Para 4.3.1) recovery of user charges was to be made from the Consumers of water connection under water supply scheme of Nal Jal Schemes.

Scrutiny of records of 116 GPs of two districts (Mandla and Sagar) revealed that Nal Jal scheme was functioning in only 28 GPs (24 *per cent*). The amount of ₹ 32.30 lakh (77 *per cent*) was pending for recovery out of ₹ 42.07 lakh as user charges of water supply. Detailed shown in **Appendix-2.5**.

On this being pointed out (September to October 2012) GPs Stated (September to October 2012) that the recovery of user charges would be made. Updated position called for (May 2013), reply is awaited.

2.1.8 Social Audit not conducted

Para 9.2 of the State guidelines of TFC grant stipulates that Social Audit of construction and development works was to be conducted quarterly in each financial year in the meeting of Gram Sabha.

Scrutiny of records of 116 GPs of two districts (Mandla & Sagar) revealed that 107 GPs (92 *per cent*) had not conducted the Social Audit as detailed in **Appendix-2.6**.

On this being pointed out GPs Stated that the social audit would be conducted. Updated position called for (May 2013), reply is awaited.

2.1.9 Lack of monitoring & Evaluation

Para 9.1 of GOI guideline stipulates that every States shall constitute a High Level Monitoring Committee (HLMC) headed by the Chief Secretary to the State Government and will include Finance Secretary and the Secretaries of the concerned Departments as members. HLMC shall be responsible for

ensuring adherence to the specific conditions in respect of each category of grant, wherever applicable.

A HLMC headed by the Chief Secretary to the State Government was constituted (July 2010) by the Finance Department. The Meetings of HLMC were required to be held at least once in every quarter of financial year.

We noticed that against the requirement of ten meetings to be held (up to December 2012) only five meetings were conducted indicating lack of monitoring.

2.1.10 Conclusion

- Local body grants received by the State Government from GOI on the recommendations of TFC were not transferred to PRIs in specified period which created a liability on Government of ₹ 2.98 crore and ₹6.35 crore for the year 2010-11 and 2011-12 respectively.

(Paragraph 2.1.2)

- Seventy *per cent* of Performance Grants were not transferred to GPs.

(Paragraph 2.1.3)

- Annual Work Plan was not prepared for execution of work by the GPs.

(Paragraph 2.1.4)

- No funds were provided (2011-12) for the implementation of e-Panchayat Scheme in GPs.

(Paragraph 2.1.5)

- Utilisation certificate were not furnished by GPs.

(Paragraph 2.1.6)

- Social audit was not conducted by most of the GPs.

(Paragraph 2.1.8)

- Due to lack of effective monitoring the local body wise and activity wise position of expenditure incurred by them against the grant was not available.

(Paragraph 2.1.9)

2.2 Loss of ₹ 1.82 crore due to insolvency of bank

Loss of scheme funds of ₹ 1.82 crore due to insolvency of a bank resulting in non-implementation of schemes.

A meeting was held (May 1992) under the chairmanship of Secretary, Urban Welfare Department in the presence of Project officers of District Rural Development Authority at Bhopal where it was instructed that account of transactions should be open in commercial banks only and not in cooperative or rural banks.

Scrutiny of records (October & November 2012) of JPs, Burhanpur & Khaknar revealed that the amount of ₹ 1.65⁸ and ₹ 0.17⁹ crore (balance as on October 2012) were kept in the Citizen Co-operative Bank, Burhanpur. Banking business of the Citizen Co-operative Bank had been precluded by the RBI with effect from 15 January 2005. RBI cancelled (May 2009) the licence granted to the bank for carrying on banking business, inter alia, on the ground that the bank was not in a position to pay its depositors in full. Thus ₹ 1.82 crore could not be withdrawn. Further, the recovery of the funds, partly or fully, became doubtful.

On this being pointed out (October and November 2012) Chief Executive Officer of JPs Burhanpur and Khaknar accepted the fact and stated that (October and November 2012) due to the ban imposed by RBI on the Citizen Co-operative Bank, the money could not be withdrawn, as a result of which the implementation of Government schemes was badly affected.

The Commissioner, Panchayati Raj Institution also accepted the fact (April 2013).

Thus, non-observance of departmental instructions regarding depositing scheme funds in commercial banks led to a loss of ₹ 1.82 crore and non-implementation of schemes, depriving the beneficiaries of intended benefits.

The matter was reported (December 2012 and May 2013) to the Government; their reply had not been received so far.

Date: 08/11/2013

Place: Gwalior



(J.R. Meena)

Dy. Accountant General
(Local Bodies), Madhya Pradesh

Countersigned



(K.K. Srivastava)

Principal Accountant General
(Civil and Commercial Audit)
Madhya Pradesh

Date: 08/11/2013

Place: Gwalior

⁸ JP Burhanpur deposited scheme funds of Indra Awas Yojana ₹16.82 lakh, Sampurna Gramin Swarojgar yojana ₹6.72 lakh, Gahan Rojgar yojana ₹1.02 lakh, Jiwan Dhara yojana ₹1.54 lakh, Jawahar Rojgar Aaswasan Yojana ₹ 0.35 lakh, Guaranteed Employment Scheme ₹ 0.73 lakh including and other schemes like M.P & MLA fund, 10th & 11th Finance Commission, Tribal welfare, Jansampark fund, Salary of panchayat staff etc. ₹78.22 lakh and deposited interest of various scheme funds of ₹59.24 lakh as fixed deposit.

⁹ JP Khaknar deposited scheme funds of Tribal welfare, Mid-day-meal & salary of Shikshakarmi ₹17.17 lakh.

PART – I URBAN LOCAL BODIES

CHAPTER – I

OVERVIEW OF THE FINANCES OF THE URBAN LOCAL BODIES INCLUDING THE ACCOUNTING PROCEDURES

1.1 Introduction

Article 243W of the Constitution of India envisages that the State Government may, by law, endow the Municipalities with such powers and authority as may be necessary to enable them to function as institutions of self Government and such law may contain provisions for devolution of powers and responsibilities upon Municipalities.

After the Constitution (74th Amendment) Act, 1992, the Urban Local Bodies (ULBs) were made full fledged and vibrant institutions of Local Self Government by vesting them with clearly defined functions and responsibilities. Accordingly, the State Government re-organised these institutions into three types of ULBs namely Municipal Corporations for larger urban areas, Municipal Councils for smaller urban areas and Nagar Parishads for a transitional area¹.

The basic information about the State of Madhya Pradesh is given below:

Particulars	Unit	State figure	All India figure
Population*	Crore	7.26	121.02
Share in country's population*	<i>per cent</i>	6	--
Urban population*	Crore	2	38
Share of urban population*	<i>per cent</i>	28	31
Literacy rate*	<i>per cent</i>	71	74
Sex ratio (females per thousand males)*	Ratio	930/1000	940/1000
Municipal Corporations	Number	14 [#]	139 [@]
Municipal Councils	Number	100 [#]	1595 [@]
Nagar Parishads	Number	263 [#]	2108 [@]

Source: * provisional census 2011

As per UADD Bhopal

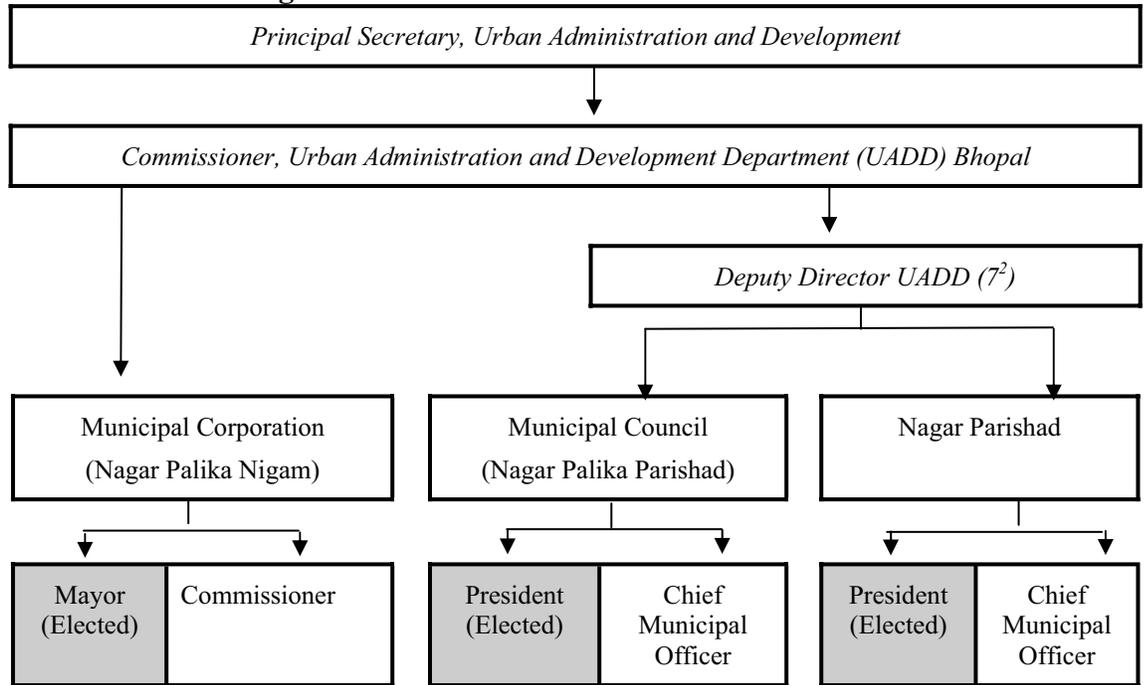
@ Thirteenth Finance Commission Report

1.2 Administrative arrangements

All the ULBs are empowered to discharge the functions devolved under the provisions of Madhya Pradesh Municipal Corporation Act, 1956 and Madhya Pradesh Municipalities Act, 1961 subject to monitoring powers vested in State authorities provided therein. The organisational structure of the Urban Administration and Development Department is as follows:

¹ It means such area as the Governor may decide as per population density, revenue generation, agricultural activities, economic importance etc

Organisational Chart of ULBs



1.3 Audit coverage

Out of 377 ULBs (14 Municipal Corporation, 100 Municipal Councils and 263 Nagar Parisads) in the State, 80 ULBs (10 Municipal Corporation, 20 Municipal Councils and 50 Nagar Parisads), were taken in audit plan. However, records of 68 ULBs (10 Municipal Corporation, 18 Municipal Councils and 40 Nagar Parisads) were scrutinised during the year 2011-12 as shown in **Appendix-1.1**. The short fall in coverage of audit plan was due to deployment of major staff in MGNREGA review.

1.4 Accounting arrangements

As per recommendations of the Eleventh Finance Commission (EFC) and the guidelines issued by the Ministry of Finance, Government of India, the Comptroller and Auditor General of India (C&AG) had constituted a Task Force to recommend budget and accounting formats for ULBs. The Task Force in its report, *inter alia*, suggested adoption of accrual basis of accounting by ULBs. The Urban Administration and Development Department (UADD) published the Madhya Pradesh Municipal Accounts Manual (MPMAM) in July, 2007 adopting such formats.

During test check of accounts of 68 ULBs in the year 2011-12, it was noticed that the accounts were not prepared on accrual basis except in 10³ Municipal Corporations.

On this being pointed out in audit (August 2012), the Commissioner, UADD accepted the facts (August 2012).

² (1) Indore (2) Bhopal (3) Jabalpur (4) Gwalior (5) Ujjain (6) Sagar (7) Rewa

³ (1) Indore (2) Satna (3) Jabalpur (4) Gwalior (5) Ujjain (6) Sagar (7) Rewa (8) Singrolli (9) Katni (10) Burhanpur

1.5 Audit arrangements

1.5.1 As per recommendations of the EFC, audit of ULBs by Director Local Fund Audit (DLFA) has been brought (November 2001) under the Technical Guidance and Supervision (TGS) of the C&AG. Accordingly, the records of 68 ULBs including 10 Municipal Corporations were test checked during 2011-12 and inspection reports were sent to DLFA for providing Technical Guidance.

Para 10.121 of recommendations of the Thirteenth Finance Commission (TFC) envisages that the C&AG be entrusted with the TG&S of all Local Bodies in the State and Annual Technical Inspection Report (ATIR) of C&AG as well as the Annual Report of the DLFA should be placed before the State Legislature. Accordingly, the State Government amended the Madhya Pradesh Municipal Corporation Act, 1956 and Madhya Pradesh Municipalities Act, 1961 in January 2012. The Ministry of Finance, Government of Madhya Pradesh has conveyed its consent for laying these reports before the State Legislature, (March 2012). A letter was written (February 2013) to the State Government to constitute PAC- like committee for pursuance of the Audit Product on Local Bodies.

1.5.2 Internal Audit System

Para 2.2 of chapter 2 of MPMAM envisages that an internal audit department would be created. The scope of internal audit would cover propriety audit, financial audit, ensuring internal control and transparency in operations.

During test check of the records of UADD during 2011-12 it was found that internal audit departments were not created in each ULB up to August 2012.

On this being pointed out in August 2012, the Commissioner UADD accepted the facts on the date.

1.5.3 Our efforts in carrying out duties entrusted upon us for TGS.

According to section 152 to 154 of Regulation on Audit & Accounts 2007, Audit of Panchayati Raj Institution and Urban Local Bodies is being conducted under section 20(1) of CAG DPC Act 1971. It is also agreed upon in the meeting (November 2008) between officers of Audit Department & State Government that suitable amendments are to be made in Act & Manual of PRI and ULB. The Accounting format would be accepted and maintained, database of finances and internal Control Mechanism would be developed. Suitable amendment in Accounts Manual would be carried out and the State Level Committee and Apex Committee would be constituted.

After continuous follow up on the issues at the end of March 2013, the State government published Madhya Pradesh Municipal Manual on the basis of National Modern Municipal Accounting Manual (July 2007) and accounting

formats was adopted from 1.04.2008. The Audit Plans are being prepared by DLFA and sent to PAG for approval. Trainings of staffs of DLFA are being conducted by the PAG.

Regular correspondences have been made to constitute the State level Committee for pursuance of audit findings on local bodies. Commissioner UADD and DLFA agreed upon strengthening the internal control mechanism and develop the data base on finances of ULBs.

1.6 Source of revenue

As per Section 105 of MP Municipalities Act, 1961 and Section 87 of MP Municipal Corporation Act, 1956, there are mainly two sources of revenue for local bodies (i) Government grants and (ii) own revenues. Own revenue resources of ULBs comprise of tax and non-tax revenues realised by them.

The Government grants comprising funds released by the State Government and Government of India (GOI) on the recommendation of State Finance Commission, Central Finance Commission respectively and State and GOI share for implementation of various schemes.

The ULBs also obtain loans from the State Government or any other source with prior permission of the State Government for the purpose of urban development.

1.7 Budgetary Allocation and Expenditure

Funds (share of tax revenue of the State, schemes funds & grants etc.) allocated to ULBs by the State Government through Budget including State share of the GOI schemes and grants recommended by Central Finance Commission were as under:-

Table No. - 1

(₹ in crore)

Sl. No	Budgetary Allocation			Expenditure			Savings (5-8)	Percentage of Savings	
	Year	Revenue	Capital	Total	Revenue	Capital			Total
1	2	3	4	5	6	7	8	9	10
1.	2007-08	2027.08	306.30	2333.38	1695.40	305.55	2000.95	332.43	14
2.	2008-09	2263.38	355.24	2618.62	2112.90	205.42	2318.32	300.30	11
3.	2009-10	2878.76	391.83	3270.59	2726.60	208.54	2935.14	335.45	10
4.	2010-11	3577.21	323.15	3900.36	2983.60	202.64	3186.24	714.12	18
5.	2011-12	4148.30	208.00	4356.30	3743.23	152.54	3895.77	460.53	11

Source: Appropriation Accounts.

The above table shows that the savings were ranging between 10 and 18 per cent during 2007-12.

Details of receipt and expenditure of ULBs from their own sources were not maintained at Directorate Level. The Commissioner (UADD) Stated (August

2012) that the same would be collected and furnished to audit. The information was again sought from UADD through the State Government (November 2012) and reminder issued (May 2013) but reply has not been received so far.

1.8 Short Devolution of Grants

On the recommendations of third State Finance Commission, the State Government accepted (January 2010) to devolve as a grant one *per cent* of divisible funds⁴ to the ULBs, however the State Government did not release due share to ULBs, as detailed below:-

Table No. -1.2

(₹ In crore)

Year	Divisible fund of State Government	Funds to be devolved as per Third SFC recommendations	Funds actually devolved to ULB by State Government	Short release
2010-11	13960.22	139.60	122.74	16.86
2011-12	17410.17	174.10	141.41	32.69
Total	31370.39	313.70	264.15	49.55

Source: Commissioner, Urban Administration and Development Department (UADD)

The reasons for short release of funds to ULBs were not furnished (November 2012) by the department. Despite reminder issued (May 2013) to the Government, reply is awaited.

1.9 Submission of Utilisation Certificates

Rule 212 (1) of General Financial Rules, provides that in respect of recurring grants, Ministry or Department concerned should release any amount sanctioned for the subsequent financial year only after Utilisation Certificate (UC) in respect of grants of preceding financial year is submitted. The guidelines of the Thirteenth Finance Commission (para-6.2) also envisage that the release of any installment will be subject to utilisation certificate for the previous installment drawn.

Scrutiny of records revealed that the UCs of Grants-in-aid (GIA) was not received by the UADD, till August 2012 as detailed below:-

Table No. - 1.3

(₹ in crore)

Year	State Finance Commission	Central Finance Commission	Total	No. of UCs yet to be received form ULBs
2008-09	115.73	72.20	187.93	338
2009-10	131.09	72.20	203.29	357
2010-11	122.74	139.39	262.13	360
2011-12	141.41	202.10	343.51	360
Total	510.97	485.89	996.86	1415

Source: Figures furnished by the Commissioner UADD Bhopal

⁴ Divisible Fund means total tax revenue of previous year minus ten percent of expenditure for collection of taxes and deduction of assigned revenue to PRIs and ULBs.

A letter has been sent (May 2013) to the Commissioner UADD Bhopal for present status; in reply (July 2013) commissioner UADD stated that UCs were not received.

1.10 Status of outstanding Audit Paras

According to TGS arrangement, the DLFA would pursue the compliance of paragraphs in the inspection reports of the Principal Accountant General (Audit) in the same manner, as if, these are his own reports.

The status of outstanding audit objections of ULBs included in the PAG's Inspection Reports was as under:-

Table No. - 1.4

Sl. No.	Financial Year	ULB			
		Opening balance of outstanding paras of Inspection Reports	Addition	No. of objections settled	No. of objections outstanding
1.	2007-08	3109	514	0	3623
2.	2008-09	3623	778	61	4340
3.	2009-10	4340	598	0	4938
4.	2010-11	4938	453	193	5198
5.	2011-12	5198	797	409	5586

Source: Monthly Arrear Report of SSA-I wing

Despite regular correspondence made with DLFA, no active pursuance was made for settlement of outstanding objections. Latest correspondence has been made in April 2013 in this regard.

1.11 Bank Reconciliation Statements not prepared

Rules 97-98 of Madhya Pradesh Municipal Accounts Rules 1971 provide that the reconciliation of any difference between the balances of cash book and bank accounts is required to be conducted every month.

During the audit (2011-12) it was noticed that cash book balance of ₹5.70 crore was less than pass book balance in nine ULBs and cash book balance of ₹1.09 crore was more than pass book balance in two ULBs at the end of the year 2011-12. The position of the differences is shown in **Appendix- 1.2**.

On this being pointed out, ULBs replied that reconciliation would be made shortly. Due to non-preparation of monthly bank reconciliation statement, the actual financial status of the ULBs could not be depicted. Updated position called for (May 2013) reply is awaited.

1.12 Non recovery of tax/ non-tax revenue

As per Section 87 of MP Municipal Corporation Act, 1956, ULBs earn revenue from their own resources through taxes, rent, fees, issue of licenses etc.

During the audit, we observed in 18 ULBs (four Municipal Corporations⁵, eight Municipal Councils⁶ and six Nagar Parishads⁷) a sum of ₹49.23 crore as tax revenue pertaining to property tax, rent of the buildings and shops (as shown in **Appendix-1.3**) was outstanding against the taxpayers (March 2012). Similarly in 17 ULBs, non-tax revenue pertaining to four Municipal Corporations⁸, seven Municipal councils⁹ and six Nagar Parishads¹⁰ of water charges amounting to ₹21.95 crore as shown in **Appendix – 1.4** remained unrecovered (March 2012). Although the ULBs had powers under section 173 to 183 of the above Act to take suitable action for recovery by distress and sale of any movable property and attachment and sale of immovable property belonging to defaulters but they failed to take action to recover the dues, which led to hindrance in development works.

On this being pointed out during 2012, the ULBs replied that recovery would be made. Updated position called for (May 2013) reply is awaited.

1.13 Non adjustment of advances

Rule 112 (2) of the MP Municipal Accounts Rules, 1971 stipulates that no advance shall be drawn unless expenditure is likely to be incurred within one month and Rule 112 (6) specifies that the Accounts in the Advance's Ledger shall be balanced quarterly and signed by Accounts Officer.

Scrutiny of records of test checked six Municipal Corporations¹¹ three Municipal councils¹² and four Nagar Parishads¹³ during 2011-12, revealed that temporary advances with individuals and agencies of ₹ 8.56 crore as detailed in **Appendix-1.5** were outstanding from 1 to 33 years, which were not adjusted.

On this being pointed out during 2012, Commissioner/CMOs of concerned ULBs replied that the recovery of advances will be made. Updated position called for (May 2013), reply is awaited.

1.14 Non recovery of Rent / Premium of shops

As per Rule 57, 59 & 60 of Madhya Pradesh Municipal Accounts Rules 1971, lease rent/ premium on the immovable property was to be imposed and recovered by the ULBs.

Test check of records of MC Ratlam, three Municipal Councils (Jhabua, Narsinghpur & Sahdol) and three Nagar Parishads (Banmour, Harda &

⁵ MC Bhopal, Khandwa, Ratlam and Ujjain

⁶ Damoh, Jhabua, Kareli, Khargone, Morena, Nagda, Narsinghpur and Petlawad

⁷ Banmour, Byohari, Kannod, Manpur, Satwas and Orchha

⁸ MC Bhopal, Khandwa, Ratlam and Ujjain

⁹ Damoh, Kareli, Khargone, Morena, Nagda, Narsinghpur and Petlawad

¹⁰ Banmour, Byohari, Kannod, Manpur, Satwas and Orchha

¹¹ Bhopal, Gwalior, Khandwa, Ratlam, Rewa, and Ujjain

¹² Damoh, Harda and Jawra

¹³ Banmour, Byohari, Satwas and Orchha

Satwas) revealed that an amount of ₹ 1.41 crore¹⁴ was outstanding on account of rent/premium of the shops at end of year 2012.

On this being pointed out in audit during 2012, the Commissioner MC Ratlam and Chief Municipal Officers (CMO) of above ULBs replied that necessary action would be taken. Updated position called for (May 2013), reply is awaited.

1.15 Conclusion

- Budget and Accounts in the format prescribed by the C&AG, were not maintained by the ULBs.
(Paragraph 1.4)
- An internal audit system was not established in ULBs.
(Paragraph 1.5.2)
- The information regarding receipts and expenditure of all ULBs was not being maintained by the UADD.
(Paragraph 1.7)
- Short release of funds to ULBs.
(Paragraph 1.8)

¹⁴ Ratlam ₹ 43.85 lakh, Jhabua ₹15.66 lakh, Narsinghpur ₹ 5.92 lakh, Sahdol ₹55.73 lakh, Banmour ₹ 1.10 lakh , Harda ₹ 18.28 lakh & Satwas ₹.0.90 lakh

CHAPTER - II

PERFORMANCE AUDIT

Urban Administrative and Development Department

2.1 Municipal Solid Waste Management

Highlights:

Municipal Solid Waste (Management & Handling) Rules 2000 (prepared by Government of India) came in force from September 2000. Municipal authority shall be responsible for implementation of the provisions of these Rules. According to Municipal Solid Waste (M&H) Rules, the Municipal Solid Waste (MSW) would be collected and segregated, kept in storage centre or 'bins' and transported by covered vehicle to landfill site. It would be composted, recycled or disposed as per its nature. The Government of Madhya Pradesh adopted the said rule from the date of its publication in Gazette's of India. A Performance Audit on the Municipal Solid Waste Management revealed that these Rules could not be implemented properly due to non-identification of land in most of the Urban Local Bodies for landfill site, awareness programmes were not conducted to make the public well versed with MSWM rule, segregation of MSW was not being done, no separate man-power was deployed and adequate monitoring was not done at District or State level. Some important findings of the performance audit are given below:

- **Funds amounting to ₹10.23 crore provided for implementation of Municipal Solid Waste Management were found blocked**

(Paragraph 2.1.6.4)

- **Expenditure of ₹ 87.77 lakh was incurred on the items which were not covered under the provisions of Municipal Solid Waste Management rules**

(Paragraph 2.1.6.5)

- **Fictitious Utilisation Certificates were submitted by Indore Municipal Corporation without incurring the expenditure amounting to ₹ 1.38 crore**

(Paragraph 2.1.6.6 (a) & (b))

- **There were lack of efforts to obtain community participation and involvement of non-government organisations for segregation of municipal solid wastes**

(Paragraph 2.1.7.3)

- **User charges for house-to-house collection of Municipal Solid Wastes amounting to ₹ 1.28 crore remained outstanding**

(Paragraph 2.1. 7.5)

- **There was inordinate delay in allotment of land for landfill site**

(Paragraph 2.1.7.9)

- **Suitable technology was not adopted for processing of MSW at land fill site**

(Paragraph 2.1.8.1)

- **No arrangement was made for pre-treatment of liquid generated from Slaughter houses**

(Paragraph 2.1.10.1 (a))

2.1.1 Introduction:

Human activities generate waste, and the manners in which that waste is handled, stored, collected, and disposed of can pose risks to the environment and to public health. Solid Waste Management (SWM) includes all activities that seek to minimise health, environmental, and aesthetic impacts of solid waste. In urban areas, especially in the rapidly urbanising cities, problems and issues of Municipal Solid Waste Management (MSWM) are of immediate importance. The acknowledgement of importance of MSWM encourages the Government of India (GOI) to develop the MSWM Rules-2000. To deal with waste management in all Urban Local Bodies (ULBs), the Government of Madhya Pradesh adopted (September 2000) the Indian Municipal Solid Waste (Management & Handling) Rules 2000¹ (Rules) which envisaged that MSW would be collected, segregated and kept in storage facilities or 'bins' and thereafter transported in covered vehicles to the landfill site. Municipal authorities shall adopt suitable technology or combination of such technologies to make use of wastes so as to minimise burden on landfill. No separate instruction issued for adoption of MSWM in the State. Secretary in charge of Urban Development Department is responsible for implementation of the Rules. The Member Secretary, State Pollution Control Board (SPCB) is the prescribed authority to grant authorisation and oversee the implementation of the Rules.

2.1.2 Audit Objectives

The objectives of the performance audit were to assess whether:

- compliance to provisions regulating MSW Rules was taking place;
- funding and infrastructure were adequate for the implementation of Rules and funds were used economically, efficiently and effectively;
- the collection, segregation, processing and disposal of waste was carried out in a systematic and scientific manner;
- an effective monitoring mechanism was in place to ensure the compliance of the Rules by the implementing agencies/generators of MSW.

2.1.3 Audit Criteria

Audit criteria for the performance audit were drawn from the following sources:

- Indian MSW (M&H) Rules 2000;
- Solid Waste Management Manual prepared by Ministry of Urban Development Department Government of India;

¹ MSW(Management & Handling) Rules 2000 refer as 'Rules' here after

- Orders / circulars issued by Government of Madhya Pradesh (MP) and the concerned local bodies from time to time for implementation of Rules;
- MP Treasury Code and MP Financial Code;
- Annual Reports and Budget Documents;
- Service Level Benchmarking mentioned in guidelines for release and utilisation of grant of Thirteenth Finance Commission.

2.1.4 Audit Coverage and Methodology

The performance audit for the period 2007-12 was conducted during June-December 2012. The sample size consisted of 33² ULBs out of 360³ ULBs of the State selected by using Probability-Proportional-to-Size Sampling Without Replacement (PPSWOR) method (**Appendix-2.1**). The records of the Commissioner, UADD, 33 selected ULBs and SPCB were test checked during the course of Performance Audit. The entry Conference was held with Principal Secretary, UADD on 09.08.2012 to explain the audit objectives, scope and methodology. An exit conference was held with the department on 25 April 2013 during which the audit findings were discussed.

Audit findings

2.1.5 Planning

As per chapter 26 of Solid Waste Management Manual, a city plan for solid waste management, involves the collection, transportation, processing and disposal aspects, the facilities, augmentation and replacement of the equipment and sites. Allocation of priorities and resources should invariably be decided and also be included a set of directives for achieving the objectives in a given time frame.

We observed in 25 ULBs out of 33 ULBs that 10⁴ ULBs had not prepared any plan till the period of conducting performance audit (June-December 2012). However, 15⁵ ULBs made plan between 2001-2011 however, none of the ULBs could implement the MSWM Rules as plan which are discussed in draft later on. Further, in case of eight⁶ ULBs status of preparing plan is not clear.

Due to Improper Planning the rules could not be implemented properly in the state.

² Four Municipal Corporation, sixteen Municipalities and 13 Municipal Council
³ Fourteen Municipal Corporation, 100 Municipalities and 246 Municipal Council
⁴ Alirajpur, Beohari, Bhopal, Budhar, Budhani, Khajuraho, Loundi, Maksi, Naurojabad and Sehore
⁵ Bhind, Chattarpur, Chitrakut, Indore, Mandideep, Mahowgaon, Nagod, Neapanagar, Satna, Shadol, Sujalpur, Suhagpur, Sconimalwa, Umaria and Vidisa.
⁶ Chandameta, Chhindwara, Gwalior, Itarsi, Kolar, Nusrullagung, Parasia and Radhogarh.

During the exit conference (April 2013) Government replied that city development plan had been prepared wherein a separate chapter for SWM was included for each city.

The reply of government is not in accordance with the audit observation.

Recommendation: The Government should formulate a comprehensive policy for management with primary focus on innovative strategies for reduction and recycling of MSW.

2.1.6 Financial Arrangement

2.1.6.1 Funding pattern

According to para 3.1 (xiv) of the recommendations of the Twelfth Finance Commission (TFC), at least 50 *per cent* of the grants-in-aid provided to each State for the ULBs should be earmarked for MSWM through Public Private Partnership (PPP). Funds received by the State Government under TFC were provided to ULBs for implementation of Rules during the period 2005-10. Funds were also received from the GOI under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) by Indore Municipal Corporation (IMC) with matching share of State Government for MSWM.

As per para 10.160 of Recommendations of the Thirteenth Finance Commission MSWM was included in four⁷ essential service sectors provided by the local bodies. Government of MP also included (August 2010) solid waste management as the second priority of work to be undertaken by local bodies from funds released under Thirteenth Finance Commission. However, no funds were earmarked for MSWM under Thirteen Finance Commission during 2010-11 and 2011-12 (March 2013).

2.1.6.2 Allocation of funds:

Out of total funds of ₹ 361 crore received under Twelfth Finance Commission, ₹ 180.50 crore was earmarked to all ULBs of the State for implementation for MSWM during 2005-10. An amount of ₹ 24 crore was provided to IMC for the Project of MSWM under Urban Infrastructure Governance (UIG) of JNNURM during 2007-12. The funds released to ULBs are indicated in **Table-1:**

⁷ Water Supply, sewerage, storm water and drainage and solid waste management

Table-1: Funds Management

(₹ In Crore)

Year	Twelfth Finance Commission	Funds Earmarked for MSW (50 per cent of TFC grants)	JNNURM			Grand Total (3+6)
			Central Share	State matching share	Total (4+5)	
01	02	03	04	05	06	07
Previous Balance	144.40	72.20	0.00	-	-	72.20
2007-08	72.20	36.10	5.41	2.16	7.57	43.67
2008-09	72.20	36.10	0.00	0.00	0.00	36.10
2009-10	72.20	36.10	10.81	4.32	15.13	51.23
2010-11	0.00	0.00	0.00	0.00	0.00	0.00
2011-12	0.00	0.00	0.00	1.30	1.30	1.30
Total	361.00	180.50	16.22	7.78	24.00	204.50

Source: UADD, Bhopal

Note- 1 Under 12th FC funds were received from 2006-07 to 2009-10. No fund was received in the year 2010-11 and 2011-12. In year 2011-12 an amount of ₹ 1.30 crore was made available as State share under JNNURM.

2 Funds received under 13th FC, there was no specific demarcation of funds against the MSWM, was made.

2.1.6.3 Monthly reconciliation was not being done

According to para 1.11.3 of chapter 2 of MP Municipal Accounting Manual (July 2007) and rule 97 and 98 of MP Municipal Council Accounting rule 1971, at the end of each month balance of the cash-book should be reconciled with the balance of banks accounts and if any discrepancies noticed, a reconciliation statement be prepared and required correction should be carried out accordingly.

We observed in selected ULBs that funds provided for implementation of MSWM were kept with banks either in current account (12 ULBs) or in saving account (21 ULBs) out of which 27⁸ ULBs were not preparing bank reconciliation statements. Remaining four⁹ ULBs were reconciling the balances from banks accounts. Whereas, in 2 ULBs (GMC and IMC), the status of reconciliation was not clear. The ULBs those had not prepared bank reconciliation, the amount of interest earned on the bank deposits and its use could not be ascertained.

During the exit conference (April 2013), the government replied that action for accounting reforms was in progress and instructions would be issued to take remedial action.

⁸ Alirajpur, Bhind, Beohari, Budhni, Budhar, Chandameta, Chhindwara, Chitrakut, Itarsi, Khajuraho, Kolar, Mahowgaon, Maksi, Mandideep, Nagod, Nasurallagung, Narojabad, Neapanagar, Parasia, Raghogarh,, Satna, Shahdol, Sehor, Seonimalwa, Sujalpur, Sohagpur and Umaria

⁹ Bhopal, Chattarpur, Loundi, and Vidisa

2.1.6.4 Blocking of funds due to improper-implementation of Municipal Solid Waste Management

- (a) Schedule-1 of the Rules stipulates the responsibility of the municipal authorities for compliance of the criteria specified for timely setting up of waste processing and disposal facilities and their monitoring, improvement of existing landfill site as well as identification of landfill sites for future use and making sites ready for operation. It is also envisaged in para 3.1 (xiv) of recommendation of Twelfth Finance Commission that the Municipalities should concentrate on collection, segregation and transportation of solid waste. It was also instructed by UADD, Bhopal (September 2006) that the amount released under Twelfth Finance Commission should be utilised for development of trenching ground, small vehicles for collection of waste and establishment of machinery of composting/ Energy production units.

We observed from the records of 25 ULBs out of 33 test check ULBs revealed that an amount of ₹18.72¹⁰ crore was received during 2006-10 from the UADD on recommendation of TFC (**Appendix-2.2**), out of which an expenditure of only ₹8.49 crore was incurred till November 2012 for the purpose as indicated above. Thus the amount of ₹10.23 crore (55 per cent) remained un-utilised as shown in **Table-2** below:

Table 2: Details of funds released and expenditure

(₹ In lakh)

Year	Opening Balance	Funds received from UADD for MSW	Expenditure reported by ULBs	Total Blocking of amount kept in Banks
Balance of Previous Years (2006-07)	Nil	600.89	131.67	469.22
2007-08	469.22	367.82	100.07	736.97
2008-09	736.97	487.77	169.02	1055.72
2009-10	1055.72	370.37	130.48	1295.61
2010-11	1295.61	*15.89	112.39	1199.11
2011-12	1199.11	*28.72	205.24	1022.59
Total	4756.63	1871.46	848.87	

*During 2010-11 and 2011-12 funds were utilised from grants received under 13th FC
Source: Test checked ULBs

However, in eight¹¹ ULBs no blocking of funds was found. The unutilised amount of previous year shown as opening balance.

- (b) It was also observed that an amount of ₹ 3.53 crore was kept in banks as Fixed Deposit (FD) by six¹² ULBs. The reasons for blocking the funds were intimated by the CMOs (August-November 2012) that the funds could not be

¹⁰ Actual allotment was ₹ 1871.46 lakh

¹¹ Bhopal, Beohari, Gwalior, Indore, Kolar, Khajuraho, Satna and Sujalpur

¹² Bhind ₹ 2.00 crore, Mandideep ₹ 0.62 crore, Nagod ₹ 0.25 crore, Seonimalwa ₹ 0.20 crore, Parasia ₹ 0.04 crore and Vidisa ₹ 0.42 crore

utilised due to non-availability/ non-possession of allotted land for landfill site.

During the exit conference (April 2013), the government endorsed the audit observation and replied that instructions would be issued to utilise the interest earned on FD for the purpose of MSWM.

2.1.6.5 Diversion of funds

According to para 3.1 (xiv) of the recommendations of Twelfth Finance Commission, 50 *per cent* of funds were to be earmarked for MSWM. It was also instructed (October 2006) by UADD Bhopal, that the funds earmarked for MSWM should be utilised for development of landfill site, purchase of vehicles, containers, dustbin and other equipments required for this purpose.

We observed from the records i.e. ledger, cash-books, vouchers, bank statements/ pass books etc. of five¹³ selected ULBs that the expenditure of ₹ 87.77 lakh was incurred (**Appendix-2.3**) on the items which were not covered under above stated provisions. However, in other 28 ULBs no such diversion of funds was noticed.

On this being pointed out, the reasons were attributed (August-November 2012) by the Commissioner and the CMOs for utilisation of funds under non specified items of MSW to immediate requirement of drainage items, electricity items and scarcity of water.

The reply is not accordance with the provisions of MSWM.

During the exit conference (April 2013), the Government replied that instructions would be issued to recoup the diverted funds.

2.1.6.6 Submission of fictitious Utilisation Certificate (UC)

(a) Para 2 of Schedule II of Rules envisages that in order to encourage the citizens, municipal authority shall organise awareness programmes for segregation of waste and shall promote recycling and reuse of segregated materials.

We observed during test check of records of Indore Municipal Corporation (IMC) that out of funds of ₹ 24 crore provided to IMC for MSWM under JNNURM during 2007-12, an expenditure of ₹ 50 lakh was estimated as per approval of Council for the above purpose and UC of ₹ 50 lakh was sent to the UADD without incurring any expenditure on awareness programmes.

This issue was brought into the notice of the Commissioner UADD (30th October 2012). The Commissioner UADD replied (31st October 2012) that a letter for confirmation of facts was issued to IMC (November 2012). In the month of June 2013 the Commissioner, IMC replied that it was committed

¹³ Chhindwara (2 works) ₹ 4.59 lakh , Gwalior(06works) ₹ 40.51 lakh, Naurajabad (01work) ₹ 2.98 lakh, Parasia (14 works) ₹ 11.71 lakh and Sehore (08 works) ₹ 27.98 lakh .

due to human error.

(b) We also observed during test check of the records of IMC that on the basis of population of Indore the number of tricycles was estimated and an order for supply of 2243 Containerised Tricycles costing ₹ 2.56 crore was given by Commissioner, IMC to M/s Tirupati cycle Rickshaws, Nagpur in February, 2009. The above firm supplied 900 tricycles for which a payment of ₹ 1.03 crore was made to it. Thereafter the supply was suspended due to receipt of complaint regarding quality of supplied tricycles, but the Commissioner, IMC issued the UCs for an amount of ₹ 1.90 crore to UADD. Thus, UCs for excess amount of ₹ 87.86 lakh, was issued to the UADD.

During the exit conference (April 2013), the government replied that information from IMC would be called for and appropriate action would be taken accordingly.

2.1.7 Execution of Municipal Solid Waste Management

Management of solid waste is associated with the control of generation, storage, collection, transfer and transport, processing, and disposal of solid waste in a manner that is in accordance with the best principles of public health, economics, engineering, conservation, aesthetics, and other environmental considerations.

2.1.7.1 Inadequate implementation of Rules

Rules 8 (1) stipulates that the State Pollution Control Board (SPCB) shall prepare and submit an annual report to the Central Pollution Control Board with regard to implementation of MSWM in the State by the 15 of September every year. The Annual Reports indicates total quantity of waste generated, collected, processed per day, area of landfill site, development status of landfill site and total quantity of waste disposed finally.

On the basis of test check of records and information made available by SPCB, the position of implementation of Rules in the State was shown in **Table 3**:

Table 3: Implementation status of Municipal Solid Waste Management

Sl No	Parameters	No of Total ULBs	No. of municipal authorities					
			Complied the criteria		Partially complied		Not complied the criteria	
			4	5	6	7	8	9
			No.	Per cent	No.	Per cent	No.	Per cent
1	Collection of MSW	360	04	1.11	285	79	71	20
2	Segregation of MSW	“	04	1.11	23	6.39	333	92
3	Storage on MSW	“	02	0.56	237	66	121	34
4	Transportation of MSW	“	06	1.67	300	83	54	15
5	Processing of MSW	“	01	0.28	03	0.83	356	99
6	Disposal of MSW	“	01	0.28	142	39	216	60

Source data: MP Pollution Control Board

The above table shows that about 0.28 to 1.67 per cent of the ULBs comply the different parameters, 0.83 to 83 per cent ULBs partially complied and 15 to 99 per cent of the ULBs did not adhere to above mentioned parameters of the Rules.

During the exit conference (April 2013), the government accepted the facts and replied that due to non allotment of land, most of the ULBs could not implement the Rules.

The reply is not justifiable as it is contravention to government instruction issued on May 1996 regarding providing of land to ULBs.

2.1.7.2 Non-issue and non-renewal of authorisation to ULBs

Para 6.2 & para 6.4 of the Rules stipulates that authorisation for setting up of waste processing and disposal facility including landfills was required by ULBs from SPCB which was valid for a given period and after the expiry of the validity, a fresh authorisation was required.

(i) As per data made available by SPCB (November 2012), it was observed that SPCB issued provisional authorisation certificates to 298 ULBs (out of 360) in 2004 for a period of one year. The remaining 62 ULBs did not obtain the authorisation. It was also seen that none of the ULBs got renewal of authorisation certificates except Gwalior Municipal Corporation (GMC), and IMC which resulted in the wastes being collected, transported and dumped here and there at empty place of these ULBs and no processing and disposal were taking place.

The Member Secretary, SPCB replied (November 2012) that due to incomplete applications, non identification of land and not applying for authorisation, it could not be renewed.

(ii) Test check of records of selected 33 ULBs revealed that only 20 ULBs obtained provisional authorisation but did not get it renewed except GMC and IMC. Out of remaining 13 ULBs nine¹⁴ ULBs did not apply for authorisation, in three¹⁵ ULBs status for applying for authorisation were not clear and one¹⁶ ULB applied for authorisation but could not get authorisation.

On this being pointed out (June 2012, October 2012 and November 2012), the Commissioner/CMOs replied (July 2012, November 2012 and December 2012) that due to non availability of land authorisation could not be renewed.

The reply is not in consonance with facts as out of 20 ULBs five ULBs had land for landfill sites.

During the exit conference (April 2013), the government accepted the observation and replied that efforts would be made to expedite allotment of land.

¹⁴ Beohari, Bhind , Bhopla, Itersi, Kolar, Naurojaad, Sehore, Sujalpur and Vidisa

¹⁵ Neapanagar, Parasia and Raghoharh

¹⁶ Khajuraho

2.1.7.3 Non conducting of Public Awareness Programmes

Para 2 of Schedule-II of Rules envisages that in order to encourage the citizens, ULBs shall organise awareness programmes for segregation of waste and shall promote recycling and reuse of segregated materials. The ULBs shall also ensure community participation in waste segregation. For this purpose, regular meetings at quarterly intervals shall be arranged by the ULBs with the representatives of local Resident Welfare Associations and NGOs.

Test check of records of 33 selected ULBs revealed that 24 ULBs (**Appendix-2.4**) did not conduct any public awareness programme during 2006-12. Nine¹⁷ ULBs conducted public awareness programmes by publishing pamphlets, appeal in news papers during August 2009 to January 2012. Two ULBs (Municipal Council Khajuraho and Vidisa) conducted seminars/workshops in 2011 but no ULBs conducted periodical meetings during 2006-2012 which shows that the awareness programmes were not conducted as envisaged in the rules.

During the exit conference (April 2013), the government replied that public awareness programme could not be conducted due to non availability of earmarked funds under TFC. However, instructions would be issued for conducting awareness programme.

Good practices: *IMC made an agreement with A2Z Company (2011) for MSWM on PPP basis and conducted the awareness programmes for segregation of MSW regularly.*

Recommendation: ULBs should arrange awareness programme with the Resident Welfare Associations, Non-Government Organisations and school going children regularly.

2.1.7.4 Improper collection of MSW at source

As per the provisions laid down in schedule II-1(i) of Rules, house to house collection of generated MSW should be done at regular pre-informed timings.

Test check of records of 33 selected ULBs revealed that in 14¹⁸ ULBs house to house collection of MSW was not being done. In five¹⁹ ULBs, house to house collection was being done which ranged from 9 to 33 *per cent*, in six²⁰ ULBs it ranged from 47 to 67 *per cent* and remaining six²¹ ULBs it ranged from 78 to 94 *per cent* despite a lapse of ten years since adopting the Rules. It resulted in

¹⁷ Bhopal, Chattarpur, Gwalior, Indore, Khajuraho, Nasrullaganj, Shahdol, Sohagpur and Vidisa

¹⁸ Beohari, Bhind, Budhar, Chattarpur, Indore, Kolar, Maksi, Naurojabad, Nepanagar, Parasia, Raghogarh, Sehore, Seonimalwa and Umaria

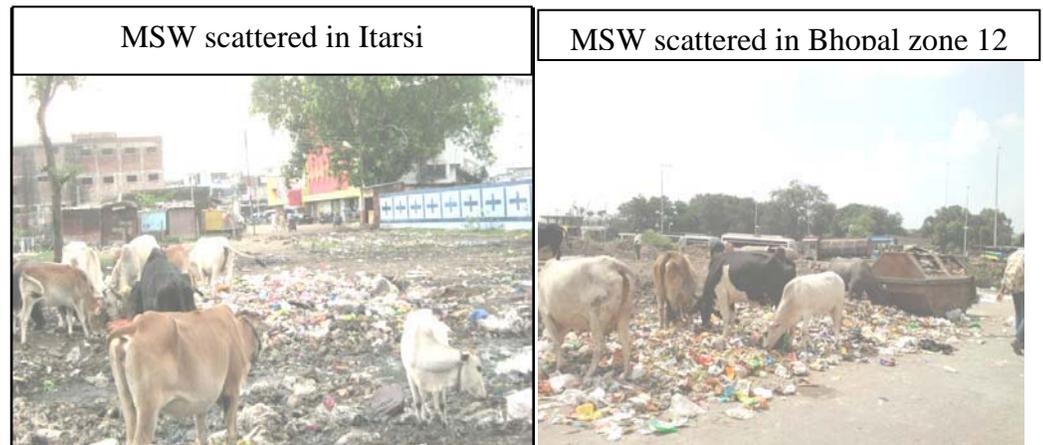
¹⁹ Budhni (13 *per cent*), Itarsi (9 *per cent*), Laundi (27 *per cent*), Nagod (33 *per cent*) and Sujalpur (23 *per cent*)

²⁰ Alirajpur (67 *per cent*), Bhopal (39 *per cent*), Chitrakut (60 *per cent*), Gwalior (35 *per cent*), Khajuraho (47 *per cent*) and Mahowgaon (67 *per cent*)

²¹ Chhindwara (82 *per cent*), Chadameta (80 *per cent*), Mandideep (78 *per cent*), Satna (78 *per cent*), Shahdol (94 *per cent*), Sohagpur (87 *per cent*),

garbage littering in open space, road-side and near open dustbins at primary collection centers as shown in photographs:

Photograph shows: Garbage littering in open space or rode-side



However, two ULBs (Municipal Council Nasurallagunj and Vidisa) were conducting *cent per cent* house to house collection of MSW.

Further, reasons were called for (March 2013) about littering garbage near the dust bins. The Commissioners/ CMOs replied (March 2013) that the dust bins were estimated on basis of population of that time but due to increase of population the bins became smaller and garbage littering was done near dustbins. It would be replaced after the approval of proposal from Council.

During the exit conference (April 2013), the government replied that sincere efforts were being made to bring door to door collection on cluster basis up to ideal level.

Good practices: MC Nasurallagunj and Vidisa were conducting cent per cent house to house collection of MSW.

Recommendation: Door-to-door collection of wastes should be achieved in a time bound manner by mobilising the self help groups and MSW should be transported strictly in covered vehicles.

2.1.7.5 Non recovery of user charges of ₹ 1.28 crore

Para 1(i) of schedule II of Rules envisages that house to house collection of MSW was to be done through any of the methods, like community bins (central bin), house to house collection, collection on regular pre-informed timings and scheduling by using bell ringing of musical vehicle and Para 4.1(iv) of the TFC recommendations makes it obligatory to levy user charges for collection of MSW.

We observed during test check of records of 33 ULBs that none of the ULBs levied user charges, except BMC (₹ 30/- per month for residential and ₹ 60/- for shops/non-governmental offices), MC Shahdol (₹ 300/- per month for residential and ₹ 1500/- for shops/non-governmental offices). However, IMC (rates ranging between ₹ 1000/- to 30000/- per month as per generated

quantity of MSW for commercial organisations, for residential households the user charges is not being levied presently) was recovering the user charges on commercial organisations Since April 2007. MC, Shahdol was collecting user charges on contract basis through NGO. It was further observed that BMC and IMC did not recover the user charges as per norms which resulted in outstanding user charges amounting to ₹ 1.28 crore as shown in **Table-4 below:**

Table 4: Details of outstanding User charges

(₹ In Crore)				
Name of unit	Period for which user charges were to be recovered	Demand of User charges	Amount collected (percentage of demand)	Amount due for collection (percentage in respect of demand)
1	2	3	4	5
BMC	2011-12	1.35	0.60(44)	0.75 (56)
IMC	2007-12	2.31	1.79(77)	0.53 (23)
	Total	3.66	2.39 (65)	1.28 (35)

Source: Test checked ULBs

On this being pointed out (July 2012, September 2012), the CMOs replied (July 2012, September 2012 and March 2013) that no user charges were levied and collected due to non-obtaining the consonance with council. However, Commissioner IMC replied (September 2012) that they are facing difficulty in recovery due to shortage of staff. Prior to 2007, no user charges were being levied for door to door collection of waste. User charges were only imposed in 2007.

Further, reasons were called for (March 2013) from the CMOs for non levy of user charges.

CMOs replied (March 2013) that recovery was still in abeyance due to non awareness of the public.

During the exit conference (April 2013), the government replied that instructions would be issued to BMC and IMC to recover the outstanding user charges.

2.1.7.6 Unhygienic primary storage Centre (Dustbins) for MSW

Para 3 of schedule II of MSW Rules stipulates that Municipal authorities shall establish and maintain storage facilities in such a manner that they do not create unhygienic and insanitary conditions around it. Storage facilities shall be so designed that waste stored is not exposed to the open atmosphere and shall be aesthetically acceptable and user-friendly.

We observed during test check of records of selected ULBs that out of 5,492 primary collection centers/ dustbins, 1,924 (35 per cent) dustbins were reported open by the ULBs. The status of open dustbins is shown below in **Table-5:**

Table 5: Details showing the status of Dustbins

Sl. No.	Name of ULBs	Total no. of Collection Centre/ Dustbins	No. of Open Dustbins (per cent compare to total no.of dustbins)
1	2	3	4
1	4 Municipal Corporations	4302	1279 (30)
2	29 Municipal Councils	1190	645 (54)
	Total	5492	1924(35)

Source: Test checked ULBs

Use of open dustbins is contrary to the Rules and resulted in waste being scattered around the dustbins creating an unhygienic and insanitary condition as shown in the photographs below:

Photograph: Garbage littering around the dustbins



During the exit conference (April 2013), the government accepted the audit observation and replied that instructions would be issued to replace open dustbins by closed dustbins.

2.1.7.7 Non-segregation of Municipal Solid Waste

Para 3(iii) of schedule II provides that MSW should be segregated into separate bins i.e. the bins of bio-degradable waste shall be painted green and recyclable waste and other wastes shall be painted white and black respectively.

We observed during test check of records of all the selected ULBs and during physical inspections that no segregation was being done in separate bins in any of the selected ULBs.

On this being pointed out (March 13), the Commissioner/CMOs accepted the observation and stated (March 2013) that due to non awareness among the people about segregation of MSW in specific bins, it could not be done presently.

During the exit conference (April 2013), the government accepted the observation and replied that three ULBs namely Sailana, Badnawar and

Goutampura started to collect segregated waste and remaining ULBs were making sincere efforts in this regard. However, no documents were provided in support of reply.

2.1.7.8 Improper transportation of Municipal Solid Waste

According to para 4 of Schedule-II of the Rules, vehicle used for transportation of waste shall be covered. Waste should neither be visible to the public, nor exposed to the open environment to prevent its scattering. Transportation vehicles shall be so designed that multiple handling of wastes prior to final disposal is avoided.

(i) We observed during test check of records of 33 ULBs and physical inspection of vehicles that in 18²² ULBs *cent percent* MSW was being transported by using uncovered vehicles and in 15 ULBs, out of 666 vehicles, 211 vehicles (32 *per cent*) were found open. Hence the ULBs failed to prevent littering of MSW on roads from the vehicles and spreading of foul odour in the scattered areas as shown in the photographs below:

Photograph: Use of open vehicles transporting MSW



(ii) It was also observed during test check of records and data made available by selected ULBs that against the total estimated quantity of MSW generated 2458.13 MT per day, only 1986.89 MT (81*per cent*) of MSW was being transported. Thus 471.24 MT (19 *per cent*) per day MSW remained un-transported which contributed to environmental pollution besides being a health hazard to human life.

On this being pointed out (June-November 2012) and on ascertaining reasons for using open vehicles, most of the Commissioner/ CMOs replied (June-November 2012) that the approval of the Council has been sought-for (March 2013) and also sanction for employment of staff and equipments is awaited from government. Hence the generated MSW could not be transported completely and open vehicles would be replaced after obtaining the approval of Council.

During the exit conference (April 2013), department also endorsed the audit observation and replied that instructions for remedial steps would be given.

²² Beohari, Budhar, Budhni, Chandameta, Chhindwara, Chitrakoot, Itrsi, Kolar, Loundi, Maksi, Nagod, Naurojabad, Nepanagar, Parasia, Satna, Seonimalwa, Sohagpur and Sujalpur

2.1.7.9 (a) Inordinate delay in allotment of landfill site

According to paras 11-17 of schedule-III of Rules, the existing landfill site shall be fenced or hedged and well protected. Approach and other internal roads for free movement of vehicle and other machinery, weighbridge to measure the quantity of MSW, shelter, lighting and drinking water arrangements shall be made.

The lands were to be identified by concern ULBs and after the approval of council the proposal of required land was to be submitted to DM for allotment of land.

We observed during test check of records of 33 selected ULBs. The 15²³ ULBs were allotted and given possession of required land for landfill site and one²⁴ ULB had its own land but none of the ULBs expect GMC and IMC could develop the allotted land as landfill site as envisaged in the Rules. The other 15²⁵ ULBs could not get possession of land and in two²⁶ ULBs the matter was sub-judice for possession of land due to encroachment till November 2012.

Thus, the Rules could not be implemented properly despite lapse of 10 years. The status of development of landfill site as envisaged in the above rules is shown below.

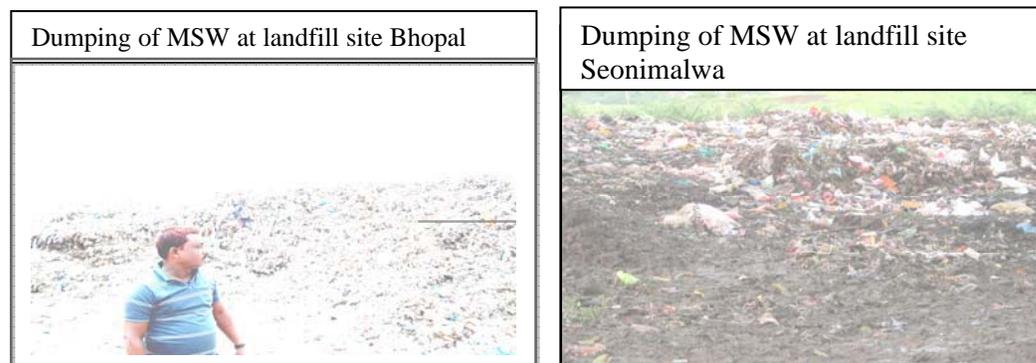
Table 6: Details showing Status of Non-Development of Existing landfill sites

Status of Development	Status of Non-Development of Existing Landfill site					
	Fencing	Road	Light	Water	Weighing facilities	Shelter
1	2	3	4	5	6	7
Developed	4	8	2	3	2	4
Not Developed	11	7	13	12	13	11

Source: Test checked ULBs

It was also observed that un-segregated and untreated MSW were dumped at the temporary landfill site, here and there. Photographs below show MSW dumped at landfill sites:-

Photograph showing status of garbage littering in open space at landfill sit



²³ Alirajpur, Beohari, Bhind, Bhopal, Budhni, Chattarpur, Chhindwara, Chitrakut,

Gwalior, Indore, Khajuraho, Mahuhaon, Nagod, Seoni malwa and Sujalpur, Sehore

²⁵ Budhar, Chandameta, Itarsi, Kolar, Laundi, Maksi, Mandideep, Nasrullagunj, Nepanagar, Parasia, Raghogarh, Satna, Shahdol, Sohagpur and Umariya

²⁶ Naurojabad and Vidisa

The reasons for dumping of MSW at the temporary landfill site were reported (June-November 2012) by Commissioner/CMOs, non availability of land for landfill sites.

During the exit conference (April 2013), government replied that efforts to expedite allotment of land would be made.

The reply of the government is not in accordance with the observation as 15 ULBs had been allotted land for landfill site but it could not be developed as landfill site (March 2013).

(b) Non-development of landfill site by BMC

During test check of records of BMC regarding allotment of land for landfill site revealed that BMC was allotted (prior to 2004) 140 acres land for landfill site at Jhirania Gram but the site was not used as landfill site as the land had small bush and forest so it could not be used for disposal of MSW. BMC was allotted a new site at Adampur Chawni (February 2007) but it could not be developed as a landfill site (July 2012).

On this being pointed out (June-November 2012), the Commissioner replied (June-November 2012) that the old allotted land for landfill site could not be developed as it was far from the city and fell in the forest area. Whereas, the allotted land of Adampur Chawni, could not be developed as landfill site due to encroachment (March 2013).

During the exit conference (April 2013), government replied that the Commissioner BMC would be instructed to get the landfill site developed soon.

2.1.8 Processing of MSW

Municipal solid waste is a valuable resource which can be recovered profitably by using different technologies through processing options.

2.1.8.1 Non-adopting of processing technology

Para 5 of Schedule-II of MSW Rules stipulates that the Municipal authorities shall adopt suitable technology or combination of such technologies to make use of wastes so as to minimise burden on landfill.

Scrutiny of records of selected ULBs revealed that out of 33 test checked ULBs, in 31 ULBs no processing of MSW was being done which resulted in dumping of MSW at landfill site that may cause air and water contamination. Non allotment of permanent land was the reason for non adoption of processing facilities as reported by the CMOs (July 2012 to November 2012).

The reply of 16 CMOs is incorrect as they have land in possession.

During the exit conference (April 2013), the government accepted the observation and replied that instructions would be issued.

Good practices: Two ULBs, adopted processing facilities as per requirements shown in **Table 7**.

Table 7: Details showing processing technology adopted by ULBs

Name of ULBs	Technology adopted	Since when process was being done	Name of material made	Use of product
Gwalior	Composting and recycling	Since 2008	Manure, Refuse-derived fuel (RDF ©)	As fertilizer
Indore	Composting and recycling of MSW	January 2012	Manure, RDF and Carbon Credit*	As fertilizer and fuel

© RDF is a type of fuel which is used in industrial kilns.

* Carbon Credit (50 per cent of total Carbon Credit)- Carbon Credits an Incentive for better waste management.

2.1.8.2 Non-recovery of amount of ₹11.83 lakh from the Company

IMC (employer) on Build, Own, Operate and Transfer (BOOT) basis established an Integrated MSW Processing Plant and entered into an agreement (September 2010) with A2Z Company (an Operator) for establishing a Processing Plant of capacity of 500 MT per day to process generated MSW. As per the condition laid down in the said agreement, the company had to pay the employer an amount of ₹ 21/- per ton of MSW received at the site at the end of every month as per terms of contract.

Test check of records of processing units revealed that the company started regular processing of MSW from January 2012 and had processed 56312 MT MSW for processing during January to July 2012 but no amount was paid by the company which resulted in dues of ₹ 11.83 lakh from the company.

Photograph: Huge MSW dumped at landfill site Indore



Dumping of MSW at landfill site Indore

During the exit conference (April 2013), government replied that matter would be examined and appropriate action would be taken.

2.1.8.3 Non-recovery of lease rent amounting to ₹ 60,705/-

As per clause (ii) of agreement between IMC and A2Z company (September 2010), the employer shall provide 15 acres (60,705 sq. meter) of land (September 2010) for establishment of workshop for the processing plant to the company for 20 years on lease rent at the rate of ₹ 1/- per sq. meter per annum in advance.

During test check of records of IMC we observed that the company had not deposited the lease rent of ₹ 60,705/- which was due for the year 2011-12.

During the exit conference (April 2013), government replied that matter would be examined and appropriate action would be taken.

2.1.9 Non-declaration of a buffer zone around the landfill site

Para 9 of Schedule III of Rules envisages that a buffer zone shall be maintained around the landfill site and it shall be incorporated in the Town Planning Department's land-use plans.

Test check of records in 16 ULB, out of 33 ULBs revealed that these ULBs possessed the land for landfill site but no action was initiated by them to incorporate the buffer zone in the land use plan of Town Planning Authority. Remaining 17 ULBs could not process in this matter due to non allotment of land.

On this being pointed out (June 2012 to December 2012), most of the Commissioner/CMOs of ULBs replied that declaration of buffer zone was not made.

However, the Commissioner, GMC stated (November 2013) that a letter had been sent (December 2012) to Town and Country Planning(T&P) department for declaration of buffer zone and the further action was to be taken by the T&P department which was awaited. The Commissioner IMC did not furnish the reply (September 2012)

During the exit conference, government stated that appropriate action would be taken.

Good Practice

Disposal of plastic solid waste

Plastic is an organic material derived from cellulose that can be molded by heating its shape when cooled. It is not biodegradable; hence, it remains in the environment cycle for a long time. It creates many ill effects as littered plastic clogs and disturbs the drainage system in towns; cattle and other animals sometimes ingest plastic wastes mixed with eatables, resulting in fatalities. The un-disposed plastic also deteriorates the soil fertility. The SPCB identified rotary cement kilns for co-incineration of non-recyclable plastic waste as co-fuel as a means of final disposal and no ill effect of this method of final disposal have been reported.

Test check of records of BMC revealed (June 2012) that Government of MP initiated a plan for proper disposal of plastic waste through SPCB and BMC. The BMC started a separate pilot project for plastic solid waste in five wards with the help of Sarthak (NGO) and SPCB from 2010-11. BMC provided 25000sq.ft land to the NGO in June 2011 for establishing a belling unit*. Out of total generated plastic solid waste about seven to eight MT, plastic solid wastes were collected with the help of 125 rag pickers at five collection centres during September to December 2011 and after compressing it was transported to Cement Industries for use as co-fuel.

*A machine which is used to compress the plastic solid waste into packed bundle.

2.1.10 Environmental Pollution Control Management

The impact of dumping MSW on land without any containment causes problems like groundwater contamination through leachate, surface water contamination through runoff, air contamination due to gases, litter, dust, bad odour and other problems due to rodents, pests, fire, bird menace, slope failure, erosion etc.

2.1.10.1 (a) Non-disposal of liquid generated from Slaughterhouses

Para 5.5.1 of Chapter 5 of the Solid Waste Manual states that as the waste water from slaughter houses is heavily polluted, it should therefore not be allowed to mix with the municipal drain system without pre-treatment.

Scrutiny of records of selected ULBs revealed that there were slaughterhouses in five²⁷ ULBs but no arrangement was made for pre-treatment of the liquid waste water generated from these slaughterhouses. The generated liquid waste was being mixed with the municipal drain which was contrary to provisions *ibid*. Twenty Six ULBs had no separate arrangement for disposal of waste generated from meat/fish markets. Whereas, the status of two ULBs (Kolar and Mandideep) was not clear.

On this being pointed out (September 2012 to October 2012) in audit, the concerned CMCs/ CMOs replied (September 2012 to October 2012) that the procedure for disposal of liquid waste would be adopted as per the guidelines. Further, SPCB was also asked (November 2012) regarding action taken against the MC that were not following the provisions about liquid waste disposal in their jurisdiction. The Member SPCB replied (April 2013) that the letters were sent to Regional Officers for taking action against the MC under provisions of section 41 and 44 of Water Act 1974. Letter by SPCB was sent to Deputy Director, Regional Pollution Control Board on January 2013.

During the exit conference (April 2013), government stated that proposal for modernisation of slaughter houses is under consideration which includes the treatment of liquid generated at the slaughter houses.

(b) Non- adopting the methods for use of biodegradable waste

Para 1 (iii) of Schedule III of the Rules envisages that all the wastes generated by slaughterhouses, meat and fish markets and fruits and vegetables markets which are biodegradable in nature, contains paper, cardboard, food wastes, textiles, and woods shall be managed to making use of such wastes.

Test check of records of all selected ULBs revealed that none of the ULBs had any facilities i.e. composting, vermicomposting, hydropulping²⁸ etc. for making use of biodegradable wastes.

²⁷ Bhopal MC, Gwalior MC, Indore MC, MC Bhind and Budhar

²⁸ A method used to recover paper fiber from waste paper of MSW.

During the exit conference (April 2013), the government accepted the audit observation and replied that instructions would be issued.

2.1.10.2 Non-fulfillment of the provisions for air and water pollution control at landfill sites

- According to the specifications laid down under para 19-20 of Schedule III of the Rules for landfill, waste shall be covered immediately or at the end of each working day with minimum 10 cm of soil and an intermediate cover of 40-65 cm thickness of soil shall be placed on the landfill prior to monsoon with proper compaction and grading to prevent infiltration.
- According to specifications laid down in para 22 of Schedule III of the Rules, diversion of storm water drains to minimise leachate²⁹ generation, prevention of pollution of surface water and also for avoiding creation of marshy conditions, construction of non permeable lining system and a leachate collection system³⁰ shall be made.
- Para 23 under MSW Schedule-III envisages that before establishing any landfill site, the baseline data of ground water quality in the area shall be collected and kept on record for future reference. The ground water quality within 50 meters of the periphery of landfill site should be periodically monitored to ensure that the ground water is not contaminated beyond an acceptable limit. It shall be carried out to cover different seasons in a year i.e. summer, monsoon and post-monsoon period. It is also intimated by SPCB (April 2013) Municipal body who fails to comply the provisions of the Environment (Protection) Act 1986 or the directions issued thereunder, the action would be taken under section 5 and 15 of the said Act.

Test check of records of the selected ULBs revealed that none of the ULBs covered the MSW with soil and developed the leachate collection system and no periodical monitoring of ground water was being done at the landfill site for ensuring control on air pollution as well as ground water contamination. MSW was dumped here and there in the municipal area which posed a hazard to human life. Photographs showing the hazardous conditions at the landfill sites are given below:

Photograph: Hazardous condition at landfill site



²⁹ **Leachate** is the liquid that drains or 'leaches' from a landfill; it varies widely in composition regarding the age of the landfill and the type of waste that it contains. It usually contains both dissolved and suspended material.

³⁰ A leachate collection system is provided comprising a series of pipes laid on the lining in the base of the site, to convey the leachate to a storage or treatment location.

On this being pointed out the Commissioner/ CMOs accepted the fact. Further, the action taken by the SPCB against the ULBs who could not comply the provisions of the Act, the Member SPCB replied (April 2013) that the regional offices were responsible for taking action against the MC. However, details of action taken against such MC were not made available.

During the exit conference (April 2013), the government accepted the observation and replied that instructions would be issued.

2.1.11 Manpower Management

State Nagar Palika Services (Health) Rules, 2011 is in existence and proposal for amendment in the said Rules is sent to government. According to these rules, the creation of additional posts shall be made on population basis.

Test check of records of 28 ULBs out of 33 selected ULBs, it is revealed that no separate staff was deployed for the purpose. It was also seen that in 10 ULBs (**Appendix-2.5**), 83 (out of 159) additional post of Cleaning Darogas and Sanitary Inspectors were found vacant, whereas the vacancies of cleaning staff were ranging between 13 to 54 *per cent*. Due to non engagement of separate staff for this purpose, the MSWM could not be implemented as envisaged in the Rules.

On this being pointed out (August 2012 to March 2013), the Commissioners /CMOs replied (August 2012 to March 2013) that no separate staff was provided for MSWM. However, the proposals for requirement of staff for MSWM were sent to the Government by nine³¹ ULBs (January 2011 &2012). Three ULBs (Chandameta, Chhindwara and Shahdol) replied that proposal for staff would be sent and remaining ULBs had not commented on requirement of staff for MSWM.

During the exit conference (April 2013), the Government agreed with the audit observation and stated that policy has been made under state sanitation services for man power management.

Recommendation: Deployment of adequate staff for better implementation of Municipal Solid Waste Management should be ensured.

2.1.12 Monitoring and evolution mechanism

2.1.12.1 Lack of monitoring

Para 5 (1) of the Rules envisages that the Secretary in charge of the Department of Urban Development of the State shall have the overall responsibility for enforcement of Rules in metropolitan cities and para 5(2) envisages that the District Magistrates within the territorial limits of their jurisdiction shall have the overall responsibility for the enforcement of the Rules. It is also envisages in para 25.2 of chapter 25 of Municipal Solid Waste

³¹ Alirajpur, Bhopal, Chitrikut, Indore, Khajuraho, Laundi, Nadog, Sehore and Umaria

Manual that the State Governments should frame appropriate policies to guide the local bodies and take a lead role in activating the local bodies to perform their obligatory duties effectively.

Test check of records of UADD revealed that state government had not made any policy or guidelines to support the ULBs and also no monitoring committee was framed to take lead role for implementation of MSWM. No monitoring records such as consolidate monitoring reports, ULB wise implementation status were maintained in support of monitoring.

On this being pointed out the Commissioner UADD accepted the fact and replied that the instructions were issued to Deputy Director, UADD for monitoring. However, DD Gwalior and Indore could not make available the information regarding implementation of Rules in their jurisdictions.

It was also asked from the concerned DM through issuing letters for sending the information regarding monitoring of MSWM but no information was received (March 2013).

Further, scrutiny of records of selected ULBs revealed that neither of ULBs constituted the monitoring committee nor submitted any monitoring reports to DM or State Government.

During the exit conference (April 2013), the government accepted the observation and replied that instructions would be issued for regular monitoring.

Recommendation: Monitoring and Evaluation system should be strengthened for better implementation of MSWM.

2.1.12.2 Non-submission of Annual Reports

Rule 4 (4) stipulates that every municipal authority shall furnish an annual report in form-II containing the information regarding quantity of waste generated, collected, processed, facilities as weigh bridge, fenced and lighting etc. exist at landfill site for implementation of MSWM to the Secretary in charge of UADD of the State. It was also instructed by the State Government (May 2004) that the annual reports would be sent to the District Collectors regarding implementation of the Rules.

Test check of records of selected ULBs revealed that 26 ULBs³² did not submit the annual reports. However, five ULBs³³ submitted annual reports yearly and two ULBs³⁴ submitted annual reports from 2008-09 to District Collector/Deputy Director UADD. During test check of records of UADD it

³² Alirajpur, Beohari, Bhind, Bhopal, Budhar, Budhni, Chattarpur, Chitrakut, Itarsi, Khajuraho, Kolar, Laundi, Maksi, Mandideep, Mahowgaon, Nagod, Nasurallajung, Naurojabad, Neapanagar, Ragogarh, Satna, Sehor, Seonimalwa, Sohagpur, Sujalpur and Vidisa

³³ Chandameta, Chhindwara, Indore, Parasia and Umaria

³⁴ Chitrakoot and Shahdol

was further observed that consolidated annual report of ULBs were not available but on pointing out by audit it was called for (December 2012) at the Directorate level.

On this being pointed out (August-November 2012), the CMOs replied (August-November 2012) that the reports were not submitted and Commissioner UADD replied (October 2012) that the information would be compiled.

The information regarding Annual Reports was called for (August 2012 December 2012) from the DM of six³⁵ districts but no information was received from DM so far (March 2013).

During the exit conference (April 2013), the government accepted the audit observation and replied that instructions would be issued to ULBs for sending annual reports.

2.1.12.3 Non-imposing of penalty on violation of Rules

Under the provisions of article 418 a (1) of Municipal Corporation Act 1956, the State Government issued instructions (April, 2008) to impose penalty and same would be recovered from persons who were splitting, spreading filth solid waste and of sewer water in public places ranging between ₹ 100 to ₹ 1000 in each cases.

Test check of records of selected ULBs (4 Municipal Corporations) revealed that two ULBs³⁶, imposed penalty under their jurisdiction as per the provisions of the Act during review period (2007-2012). Further, MC Satna made provisions for imposing penalty but no such offences were caught. The Commissioner of MCs accepted and replied (August to November 2012) that the penalty could not be levied and recovered in the absence of consonance of assembly members.

During the exit conference (April 2013), the government replied that ULBs are solely responsible for imposing penalty on violation of Rules. However, necessary instructions would be issued.

2.1.13 Vigilance Mechanism

According to para 23.3.1.4 II (b) of Municipal Solid Waste Manual the data regarding number of cases filed in the courts each month for violation of sanitation laws to be collected to improve the implementation status of rules.

During the scrutiny of records of selected ULBs no complaints/court cases regarding violation of MSW rules were reported but one court case each, in MC Nasrullahganj and Vidisha was filed in respect of encroachment on allotted land for landfill site.

³⁵ Chhindwara, Gwalior, Hoshangabad, Indore, Shajapur and Vidisha

³⁶ Indore (₹31.51 lakh) and Shahdol (1.78 lakh)

During the exit conference (April 2013), the government replied that directions for ensuring the vigilance mechanism, would be issued.

2.1.14 Service Level Benchmarking

Para 10.160 of Thirteenth Finance Commission recommendations envisages that all the Municipal Corporations and Municipalities will notify by the end of a fiscal year (31 March) the service standards for four service sectors i.e. water supply, sewerage, storm water drainage and solid waste management proposed to be achieved by them by the end of the succeeding fiscal year. This could be in the form of a declaration of a minimum level of service for the indicators mentioned against each of these four services published by the Ministry of Urban Development. A notification will be published in the Gazette of the State before 31 March every year and the fact of publication will demonstrate compliance with this condition. Ministry of Urban Development Department set the Service Level Benchmarks (SLBs) in respect of MSW as shown in **Table 8** below.

Table 8: Details of SLBs for ULBs

Sl. No	Proposed Indicator	Benchmark
1	2	3
1	Household level coverage of solid waste management services	100%
2	Efficiency of collection of municipal solid waste	100%
3	Extent of segregation of municipal solid waste	100%
4	Extent of municipal solid waste recovered	80%
5	Extent of scientific disposal of municipal solid waste	100%
6	Efficiency in redressal of customer complaints	80%
7	Extent of cost recovery in SWM services	100%
8	Efficiency in collection of SWM charges	90%

Test check of records of 33 ULBs revealed that 13³⁷ ULBs had not prepared any action plan for SLBs and status of preparation of SLBs of eight³⁸ ULBs was not clear. However, 12³⁹ ULBs prepared SLBs and sent to UADD. It was also observed in test check of records regarding SLBs in UADD (October 2012) revealed that out of 360 ULBs only 113 ULBs could make the SLBs and get it published in the Gazette as required during 2010-12.

During the exit conference (April 2013), the government replied that SLBs were prepared by ULBs.

The reply is not in accordance with the audit observation.

³⁷ Alirajpur, Beohari, Budhar, Candameta, Citrakoot, Itarsi, Khajraho, Londi, Nagod, Nasurallagung, Naurojabad,, Radogarh and Sohagpur

³⁸ Budhani, Chattarpur, Kolar, Mahowgaohn, Maksi, Nepanagar, Parasia and Sujalpur

³⁹ Bhind, Bhopal, Chhindwara, Gwalior, Indore, Mandideep, Satna, Shahdol, Sehore, Seonimalwa, Umari and Vidisa

2.1.15 Other Significant points

2.1.15.1 Irregular Procurement of material

Rules 160 & 162 of *Nagar Palika Lekha Niyam* 1961 provide that the CMO has to prepare an estimate for requirement of materials and get it approved by financial committee. CMO could purchase the material up to sanctioned limit.

Test check of records of MC Seoni Malwa and Shahdol revealed that the materials were purchased without assessing the actual requirement as detailed below in **Table 9:-**

Table 9: Details of materials procured

(₹ in lakh)

Sl. No.	Name of ULBs	Name of material	Quantity				
			Purchased Unit/ Rate	Amt. paid	Utilised	Unutilised	Amt.
1	2	3	4	6	7	8	9
01	Municipalitis Seonimalwa	Cement Conceret Pole	400@165/- per pole October,2008	0.66	35	365	0.60
02	Municipalitis Shahdol	barbred wire	2594 kg./@ ₹ 93.90+ 13% vat November, 2011	2.75	Nil	2594 kg.	2.75
						Total	3.35

Source: Test checked ULBs

Financial approval was obtained for the material purchase by Municipalitis Seonimalwa (April 2008) and Municipalitis Shahdol (November 2011). The material amounting to ₹ 3.35 lakh, remained idle for 10 to 48 months in stores of concerned ULBs.

On this being pointed out (September & October 2012), the CMO, Seoni Malwa replied (September & October 2012) that materials were purchased as per requirement but in the absence of possession of land, the materials could not be utilised. The CMO, Shahdol replied that material would be used in future.

During the exit conference (April 2013), the government replied that instructions would be issued to utilise aforesaid material.

2.1.15.2 Non-installation of gas control unit and fire equipment at landfill site

Para 25-27 of schedule-III of Rules envisage that gas control system including gas collection system shall be made at landfill site to minimise odour generations and prevent off-site migration of gases. The concentration of methane gas generated at landfill site shall not exceed 25 per cent of lower explosive limit. The collected gas at a landfill site shall be utilised for either direct thermal applications or power generation as per viability.

Test check of records revealed that GMC had provided 25.477 hectare land to M/s AKC Development of India at Kedarpur-Chandohakurd for establishment of Processing Plant and made an agreement (March 2008) for a period of 25

years. it was noticed that the Monitoring Committee instructed time to time (April 2011 & May 2011) to install the fire equipment for safety of plant but company did not comply with the instructions of Monitoring Committee. It was also noticed that the Plant caught fire (May 2010) and was damaged about 60 to 80 *per cent*.

During the scrutiny of record of IMC it was revealed that no gas control unit was installed.

However, the GMC accepted the fact and replied (October 2012) that instructions would be issued to the company for establishing gas control unit. In case of IMC the Commissioner replied that gas control unit was not required because ambient air tests were conducted by SPCB time to time.

The reply of IMC is not accordance with the provisions of Rules.

During the exit conference (April 2013), the government replied that directions to GMC would be issued in this regard.

2.1.16	Conclusion
---------------	-------------------

- The State Government could not make proper planning for implementation of the Rules in the State. (Paragraph 2.1.5)
- Parking of funds in banks. (Paragraph 2.1.6.4)
- Diversion of funds received under recommendation of TFC. (Paragraph 2.1.6.5)
- Submission of fictitious Utilisation certificates. (Paragraph 2.1.6.6)
- Public awareness programme were not conducted. (Paragraph 2.1.7.3)
- No segregation was being done. (Paragraph 2.1.7.7)
- Processing facilities were not developed. (Paragraph 2.1.8)
- No separate staff was deployed for MSWM. (Paragraph 2.1.11)
- There was lack of monitoring in implementation of Rules. (Paragraph 2.1.12.1)

2.2 Thematic Paragraph on Public Private Partnership Projects taken-up by the ULBs Khandwa, Shivpuri and Bhopal

The Public Private Partnership Projects are defined as “innovative methods used by the public sector to contract with the private sector who bring their capital and their ability to deliver projects on time and to budget, while the public sector retains the responsibility to provide these services to the public in a way that benefits the public and delivers economic development and improvement in the quality of life”

Project for Water supply augmentation of Khandwa, Shivpuri and construction of bus stop/modern toilets by Municipal Corporation Bhopal under PPP were selected in Audit for detailed study. The highlights of the projects are given as below:-

- There was excess expenditure of ₹ 10.30 crore on preparation of irrelevant payment schedule “U”. The MC Khandwa had prepared defective payment schedule and paid excess to Contractor.
(Para 2.2.6.1)
- There was irregular expenditure on construction of staff quarter of ₹ 9.96 lakh. The payment made in this component has not been sanctioned in Detailed Project Report.
(Para 2.2.6.2)
- There was none deduction of late fee of ₹ 59 lakh. The Project was not completed in the stipulated period and no time extension granted by the KMC, which resulted in less deduction of Liquidated damage as per clause 13.4 of the agreement document of project.
(Para 2.2.6.3)
- There was less receipt of bid security amounting to ₹ 1.24 crore (Khandwa ₹ 54 lakh , Shivepuri ₹ 70 lakh).
(Para 2.2.6.5)
- There was undue financial advantage to concessionaire ₹ 18 lakh due to less receipt of Performance Security by the MC Khandwa.
(Para 2.2.6.6)
- Construction of 50 Bus stops “without Kiosk System” resulted in loss of revenue of ₹ 15 lakh. Contradictory decision has been passed by MIC without any technical ground resulting in loss of revenue.
(Para 2.2.7.1)
- There was loss of ₹ 7.87 crore due to non availability of land for construction of modern toilets.
(Para 2.2.7.2)

2.2.1 Introduction and Brief History of the Projects

(I) Water supply project Khandwa and Shivpuri

At present water supply of Khandwa city is being done from Sukta and Nagtchun Water treatment plant (WTP). The total capacity of plants is 15.7 Million Litre per Day (MLD). The total need of water assessed in Detailed Project Report (DPR) was 29 MLD as per prescribed standards of 135 litre per capita per day (lpcd) for population of 2,15,400. The water supply in Khandwa during rainy and winter season was about 68 lpcd which was indicative of much less supply of water in this district than the average requirement.

In Shivpuri city 24.30 MLD water was required to cater the population of 180000 in 2010 but only 05 MLD water was available water supply for a maximum period of 30 minutes every alternate day in winters. The supply in summers is once in three to four days.

Considering the above uncertain and insufficient water supply in the cities State Level Sanctioning Committee(SLSC) sanctioned (September 2007) water supply augmentation project costing ₹ 106.72 crore⁴⁰ and ₹ 59.65 crore⁴¹ under Urban Infrastructure Development Scheme for Small and Medium Town (UIDSSMT) as per detailed project report (DPR) submitted by the concerned ULBs. The funding pattern under UIDSSMT among Central, State and ULBs would be in ratio of 80:10:10 respectively.

Due to poor financial condition of the ULBs and its inability to contribute 10 per cent of the project cost, in General Body Meeting, concerned ULBs decided to execute the above projects by Public Private Partnership (PPP) basis.

In addition to construction works the firm was also responsible for operation and maintenance (O&M) of the projects and the right of recovery for water tax was given to the private firm with concession period of 25 years.

(II) Construction of Modern toilets and Bus stop at Bhopal

Munciple Corporation Bhopal decided to facilitate the people by making 100 bus stop (April 06) and 36 modern toilets (December 2007) on PPP model. Accordingly tenders were invited and work order placed to the bidders. Under this module the private firm was to bear the entire cost of project. The firm was granted the advertisement right for five years for bus stop and fifty years for modern toilets in lieu of expenditure made by firm. The farm also agreed to pay an amount of ₹ 90 lakh for bus stops and ₹ 7.87 crore for modern toilets as premium to ULBs in four and fourteen equal installments respectively.

⁴⁰ Central Share ₹85.38 Crore, State Share ₹10.67 Crore and ULB Share ₹10.67Crore

⁴¹ Central Share ₹47.72 Crore, State Share ₹05.96 Crore and ULB Share ₹05.96Crore

2.2.2 Audit objectives

The audit was conducted with a view to ascertain whether:

- The management was effective and responsible so that the desired benefits of the project could be obtained.
- The private firm utilised the public money and resources economically, effectively and efficiently.
- The correct procedure was adopted for tendering, execution of the project and utilisation of the project.

2.2.3 Audit Criteria

The sources of audit criteria are:

- Guidelines of the PPP Projects in M.P.
- Agreement document made between ULBs and Private Firms.
- DPRs sanctioned by the Government and tender documents.
- Running Bills and other records related to the Projects.

2.2.4 Audit Scope and Methodology

- Scrutiny of project document starting from the contractual stage to the formulation and approval stage.
- Verifying the legal and contractual obligations arising from the several contracts and agreement entered into between the parties.
- Scrutiny of financial modeling to test the feasibility and justification for the grant of concession, testing revenue generation using quantitative techniques.
- Assessment of the transparency and integrity of the bidding process
- Limited audit of the construction and engineering to verify quality innovations, economy and efficiency
- Quality test, where necessary to ensure the adherence to specifications and compliance with standard
- Engaging experts to test aspects of quality and standards, if required.
- To check the actual revenue generation and sharing and safeguard of public money.

2.2.5 Planning

As per DPR population of Khandwa city would be 3.47 lakh in the year 2040 and water demand was assessed 56 MLD per day, whereas population of Shivpuri city would be 3.60 lakh in the year 2040 and water demand was assessed 61 MLD per day. Work order was issued in September 2009 and completion period of both the projects were 24 months. Intake well and Over Head Tank system was to be constructed for uninterrupted water supply through distribution network. Bus route was decided through main city of Bhopal “Misrod to Bairagarh”.

State government appointed “Madhya Pradesh Vikas Pradhikaran Sangh” as State level nodal agency (January 2006), in pursuance of the GOI order regarding implementing of IDSMT, AUSUP and Urban Infrastructure Development for Small and Medium Town (UIDSSMT). Further, Director Urban Administrative and Development Department was appointed as Nodal agency in January 2010.

2.2.6 Financial Status of the Projects

Water Supply augmentation Project of Khandwa and Shivpuri was funded under UIDSSMT centrally sponsored scheme, whereas bus stop and modern toilets were to be sponsored by the firm on the basis of advertisement right. As per agreement the concessioner of Khandwa and Shivpuri shall be maintained the escrow account constituting the financial package for meeting the total project cost shall be credited to such as escrow account. Financial statuses of these projects are as follows:-

(I) Water Augmentation Project Khandwa

(₹ in crore)

ULBs Name	Project Name	Share	Prescribed share	Funds received (30.06.12)	Fund Utilised (30.06.12)
Khandwa	Water Augmentation project	GOI	85.38	42.69	41.45
		GOMP	10.67	10.67	10.45
		PPP share	10.67	6.64	6.57
		Other (Interest)	Nil	2.26	2.26
		Total	106.72	62.26	60.73

From the above table we observed that the GOI released ₹ 42.69 crore (50 per cent) up to June 2012 out of prescribed share ₹ 85.38 crore which resulted in slow execution of the project.

(II) Water Augmentation Project Shivpuri

(₹ in crore)

ULBs Name	Project Name	Share	Prescribed share	Funds received (upto 06.10.12)	Fund Utilised (up to 06.10.12)
Shivpuri	Water Augmentation project	GOI	47.72	42.91	35.62
		GoMP	5.96		
		PPP share	5.97	1.01	
		Other (Interest)	Nil	1.37	
		Total	59.65	45.29	35.62

From the above table we observed that the GOI and Government of Madhya Pradesh had released ₹ 42.91 crore (80 per cent) out of prescribed share ₹ 53.68 crore and concessionaire had utilised 79 per cent of the available fund.

(III) Projects of Nagar Palik Nigam Bhopal

(₹ in crore)

ULBs Name	Project Name	Project cost made by Private Firm	Premium to be paid by company to the ULBs as per agreement	Total premium received	Balance premium to be received
Nagar Nigam Bhopal	Construction of 100 bus stop	Not available	0.90	0.68	0.21
--do--	Construction of 36 modern toilets	--do--	7.87	Nil	7.87

From the above table we observed that premium fee under construction of 36 modern toilets was not received.

Audit findings**2.2.6 Water Supply Augmentation Project Khandwa/Shivpuri****2.2.6.1 Excess expenditure of ₹ 10.30 crore due to defective payment schedule "U".**

The Water Augmentation project Khandwa was executed on PPP module and tenders were invited under lump sum contract. The total project cost was of ₹ 103.61 crore. Out of this the amount of ₹ 93.25 crore was provided by Central and State government under UIDSSMT and the 10 per cent of the project cost ₹10.36 crore was borne by concessionaire.

The firm M/s Vishwa Infrastructure Private Limited, Hyderabad submitted the lump sum rates for different components of the project in format 15 B. In the format 15-B the rate quoted for intake well was ₹ two crore and for construction of 'Clear water transmission main' was ₹ 50.44 crore. The

payment schedule was to be prepared by the ULB according to component wise cost quoted by the bidder. Details are shown as below:-

(₹ in crore)

Component	Sanction cost as per format 15-B	Cost shown in Paytt. Schedule "U"	Cost Shown in R/A bill	Status of work	Amt. payable as per status of work	Total amt. paid to the firm	Excess paid to firm as per schedule 15-B	Excess paid to firm as per status of work
1	2	3	4	5	6(2*5)	7	8(7-2)	9(7-6)
Intake well	2.00	2.53	2.81	80%	1.60	2.25	0.25	0.65
Clear Water Rising main	50.44	56.25	62.50	80%	40.35	50.00	—	9.65
Total							0.25	10.30

Scrutiny of records revealed that after valuation of work of intake well, the payment of ₹ 2.25 crore was made to the firm, instead of rate quoted by the firm ₹ two crore. Thus excess amount of ₹ 25 lakh was paid to the firm in comparison to the format 15-B. The status of intake well work was 80 per cent completed and payment of ₹ 1.60 crore should be made, but ₹ 2.25 crore was paid to the firm which resulted in excess payment of ₹ 65 lakh in comparison to sanctioned cost. In the component of "Clear water transmission main" the sanctioned cost was ₹ 50.44 crore, Schedule "U" shown the cost of above component ₹ 56.25 crore and in running bill the cost was shown ₹ 62.50 crore which were contradictory to each other. The status of work done was only 80 per cent and payment made to the firm was 99 per cent resulting in excess payment of ₹ 10.30 crore to the firm.

On this being pointed out, (September 2012) the Commissioner, MC Khandwa replied (September 2012) that the payments were made as per format 15-B of the agreement.

The reply was not convincing as the payment made to the firm were in excess to the rate quoted in format 15-B.

2.2.6.2 Irregular expenditure of ₹ 9.96 lakh on construction of staff quarters under Shivpuri Water Supply Augmentation

The Component of Staff Quarter was not allowed in appraisal report of the sanctioned DPR for water supply augmentation, Shivpuri.

Scrutiny of records of the project in MC Shivpuri revealed that a payment of ₹ 9.96 lakh (₹6.72 lakh for the construction of Slab Level 'H' type quarters and ₹ 3.24 lakh construction of 'I' type quarters) was made to the firm for the construction of staff quarters.

On this being pointed out (October 2012) the CMO replied (October 2012) that the intake well and Water Treatment Plant of the Project are situated in jungle and away from the city. The construction of staff quarters was necessary for providing residential facility to the staff deployed for 24 hours

operation and maintenance of these machines. The expenditure would be incurred from the share of firm under PPP.

The reply was not in accordance with approved DPR since the payment was already made by MC Shivpuri from project fund.

2.2.6.3 Less deduction of late fee ₹ 59 lakh under Khandwa Water Supply Augmentation Project

Para 13.4 of the agreement (September 2009) envisaged that the late fee of ₹ 50 lakh per week or maximum one *per cent* of the project cost ₹ 103.61 crore was to be deducted from the firm. Accordingly work order was issued (September 2009) to M/s Vishwa Infrastructure Private Limited, Hyderabad for the commissioning of Water Supply Augmentation Project Khandwa, and directed to complete the project within 24 months (September 2011).

Scrutiny of records revealed that the Project was not completed in the stipulated period. The firm applied for time extension in April 2012 and MC Khandwa forwarded (May 2012) the request for time extension up-to August 2012. None of the components of the project were completed till (September 2012). The KMC deducted late fee of ₹ 45 lakh only from the running bill no. 14 (period 01.04.11 to 24.06.11) instead of deducting the late fee of ₹ 1.04 crore (@ one *per cent* of ₹ 103.61 crore).

Thus, undue financial advantage was extended to the firm by deducting ₹ 59 lakh less as late fee.

On this being pointed out (September 2012), Commissioner, KMC replied (September 2012) that the remaining amount of late fee would be deducted from next running bill of the contractor.

2.2.6.4 Irregularities noticed in the agreement of Shivpuri Water

The following irregularities were noticed in the agreement of Shivpuri Water Supply Augmentation project under UIDSSMT.

- As provision laid down in para 18 A of Concession Agreement Volume-II, CMO was responsible to appoint an independent Auditor for the audit of accounts of the firm under agreement.

Scrutiny of records revealed that appointment of independent auditor was not done and in absence of it's authenticity of financial performance of the project could not be ensured.

The CMO replied that (October 2012) as per provisions, independent auditor was appointed by inviting tenders. But due to some conflict, the auditor did not work. No payment has been made in this head and the tender would be cancelled.

- As per provision laid down in Para 18.1 of the Volume-II of the agreements, an independent engineer was required to be appointed for quality control and supervision of the project.

Scrutiny of records of the project revealed that no report about quality control and supervision by the engineer was available with the MC, which proves that independent engineer was not appointed.

The CMO replied (October 2012) that the Assistant Engineer of the Municipal Council has been directed to work as project engineer. In support of reply no other document was produced regarding supervision and quality control of project.

- No provision for the share of Municipal Council from realised revenue was made in the agreement whereas 90 *per cent* of the project cost has been contributed by the Government.

The CMO replied that (October 2012) expenditure on operation and maintenance (O&M) of the project would be incurred from the realised revenue by the firm. The ULB funds were not utilised for O&M of the project, therefore the provision for share of ULBs in the agreement was not made.

The reply was not satisfactory as 90 *per cent* of the project cost had been borne by the Government on behalf of ULB but no provision in agreement regarding sharing of revenue was made.

- The ground, on which the concession period of 25 years decided, was not mentioned in the agreement.

The CMO replied that (October 2012) concession period of 25 years has been decided as per pre-conditions of the tender. This is a policy decision of the council.

The reply was not satisfactory, as concession period of 25 years was not justified in the record.

- In Proforma 22 of the agreement, the total project cost was shown as ₹ 80.71 crore in which ₹ 3.34 crore was mentioned under "Other expenditure head". In the absence of detailed head wise description, it was not clear that this amount would be used for which purposes.

The CMO replied that (October 2012) description of other heads is not available in Proforma 22, which would be obtained from the firm.

The reply was not admissible as due to non availability of details of expenditure to be booked under the head other expenditure of undue advantage to concessionaire cannot be ruled out.

- As per the provisions contained in Para 22.1 of agreement Proforma vol-II, the project was to be got insured by the firm and a copy of the insurance policy was to be provided to Municipal Council. Audit found that no records of the insurance policy was available with MC Shivpuri due to which it could not be ascertained whether the project was insured or not.

The CMO replied that (October 2012) copy of insurance policy is not available at present. It would be obtained from the firm.

Insurance policy was called for from MC Shivpuri (May 2013), reply is awaited.

- There was no provision in the agreement for review of concession period for less/excess receipts of the estimated revenue by the firm.

The CMO replied that (October 2012) State Level Empowerment Committee has taken the decision for extending or reducing the concession period.

Reply was not confirming the provisions of PPP project.

2.2.6.5 Less receipt of bid security amounting to ₹ 1.24 crore

Para 14 of the guidelines of PPP projects of Government of Madhya Pradesh stipulates that bids for the project will be accompanied by a bid security in the form of Bank Guarantee of amount specified in the Bid Documents. Bid security amount shall be one *per cent* (minimum ₹ One crore) for estimated project costing more than 50 crore.

Scrutiny of records of bid security of the Water Supply Augmentation Project of MC, Khandwa and MC, Shivpuri revealed that less bid security of ₹1.24 crore was received from the concessionaries. Details are shown below:

(₹ in crore)					
Name of the ULB	Name of the project	Estimated project cost	Amount of bid security to be deposited as per guidelines	Actual amount received by the ULBs	Less receipt of bid security
MC Khandwa	Water Supply Augmentation Project	106.72 (103.61+ 3.32 for Work Charge)	1.04	0.50	0.54
MC Shivpuri	Water Supply Augmentation Project	59.65 (57.91+1.74 for work charge)	1.00	0.30	0.70
Total		166.37	2.04	0.80	1.24

The MC Khandwa and Municipal Council Shivpuri received less bid securities of ₹ 54 lakh and ₹ 70 lakh respectively. Thus undue financial advantage was given to the concessionaries.

On this being pointed out, Commissioner, MC Khandwa replied that the bid security was received as per clause 15 of tender document. The CMO, MC, Shivpuri replied that as per PWD Manual, five *per cent* of the project cost was received as bid security from the concessionaire.

The replies were not in accordance with the para 14 of guidelines of MP PPP projects.

2.2.6.6 Undue financial advantage of ₹ 18 lakh to concessionaire

As per Para 15 of MP, PPP guidelines, the concessionaire was required to furnish a performance security in the form of Bank Guarantee of an amount equal to five *per cent* of the Estimated Project Cost. However, it was laid down in para 4.1 of the agreement made between KMC and M/s Vishwa Infra Private Limited a performance security for a sum equivalent to ₹ five crore was to be provided to KMC.

As per the agreement, M/s Vishwa Infra Private Limited deposited an amount of ₹ five crore as performance security for water augmentation project Khandwa. However as per para 15 of the guidelines, an amount of ₹ 5.18 crore was to be received (five *per cent* of the total project cost of ₹ 103.61 crore) from the M/s Vishwa Infra Private Limited.

Thus, an amount of ₹ 18 lakh could not be taken from the farms due to faulty agreement and undue financial advantage of ₹ 18 lakh was given to the farm.

On this being pointed out, (September 2012) the Commissioner, MC, Khandwa replied (September 2012) that the deposited amount was in order and no financial advantage was extended to the firm.

The reply was not in consonance with guidelines of PPP projects.

2.2.7 Construction of Bus Stop and Modern toilets at Bhopal

2.2.7.1 Loss of revenue to the tune of ₹ 15 lakh on account of construction of 50 bus stop “without Kiosk system”

MC Bhopal had invited an open tender in September 2006 for construction of 100 city bus stops under PPP module on advertisement right. The Mayor in Council (MIC) had decided to construct 50 bus stops with kiosk system and other 50 without kiosk system. Four advertising firm submitted their bids. The tender committee approved the rates of "Rashtriya advertising Agency" New Delhi. The rates given by agency were as below:-

50 Bus stop without Kiosk system	₹45 lakh in four equal instalment (₹11.25 lakh) in 5 years
50 Bus stop with kiosk system	₹ 60 lakh in four equal instalment (₹15 lakh) in 5 years.

Total receivable revenue= ₹105lakh

The above rates were approved by the MIC vide resolution No.19 dt.18.12.06.

Scrutiny of records revealed that a meeting of divisional transport committee was held in (April 2006) which decided to construct all 100 bus stops “without kiosk system” however, minuets of the meetings was not made available. Further, the tender was invited for construction of 50 bus stops “with kiosk”

and 50 “without kiosk” and MIC also approved the decision taken by the DTC in (May 2007) which was contradictory to its previous decision. The construction of 100 bus stops “without kiosk” on recommendation of DTC resulted in loss of revenue of ₹ 15 lakh.

On this being pointed out (August 2012) in audit, commissioner, MC, Bhopal replied (August 2012) that the decision of construction of bus stops without kiosk system was taken due to its un-authorised use and safety purposes.

The reply is not relevant as the reasons were not quoted by DTC for non construction of bus stops “with kiosk system”.

2.2.7.2 Due to non allotment of land to the Agency for construction of Modern toilets, MC, Bhopal incurred loss of revenue ₹ 7.87 crore

Mayor In Council of MC, Bhopal decided (December 2007) to construct Modern toilets at different places of Bhopal on PPP module under advertisement right. The tender was invited to construct 36 Modern toilets (February 2008) and the tender was invited in two groups of 18 each (April 2008).

The rates of M/s Image advertising, New Delhi for group A M/s Lakshya outdoor, New Delhi for group B were accepted with premium⁴² of ₹ 3.36 crore and ₹ 4.51 crore. Accordingly the agreement was made for a concession period of 15 years and premium will be deposited in 14 equal installments with completion period of four months.

Para 7.8.7 of the agreement envisaged that the “Land for the proposed project shall be taken in possession by the Department, shall be progressively handed over to the Entrepreneur for construction only and the land should be free from disputes with free front and side vision”. The work order was issued to Group A and B for construction of ten modern toilets to each group (September 2008).

During scrutiny of records we observed that the ULBs provided only two site to the agency (Group-A) up to July 2012. Accordingly agency constructed only two modern toilets but not taken in use.

Thus, MC, Bhopal failed to provide the land to agencies which resulted in presumptive loss of receivable premium of ₹7.87 crore and deprivation of intended sanitation services.

On this being pointed out (August 2012) in audit the commissioner replied (August 2012) that letters were issued to the District Collector for land acquisition. The action will be taken after allotment of land.

Updated position called for (May 2013), reply is awaited.

⁴² Premium means the total amount to be paid to MC, Bhopal by the Entrepreneur as per the offer quoted.

2.2.8 Conclusion

- Providing the ownership of the project to the firm for 25 years for its contribution of only 10 *per cent* of the project cost and making no provision for the share of ULBs in the revenue received during the O&M of the project were not in the favour of ULBs
(Paragraph 2.2.6.4)

- There was no clear the grounds on which the period of 25 years for O&M was decided
(Paragraph 2.2.6.4)

- The planning for the constructions of Modern Toilets was deficient because the tender was invited and accepted without availability of land.
(Paragraph 2.2.7.2)

2.2.9 Recommendations

- The authority should ensure to receive the bid security and performance security as per guidelines.
(Paragraph 2.2.6.5 & 2.2.6.6)

- The authority should ensure insurance of projects as term of agreement and appoint an independent Auditor and Engineer.
(Paragraph 2.2.6.4)

- The authority should ensure sharing of realised revenue received within O&M period.
(Paragraph 2.2.6.4)

CHAPTER –III

Transaction Audit Paragraph

3.1 Audit findings on Release and Utilisation of Thirteenth Finance Commission Grants for Urban local bodies:

The Thirteen Finance Commission (TFC) had made recommendations on the measures needed to augment the Consolidated Fund of the State to supplement the resources of the ULBs. In this regard the TFC recommended Grant- In-Aid (GIA) to ULBs for General Areas and Special Areas for its award period 2010-15. In additions to these grants, performance grant would be available from 2011-12 to the States which met the conditions imposed for its release. There are four sub-categories of the grant:

- (i) General Basic Grant (GBG)
- (ii) General Performance Grant (GPG)
- (iii) Special Area Basic Grant (SABG)
- (iv) Special Area Performance Grant (SAPG)

The grants received by Government of Madhya Pradesh from GOI on recommendations of TFC for the year 2011-12 are depicted in **Appendix-3.1**.

In this regard, information on transfer and utilisation of TFC grants was collected from Finance Department (FD) Government of Madhya Pradesh, Commissioner Urban Administration and Development Department (UADD), Commissioner, Municipal Corporation, Sagar and CMOs of Municipalities from district Mandla & Sagar for the year 2011-12. The Audit findings on transfer and utilisation of grant are as below:-

3.1.1 Delayed release of grant by GOI:

Para 5.1 and 6.2 of GOI guidelines of TFC provided that all local body grants were to be released in two tranches, in July and January every fiscal year. Release of any instalment will be subject to UC for the previous instalment drawn. Para 7.5 of GOI guidelines provides that State Finance Secretary was also required to furnish a certificate showing dates and amounts of grants received and released by the State within 10 days from the release of each instalment by the GOI.

Scrutiny of records of FD revealed (August 2012) that an amount of ₹ 122.91 crore (₹ 88.94 crore for IInd instalment of GBG, ₹ 3.94 crore (₹ 1.97 crore each) for Ist and IInd instalment of SABG and ₹ 30.03 crore of GPG Ist instalment) related to the year 2011-12 was released with delay of 51 to 244 days by GOI as shown in **table -3.1**.

Table-3.1

Sl. No.	Particulars	Due date of release by GOI	Actual release by GOI		Delay in release of grant	Status of UCs submitted to GOI
			Date	Amount (₹ in Lakh)		
1	2	3	4	5	6	7
1	GBG-II	January 2012	03.09.2012	8894.00	216 days ¹	Not submitted
2	SABG-I	July 2011	08.12.2011	197.00	130 days ²	13.1.2012
3	SABG-II	January 2012	22.03.2012	197.00	51 days ³	30.5.2012
4	GPG-I	July 2011	31.03.2012	3003.00	244 days ⁴	30.5.2012

The matter was pointed out (January 2013); the reply of the Commissioner, UADD, Bhopal is awaited. Again, updated position was called for (May 2013); reply is awaited.

3.1.2 Creation of liabilities due to delayed transfer of grant.

Para 4.2 of GOI guidelines envisaged that funds must be transferred to ULBs within the stipulated number of days i.e. five days of receipt from the GOI in case of States with easily accessible banking infrastructure. For delay in transfer of grant beyond specified period the State government would be liable for payment of interest at the RBI Bank Rate to ULBs along with the instalment.

Scrutiny of records of FD and UADD revealed that the grants were not released in specified period during the year 2011-12 as shown in table-3.2.

Table -3.2

(₹ in lakh)

Sl. No	Name of grants	Received from GOI		Drawn from treasury		Transfer to ULBs		Delay in transfer of grant to ULBs beyond the stipulated period.	
		Date	Amount	Date	Amount	Date	Amount	Delay in days	Interest Amount ⁵
1	2	3	4	5	6	7	8	9	11
1	GBG- I	06-07-2011	8710	11-8-2011	8710	17-8-2011	8710	37	52.98 ⁶
2	SABG-I	8-12-2011	197	14-12-2011	197	15-12-2011	197	02	0.06 ⁷
3	GBG-II	03-09-2012	8894	13-9-2012	8894	13-9-2012	8894	05	11.57 ⁸
4	GPG (Forfeited)	31-03-2012	2744	07-4-2012	2744	09-4-2012	2744	04	2.86 ⁹
								Total	67.47

Source: Information furnished by the FD and Commissioner UADD

1 GBG-II = 29+31+30+31+30+31+31+03 = 216

2 SABG-I = 31+30+31+30+8 = 130

3 SABG-II = 29+22 = 51

4 GPG-I = 31+30+31+30+31+31+29+31 = 244

5 RBI Bank Rate revised w.e.f. 13.02.2012 from 06 to 9.50 percent per annum, interest calculated accordingly.

6 ₹ 8710x6x37÷100x365 = 52.98 Lakh

7 ₹ 197x6x2÷100x365 = 0.06 Lakh

8 ₹ 8894x9.5x5÷100x365 = 11.57 Lakh

9 ₹ 2744x9.5x4÷100x365 = 2.86 Lakh

From the table-3.2, it could be seen that grants were transferred to ULBs with delay ranging between 02 to 37 days. As per GOI guidelines Finance Department had to pay interest amount of ₹ 67.47 lakh to ULBs at Bank Rate of RBI.

The matter was pointed out (February 2013); the reply of Commissioner UADD is awaited.

3.1.3 Non- submission of UCs for actual expenditure

Para 6.2 of the GOI guidelines of TFC envisaged that release of any installment will be subject to utilisation certificate for the previous installment drawn.

During scrutiny of records of UADD Bhopal (August 2012), we observed that information on allocation and release was sent to FD as UC after transferring total release funds to the ULBs. However, in nine test checked ULBs we observed that ₹ 4.66 crore was lying unspent out of available fund of ₹ 8.61 crore (balance of previous year ₹ 2.44 crore and current year ₹ 6.17 crore) during 2011-12. Details are shown in **Appendix -3.2**. We further observed that none of the test checked ULBs reported actual utilisation of funds to UADD. Hence it is clear that without getting UC of actual expenditure of previous instalment, next instalments were released.

On this being pointed out (December 2012), Commissioner, UADD, stated that information of actual expenditure is being collected from divisional offices. Consolidation of actual expenditure was done after receiving the said information.

The reply of Commissioner UADD proves that the instalments were released without getting utilisation certificate of actual expenditure of the previous instalments drawn.

3.1.4 Lack of monitoring & Evaluation:

Para 9.1 of GOI guideline stipulates that every State shall constitute a High Level Monitoring Committee (HLMC) headed by the Chief Secretary to the State Government and will include Finance Secretary and Secretaries of the concerned Department as members. HLMC shall be responsible for ensuring adherence to the specific conditions in respect of each category of grant, wherever applicable.

In Compliance to TFC guidelines a HLMC headed by the Chief Secretary to the State Government was constituted (July 2010) by the Finance Department. The meetings of HLMC were required to be held at least once in every quarter of financial year.

It was noticed that against the requirement of ten HLMC meetings to be held (up to December 2012) only four meetings were conducted which shows lack of monitoring.

3.1.5 Conclusion:

- Local body grants received by the State Government from the GOI on the recommendations of TFC were not transferred to ULBs within the specified period, which created a liability of ₹ 67.47 lakh in the year 2011-12 on Government in the shape of interest payable to ULBs.

(Paragraphs 3.1.2)

- Utilisation certificates of grants were submitted to the GOI without getting utilisation certificate of actual expenditure from concerned ULBs.

(Paragraphs 3.1.3)

3.2 Avoidable Surcharge on Electricity Bills, ₹ 1.23 crore

Surcharge of ₹ 1.23 crore was levied on Municipal Corporation Ujjain due to non payment of electricity bills regularly.

Section -88 of Madhya Pradesh Municipal Corporation Act, 1956 envisages that the Municipal fund shall be applied to repayment of all loans first, thereafter discharging all liabilities imposed on the corporation.

Scrutiny of records (January 2012) of electricity bills revealed that Ujjain Municipal Corporation (UMC) had not been paying electricity bills regularly on two connections¹⁰ since July 2009. Madhya Pradesh Paschim Kshetra Vidyut Vitaran (MPPKVV) Co. Ltd levied surcharge of ₹ 1.23 crore on these connections between the period July 2009 to February 2012 as shown in **Appendix 3.3 & 3.4.**

Further, we found (February 2013) that UMC and Directorate of UADD cleared the liabilities of UMC by paying ₹ 6.38 crore¹¹ to the MPPKVV for energy charges including surcharge against dues of ₹ 5.74 crore¹² (March to April 2012) without ascertaining actual dues. We observed that due to lack of co-ordination between UMC and UADD excess payment of ₹ 64 lakh (paid amount of ₹ 6.38 crore – actual dues amount ₹ 5.74 crore) was made to MPPKVV.

¹⁰ Connection No. 502022 surcharge levied ₹ 0.36 crore and Connection No. 502023 surcharge levied ₹ 0.87 crore

¹¹ UMC paid ₹ 3.20 crore by the cheque No.094024 & 094056 dated 27.03.12 & 31.03.12. UADD paid ₹ 1.59 crore during the month February to April 2012 and ₹ 1.59 crore was adjusted with Property & water tax which was due on MPPKVV of UMC.

¹² Connection No. 502022 ₹ 1.41 crore and Connection No. 502023 ₹ 4.33 crore

On this being pointed out the UADD admitted (April 2013) the facts and stated that due to non availability of funds, UMC had to bear ₹ 1.23 crore as surcharge and also stated that excess payment of ₹ 64 lakh will be adjusted in future.

The matter was reported to the Government (June 2012, January 2013 & May 2013), reply has not been received so far.

3.3 Avoidable liability for temporary project, ₹ 15.67 crore.

Ujjain Municipal Corporation received loan for temporary project and did not make efforts for conversion into relief grant creating liability of ₹15.67 crore.

Section -102(1)(iv)(i) of Madhya Pradesh Municipal Corporation Act (MPMCA), 1956 stipulates that no loan shall be raised for the construction of any work other than a permanent work, which expression shall include any work of which the cost should in the opinion of the Government be spread over a term of years.

With a view to maintain a continuous water supply to meet water shortage due to drought (year 2008) in Ujjain city, a meeting was held (December 2008) under the Chairmanship of the Chief Minister with the Chief Secretary of the State, Principal Secretaries of Finance, Revenue, Urban Administration & Development Department and the Commissioner, Calamity Relief of the State Government. In the meeting it was decided that ₹ 3.40 crore was to be sanctioned from Calamity Relief Fund (CRF) for transportation of water and ₹ 12.22 crore was to be sanctioned as a loan to Ujjain Municipal Corporation (UMC) for laying a pipe line for temporary service from Amlawdabika Barrage to Gambhir Ambodiya Treatment Plant. It was also decided that the loan amount would be considered for conversion into grants later on.

Scrutiny of records (January 2012) of Amlawdabika water supply project revealed that UMC invited a tender (December 2008) for laying GRP pipe line of length 23.6 K.M. from Amlawdabika Barrage to the Gambhir Ambodiya Treatment Plant for conveying 0.71 MCFT (22.50 MLD) raw water per day. For transportation of water a temporary Intake well pump/motor, construction of electricity sub-station and electric lines, transformer, generator etc were to be constructed and installed for four months only. The project was completed and commissioned on 07.04.2009 by incurring expenditure of ₹ 14.74 crore¹³ on the above components of the project.

¹³ Expenditure incurred of ₹ 12.61 crore for Providing laying and joining GRP pipeline with operating pump, ₹ 1.28 crore for Electricity works 33 KV for 24 KM, Substation and LT panel and ₹ 0.85 crore for DG set hire charges and Energy charges- electricity temporary connection and diesel.

UMC utilised services of the project only for three months (from 07.04.09 to 30.06.09). Thereafter, the water supply was not availed by UMC till January 2012.

On this being pointed out (January 2012) the Commissioner, MC Ujjain accepted (January 2012) that these works were of temporary nature and stated that the action would be initiated for conversion of loan into grants.

We counter verified (February 2013) the utility of the project which was still unused. The Executive Engineer of UMC also stated that its capacity was not sufficient to fulfill water requirement for Ujjain city and had not made any budgetary provision for maintenance since commissioning (April 2009).

We also found (April 2013) from the records of UADD that total amount of ₹ 15.67¹⁴ crore was released to UMC as loan without considering ₹ 3.40 crore as grants from CRF.

The reply of UMC and Executive Engineer of the project proved that laying of the pipe line for water supply from the barrage might not be used in future. Thus lack of foresightedness and lackadaisical approach of UMC & UADD led the work of temporary nature executed under loan becoming unfruitful and created liabilities of ₹ 15.67 crore on the UMC.

The matter was reported to the Government (June 2012, January 2013 & May 2013); reply is yet to be received.

3.4 Loss of Revenue of ₹ 7.90 crore.

Loss of Revenue due to non-realisation of Fees from the Telecom companies towards installation of telecom/mobile towers within Bhopal MC area of ₹ 7.90 crore.

Section -132(4)(c) of Madhya Pradesh Municipal Corporation Act (MPMCA), 1956 stipulates that taxes are to be imposed by the corporation, if a person exercising any profession or art of carrying on any trade or calling within the city. Ministry of Urban Administration & Development Department (UADD) issued directions (March 2002) to Urban Local Bodies regarding permission for the establishment of Telephone/Mobile Towers in Municipal Areas and directed to take ₹ 20,000 per tower as permission fee from the concerned companies.

Scrutiny of records (July 2012) of established Telecommunication Infrastructure Tower (TIT) of Bhopal Municipal Corporation (BMC) revealed that various Telecom companies erected 654 TIT (authorised-259 &

¹⁴ ₹ 5.00 crore bill No. 563 dated 05.03.2009 + ₹ 5.00 crore bill No. 610 dated 23.03.2009 + ₹ 5.67 crore bill No. 91 dated 19.06.2009

unauthorised-395) in the municipal area of BMC up to July 2012. Details of unauthorised towers are shown in **Appendix-3.5**.

We noticed that no action was taken for regularisation of unauthorised 395 TIT. Consequently, revenue of ₹ 79 lakh¹⁵ (₹ 20,000 X 395 TIT) remained unrealised from the concerned Telecom companies.

On this being pointed out, the Municipal Commissioner stated that steps would be taken after passing resolution in Mayor In Council (MIC) and direction received from the Government.

Further information collected (April 2013), revealed that a Gazette Notification was issued in October 2012 regarding permission and authorisation of TIT. According to rule 5 & 20 of the notification ₹ two lakh was to be received as fee before regularisation of unauthorised TIT and the maximum period of three months (two months application time and one month processing time) was provided for the regularisation of unauthorised TIT. But the above three months lapsed and no unauthorised TIT was regularised which resulted in ₹ 7.90 crore (₹ 2.00 lakh X 395 TIT) as per new rules, was remaining unrealised.

The matter was reported (December 2012, February 2013 & May 2013) to the Government, their reply had not been received so far.

¹⁵ 395 TIT X ₹ 20,000 = ₹ 79,00,000 as on July 2012.

Appendix – 1.1 (PART- I)

Reference: Paragraph 1.3 (Page No. 2)

LIST OF ULBs AUDITED DURING 2011-12

NAGAR NIGAMS

S. No.	Name of Nagar Nigam
1	NAGAR NIGAM INDORE
2	NAGAR NIGAM GWALIOR
3	NAGAR NIGAM JABALPUR
4	NAGAR NIGAM REWA
5	NAGAR NIGAM SAGAR
6	NAGAR NIGAM UJJAIN
7	NAGAR NIGAM SINGROLLI
8	NAGAR NIGAM KATNI
9	NAGAR NIGAM BURHANPUR
10	NAGAR NIGAM SATNA

NAGAR PALIKAS

S.No.	Name of Nagar Palika
1	NAGAR PALIKA DABRA GWALIOR
2	NAGAR PALIKA MANAWAR DHAR
3	NAGAR PALIKA NEPANAGAR
4	NAGAR PALIKA MAHIDPUR UJJAIN
5	NAGAR PALIKA KHACHROD UJJAIN
6	NAGAR PALIKA SHUJALPUR SHAJAPUR
7	NAGAR PALIKA AGAR SHAJAPUR
8	NAGAR PALIKA BEGUMGANJ RAISEN
9	NAGAR PALIKA SIRONJ VIDISHA
10	NAGAR PALIKA HOSHANGABAD
11	NAGAR PALIKA AMLA BETUL
12	NAGAR PALIKA DEWARI SAGAR
13	NAGAR PALIKA SIDHI
14	NAGAR PALIKA MAIHAR SATNA
15	NAGAR PALIKA PANAGAR JABALPUR
16	NAGAR PALIKA CHHINDWARA
17	NAGAR PALIKA PANDHURNA
18	NAGAR PALIKA GADARWARA

NAGAR PARISHADS

S.No.	Name of Nagar Parishad (Panchayat)
1	NAGAR PARISHAD BHITARWAR GWALIOR
2	NAGAR PARISHAD ANTRI GWALIOR
3	NAGAR PARISHAD BHANDER DATIA
4	NAGAR PARISHAD BADARWAS SHIVPURI
5	NAGAR PARISHAD DABOH BHIND
6	NAGAR PARISHAD VIJAYPUR SHEOPUR
7	NAGAR PARISHAD BETMA INDORE
8	NAGAR PARISHAD DEPALPUR INDORE
9	NAGAR PARISHAD SANVER INDORE
10	NAGAR PARISHAD GAUTAMPURA INDORE
11	NAGAR PARISHAD BADNAWAR DHAR
12	NAGAR PARISHAD KHETIA BADWANI
13	NAGAR PARISHAD MAHESHWAR KHARGONE
14	NAGAR PARISHAD NEPANAGAR BURHANPUR
15	NAGAR PARISHAD TARANA UJJAIN
16	NAGAR PARISHAD UNHEL UJJAIN
17	NAGAR PARISHAD MANASA NEEMUCH
18	NAGAR PARISHAD KANNAUD DEWAS
19	NAGAR PARISHAD NALKHEDA SHAJAPUR
20	NAGAR PARISHAD SUSNER SHAJAPUR
21	NAGAR PARISHAD SAILANA RATLAM
22	NAGAR PARISHAD BARAWDA RATLAM
23	NAGAR PARISHAD SHAMGARH MANDSAUR
24	NAGAR PARISHAD LATERI VIDISHA
25	NAGAR PARISHAD KURWAI VIDISHA
26	NAGAR PARISHAD DEVENDRA NAGAR PANNA
27	NAGAR PARISHAD KHAJURAHU CHHATTARPUR
28	NAGAR PARISHAD LAKHNADON SEONI
29	NAGAR PARISHAD PRITHVIPUR TIKAMGARH
30	NAGAR PARISHAD KHARAGPUR TIKAMGARH
31	NAGAR PARISHAD CHITRAKUT SATNA
32	NAGAR PARISHAD CHANDIA UMARIA
33	NAGAR PARISHAD PALI UMARIA
34	NAGAR PARISHAD NORJABAD UMARIA
35	NAGAR PARISHAD BHERAGHAT JABALPUR
36	NAGAR PARISHAD PATAN JABALPUR
37	NAGAR PARISHAD VIJAYRAGHAVGARH KATNI
38	NAGAR PARISHAD KATANGI BALAGHAT
39	NAGAR PARISHAD HARRAI CHHINDWARA
40	NAGAR PARISHAD SHAHPURA DINDORI

Appendix-1.2 (PART- I)

Reference: Paragraph- 1.11 (Page No. 6)

Bank Reconciliation Statements not prepared

(₹ In Lakh)

S.No.	Name of Unit	Balance as per cash book As on 31.3.2012	Balance as per Pass book As on 31.3.2012	Difference
1	2	3	4	5 (4-3)
1.	Commissioner Municipal Corporation Khandwa	568.78	948.38	379.60
2.	Commissioner Municipal Corporation Rewa	651.78	684.97	33.19
3.	CMO Nagar Palika Parishad Narsinghpur	245.19	247.17	1.98
4.	CMO Nagar Palika Parishad Jhabua	165.58	183.82	18.24
5.	CMO Nagar Palika Parishad Damoh	520.57	539.60	19.03
6.	CMONagar Palika Parishad Khargone	661.83	730.31	68.48
7.	CMO Nagar Palika Parishad Petlawad	69.94	74.56	4.62
8.	CMO Nagar Panchayat Manpur	32.39	36.03	3.64
9.	Chief Municipal Officer Nagar Parishad Banmour(Morena)	29.23	70.98	41.75
	Total	2945.29	3515.82	570.53
10	CMO Nagar Panchayat Kannod (Dewas)	12.89	11.75	-01.14
11	CMO Nagar Palika Parishad Kareli (Narsinghpur)	465.59	358.01	-107.58
	Total	478.48	369.76	-108.72

Data Source:- Audit reports of concerned ULBs

Appendix-1.3 (PART- I)

Reference: Paragraph 1.12 (Page No -7)

Statement showing non collection of tax Revenue (ULBs)

(₹ in Lakh)

Sl No.	Name of Unit	Arrear of previous year	Demand for the current year-2011-12	Total Demand	Total tax collected	Amount of Uncollected tax
1	2	3	4	5	6	7 (5-6)
1	Commissioner Municipal Corporation Bhopal	201.45	332.07	533.52	302.05	231.47
2	Commissioner M.C. Khandwa	310.35	342.41	652.76	360.97	291.79
3	Commissioner M. C. Ratlam	239.41	507.72	747.13	400.81	346.32
4	Commissioner M.C. Ujjain	1244.77	2330.00	3574.77	823.55	2751.22
5	CMO Nagar Palika Parishad Narsinghpur	71.74	79.12	150.86	109.75	41.11
6	CMO Nagar palika Parishad Morena	429.40	183.27	612.67	174.73	437.94
7	CMO Nagar Palika parishad Khargone	24.64	76.96	101.60	89.93	11.67
8	CMO Nagar palika Parishad Damoh	407.44	107.24	514.68	116.87	397.81
9	CMO Nagar palika Parishad Kareli	133.00	55.72	188.72	50.29	138.43
10	CMO Nagar palika Parishad Nagda	153.02	89.73	242.75	135.59	107.16
11	CMO Nagar Palika parishad Jhabua	30.88	47.17	78.05	42.58	35.47
12	CMO Nagar palika Parishad Petlawad	9.27	16.69	25.96	21.03	4.93
13	CMO Nagar parishad Kannod	15.70	19.96	35.66	23.57	12.09
14	CMO Nagar parishad Manpur	5.37	2.41	7.78	2.19	5.59
15	CMO Nagar parishad Byohari	31.54	13.24	44.78	12.98	31.80
16	CMO Nagar parishad Satwas	8.21	8.68	16.89	11.75	5.14
17	CMO Nagar Parishad Orchha	21.83	7.62	29.45	5.29	24.16
18	CMO Nagar Parishad Banmour	62.75	23.66	86.41	37.74	48.67
Total		3400.77	4243.67	7644.44	2721.67	4922.77

Data Source:- Audit reports of concerned ULBs

Appendix-1.4 (PART- I)

Reference: Paragraph 1.12 (Page No- 7)

Statement showing details of Non-collection of Non-tax revenue as on 31.03.2012

(₹in lakh)

Sl. No.	Name of ULB	Arrears of previous year	Demand for the current year	Total	Total tax collected	Amount of Uncollected tax
1	2	3	4	5	6	7 (5-6)
1	Municipal Corporation Khandwa	123.66	69.59	193.25	108.12	85.13
2	M.C. Ratlam	244.87	356.40	601.27	258.91	342.36
3	M C Bhopal	61.74	158.09	219.83	142.23	77.60
4	M.C. Ujjain	1103.27	551.88	1655.15	455.50	1199.65
5	CMO Nagar palika Parishad Murena	216.62	44.10	260.72	20.72	240.00
6	CMO Nagar palika Parishad Khargone	11.83	83.12	94.95	78.57	16.38
7	CMO Nagar palika Parishad Damoh	114.22	12.02	126.24	18.20	108.04
8	CMO Nagar palika Parishad Kareli	15.92	11.13	27.05	8.90	18.15
9	CMO Nagar palika Parishad Nagda	42.23	27.96	70.19	31.55	38.64
10	CMO Nagar Palika parishad Narsinghpur	40.08	40.05	80.13	49.02	31.11
11	CMO Naga palika parishad Petlawad	6.73	10.60	17.33	9.00	8.33
12	CMO Nagar Parishad Banmour	15.91	6.05	21.96	6.13	15.83
13	CMO Nagar Parishad Manpur	0.90	5.41	6.31	5.26	1.05
14	CMO Nagar Parishad Kannod	5.22	11.97	17.19	12.39	4.80
15	CMO Nagar parishad Byohari	6.07	4.10	10.17	4.32	5.85
16	CMO Nagar parishad Satwas	1.84	2.53	4.37	3.40	0.97
17	CMO Nagar parishad Orchha	0.70	3.10	3.80	3.00	0.80
Total		2011.81	1398.1	3409.91	1215.22	2194.69

Data Source:- Audit reports of concerned ULBs

Appendix-1.5 (PART- I)

Reference: Paragraph- 1.13 (Page No -7)

Details of unadjusted advances of ULBs during the year -2011-12

(₹In Lakh)

S.No	Name of the Unit	Purpose of Advance	Unadjusted amount
1.	Commissioner, Municipal Corporation Bhopal	Official work	24.92
2.	M.C. Khandwa	-do-	51.58
3.	M.C. Gwalior	-do-	86.35
4.	M.C. Ratlam	-do-	15.73
5.	M.C. Rewa	-do-	102.66
6.	M.C. Ujjain	-do-	212.12
7.	CMO,Nagar Parishad Banmour	-do-	0.64
8.	CMO Nagar Palika Parishad Damoh	-do-	216.98
9.	CMO Nagar Palika Parishad Harda	-do-	63.18
10.	CMO Nagar Palika Parishad Jawra	-do-	64.20
11.	CMO Nagar Parishad Byohari	-do-	2.82
12.	CMO Nagar Parishad Satwas	-do-	14.28
13.	CMO Nagar Parishad Orchha	-do-	0.47
Total			855.93

Data source:- Audit reports of concerned ULBs

Appendix-2.1 (PART- I)

Reference: Paragraph - 2.1.5 (Page No. 12)

List of selected ULBs

Sl. No.	Municipal Corporation	Sl. No.	Municipalities	Sl. No.	Municipal Councils
01	Bhopal	05	Alirajpur	21	Beohari
02	Gwalior	06	Bhind	22	Budhani
03	Indore	07	Chattarpur	23	Budhar
04	Satna	08	Chindwara	24	Chandameta
		09	Itarsi	25	Chitrakut
		10	Kolar	26	Khajuraho
		11	Mandideep	27	Laundi
		12	Nepanagar	28	Mahowganj
		13	Parasia	29	Maksi
		14	Raghogarh	30	Nagod
		15	Shehor	31	Nasrullagunj
		16	Seoni malwa	32	Naurajabad
		17	Shahdol	33	Sohagpur
		18	Sujalpur		
		19	Umaria		
		20	Vidisa		

Appendix- 2.2 (PART-I)

(Reference: Paragraph 2.1.6.4 (a) Page No.15)

List of ULBs under which Funds of the scheme were kept Blocked

(₹ in lakh)

Sl. No	Name of ULBs	Previous Balance			2007-08			2008-09			2009-10		
		Amt. Received	Exp. incurred	Bal. Amt.	Amt. Received	Exp. incurred	Bal. Amt.	Amt. Received	Exp. incurred	Bal. Amt.	Amt. Received	Exp. incurred	Bal. Amt.
01	Alirajpur	7.54	5.29	2.25	7.54	7.00	0.54	7.54	4.95	2.59	7.54	0	7.54
02	Bhind	69.19	0.55	68.64	46.11	0	46.11	69.19	21.45	47.74	46.14	0	46.14
03	Budhar	8.55	3.87	4.68	2.85	0	2.85	5.70	0	5.70	5.70	8.53	-2.83
04	Budhni	6.60	0	6.60	4.40	0	4.40	6.59	12.55	-5.96	4.40	4.51	-0.11
05	Chandameta	8.17	0	8.17	5.44	0	5.44	8.17	10.06	-1.89	5.44	0	5.44
06	Chhatarpur	44.74	6.10	38.64	29.81	27.48	2.33	44.75	14.47	22.19	29.83	3.88	25.95
07	Chhindwara	73.33	16.79	56.54	36.66	10.93	25.73	36.66	14.47	22.19	36.66	0	36.66
08	Chitrakoot	14.29	5.37	8.92	7.14	0.29	6.85	7.14	0.28	6.86	7.14	22.65	-15.51
09	Itarsi	42.12	0	42.12	28.07	0	28.07	42.13	7.25	34.88	28.08	10.8	17.28
10	Laundi	25.80	12.88	12.92	12.90	6.95	5.95	12.90	7.15	5.75	12.90	6.49	6.41
11	Maksi	8.64	11.76	-3.12	8.76	0	8.76	5.84	10.8	-4.96	5.84	0	5.84
12	Mandideep	25.50	4.75	20.75	12.75	0	12.75	12.75	0	12.75	12.75	0	12.75
13	Mahugaon	9.90	3.99	5.91	6.60	0	6.60	9.90	0	9.90	6.60	9.49	-2.89
14	Nagod	12.40	0	12.40	6.20	0	6.20	6.20	0	6.20	6.20	0	6.20
15	Nasrullaganj	7.45	0	7.45	5.49	0	5.49	5.49	0	5.49	5.49	2.98	2.51
16	Naurojabad	14.40	10.24	4.16	7.20	0	7.20	7.20	7.53	-0.33	7.20	0	7.20
17	Neenanagar	14.25	0	14.25	4.75	0	4.75	14.50	9.50	5.00	4.75	0	4.75
18	Parasia	11.36	0.00	11.36	11.35	0	11.35	11.34	1.99	9.35	11.35	1.53	9.82
19	.Raghogarh	22.20	2.49	19.71	14.79	0	14.79	22.19	2.50	19.69	14.77	19.64	-4.87
20	Sehor	40.93	32.12	8.81	27.28	18.95	8.33	40.93	10.51	30.42	27.29	0	27.29
21	Seoni malwa	7.90	0	7.90	7.90	0	7.90	11.86	1.43	10.43	7.90	0	7.90
22	Shahdol	47.06	7.09	39.97	23.53	15.81	7.72	23.54	9.24	14.30	23.53	20.33	3.20
23	Sohagpur	10.06	0.25	9.81	5.19	0	5.19	10.79	4.37	6.42	7.19	0	7.19
24	Umaria	12.07	8.13	3.94	7.49	0	7.49	8.04	0	8.04	8.05	0	8.05
25	Vidisha	56.44	0	56.44	37.62	12.66	24.96	56.44	32.99	23.45	37.63	19.65	17.98
	Total	600.89	131.67	469.22	367.82	100.07	267.75	487.78	169.02	318.76	370.37	130.48	239.89

Sl. No	Name of ULBs	2010-11			2011-12			Net Blockage of the Funds		
		Amt. Received	Exp. incurred	Bal. Amt.	Amt. Received	Exp. incurred	Bal. Amt.	Amt. Received	Exp. incurred	Net Bal. Amt.
01	Alirajpur	0	0	0	0	0	0	30.16	17.24	12.92
03	Bhind	0	0	0	0	0	0	230.63	22.00	208.63
04	Budhar	0	0	0	0	0	0	22.80	12.40	10.40
05	Budhni	2.31	2.31	0	0	0	0	24.30	19.37	4.93
06	Chandameta	0	4.96	-4.96	0	0	0	27.22	15.02	12.20
07	Chhatarpur	0	0	0	0	76.82	-76.82	149.13	114.29	34.84
08	Chhindwara	0	4.33	-4.33	0	0	0	183.31	46.52	136.79
09	Chitrakoot	1.34	1.34	0	21.19	21.19	0	58.24	51.12	7.12
10	Itarsi	0	0	0	0	0	0	140.40	18.05	122.35
11	Laundi	0	0	0	0	0	0	64.50	33.47	31.03
12	Maksi	0	0	0	0	0	0	29.08	22.56	6.52
13	Mandideep	3.47	5.17+3.47	-5.17	0	20.30	-20.3	67.22	33.69	33.53
14	Mahagaon	0	0	0	0	0	0	33.00	13.48	19.52
15	Nagod	0	7.14	-7.14	0	0	0	31.00	7.14	23.86
16	Nasullaganj	0	0	0	0	10.90	-10.9	23.92	13.88	10.04
17	Naurojabad	0	4.03	-4.03	0	0	0	36.00	21.80	14.20
18	Nepanagar	4.75	0	4.75	0	0	0	43.00	9.50	33.50
19	Parasia	0	2.48	-2.48	0	9.47	-9.47	45.40	15.47	29.93
20	.Raghogarh	0	0	0	0	0	0	73.95	24.63	49.32
21	Sehor	0	20.29	-20.29	0	8.46	-8.46	136.43	90.33	46.10
22	Seoni malwa	0	14.47	-14.47	0	0	0	35.56	15.90	19.66
23	Shahdol	0	18.05	-18.05	7.53	41.64	-34.11	125.19	112.16	13.03
24	Sohagpur	0	5.95	-5.95	0	0	0	33.23	10.57	22.66
25	Umaria	4.02	0	4.02	0	13.61	-13.61	39.67	21.74	17.93
26	Vidisa	0	18.40	-18.4	0	2.85	-2.85	188.13	86.55	101.58
	Total	15.89	112.39	-96.50	28.72	205.24	-176.52	1871.47	848.88	1022.59

Appendix-2.3 (Part - I)

(Reference: Paragraph 2.1.6.5 Page No.16)

Details of diversion of funds

(₹ in lakh)

Sl. No.	Name of ULBs	Sl no.	Name of Items	Vr. No. &Date	Amount
1	Chindwara	01	Purchase of mud pump	2817/23-01-08	3.71
		02	Purchase of fogging machine	5616/13-01-09	0.88
Total					4.59
2	Gwalior	01	Construction of Pul,Pulia	1800/31-03-11	26.25
		02	Labour Payment (Garden)	412/05-02-11	4.52
		03	Labour Payment(Garden)	651/15-03-11	4.43
		04	Labour Payment (Fire)	111/04-03-11	1.74
		05	Labour Payment (Fire)	939/18-03-11	1.75
		06	Labour Payment((Fire)	168/07-03-11	1.82
Total					40.51
3	Naurojabad	01	Mobile Toilet Purchase	132/24-7-10	2.98
Total					2.98
4	Parasia	01	Construction of Puliya	624/6-11-07	2.73
		02	C. C. Road	756/6-11-07	0.35
		03	Construction of Choupal	1310/6-11-07	0.42
		04	Construction of Choupal	1436/6-11-07	0.32
		05	Construction of Drain	413/6-11-07	1.00
		06	Construction of Drain	514/6-11-07	0.98
		07	Construction of L.T. Line	549/6-11-07	2.10
		08	Construction of Road dividers	773/6.11.07	0.73
		09	Construction of Drain	1012/6-11-07	0.13
		10	Construction of C. C. Road	1210/6-11-07	0.99
		11	Street Light	1107/6.11.07	0.27
		12	Street Light	550/6-11-07	0.76
		13	Purchase of Drain Material	1156/6-11-07	0.66
		14	Purchase of Drain Material	1160/6-11-07	0.27
Total					11.71
5	Sehore	01	Construction of Tube well	28-04-09	20.00
		02	Purchase of generator	27-03-09	4.10
		03	Purchase of pipes	27-03-09	0.18
		04	Purchase of pipes	27-03-09	0.14
		05	Purchase of pipes	27-03-09	0.16
		06	Purchase of Diesel	15-06-09	2.52
		07	Purchase of Diesel	27-0109	0.43
		08	Pump labour wages	27.03.10	0.45
Total					27.98
				Grant Total	87.77

Appendix- 2.4 (Part - I)**(Reference: Paragraph 2.1.7.3 Page No.19)****Status of conduction of Public Awareness Programme**

Sl. No.	Name of ULBs	Type of Programme	Period	No. of Participant	Expenditure incurred
1	Alirajpur	No Programme conducted	NIL	NIL	NIL
2	Beohari	No Programme conducted	NIL	NIL	NIL
3	Bhind	No Programme conducted	NIL	NIL	NIL
4	Budhar	No Programme conducted	NIL	NIL	NIL
5	Budhni	No Programme conducted	NIL	NIL	NIL
6	Chandameta	No Programme conducted	NIL	NIL	NIL
7	Chhindwara	No Programme conducted	NIL	NIL	NIL
8	Chitrakoot	No Programme conducted	NIL	NIL	NIL
9	Itarsi	No Programme conducted	NIL	NIL	NIL
10	Kolar	No Programme conducted	NIL	NIL	NIL
11	Laundi	No Programme conducted	NIL	NIL	NIL
12	Maksi	No Programme conducted	NIL	NIL	NIL
13	Mandideep	No Programme conducted	NIL	NIL	NIL
14	Mahugaon	No Programme conducted	NIL	NIL	NIL
15	Nagod	No Programme conducted	NIL	NIL	NIL
16	Naurojabad	No Programme conducted	NIL	NIL	NIL
17	Nepanagar	No Programme conducted	NIL	NIL	NIL
18	Parasia	No Programme conducted	NIL	NIL	NIL
19	.Raghogarh	No Programme conducted	NIL	NIL	NIL
20	Satna	No Programme conducted	NIL	NIL	NIL
21	Sehor	No Programme conducted	NIL	NIL	NIL
22	Seoni malwa	No Programme conducted	NIL	NIL	NIL
23	Sujalpur	No Programme conducted	NIL	NIL	NIL
24	Umaria	No Programme conducted	NIL	NIL	NIL

Appendix - 2.5 (Part - I)

Refers paragraph 2.1.11 (Page No. 30)

Details of shortfall of deployment of manpower in ULB for MSW

Sl. No.	Name of ULBs	Name of Posts					
		Cleaning Daroga/Sanitary Inspector			Cleaning Staff		
		Sanctioned	Working	Shortfall (Per cent)	Sanctioned	Working	Shortfall (Per cent)
1	Bhind	2	1	1(50)	159	138	21(13)
2	Chhindwara	6	4	2(33.33)	387	170	217(56)
3	Indore	22	0	22(100)	2152	2075	77(4)
4	Itarsi	10	7	3(30)	171	98	73(57)
5	Gwalior	60	23	37(62)	1396	1221	175(14)
6	Nagoud	1	1	0(0)	30	22	8(14)
7	Satna	53	44	9(17)	313	236	77((25)
8	Seoni Malwa	2	1	1(50)	40	33	7(18)
9	Suhagpur	2	1	1(50)	39	36	3(8)
10	Umaria	1	1	0(0)	42	24	18(43)
	Total	159	83	76	4729	4053	676

Appendix-3.1(Part - I)
Refer to Para: 3.1 (Page - 48)
TFC Funding for the year 2011-12

(₹ in lakh)

Sl. No.	Details of grants	Instalment	Grant release by GOI		Amount drawn by directorate from treasury	
			Date	Amount	Bill No.& Date	Amount
1	2	3	4	5	6	7
1.	General Basic Grant (GBG)	Ist	06-7-2011	8710.00	273 /11-8-2011	4003.04
					274 /11-8-2011	1899.21
					275 /11-8-2011	2807.75
					Total	8710.00
		IInd	03-9-2012	8894.00	440 /13-9-2012	4087.54
					441 /13-9-2012	1924.43
					442 /13-9-2012	942.69
					443 /13-9-2012	364.93
					444 /13-9-2012	397.77
					445 /13-9-2012	357.18
					446 /13-9-2012	351.11
447 /13-9-2012	468.35					
	Total	17604.00	--	8894.00		
2.	Special Area Basic Grant (SABG)	Ist	08-12-2011	197.00	529 /14-12-2011	197.00
		II nd	22-3-2012	197.00	851 /27-3-2012	197.00
		Total	394.00	--	394.00	
3	General Performance Grant (GPG)	Ist	31-3-2012	3003.00	926 /31-3-2012	1380.01
					927 /31-3-2012	968.12
					928 /31-3-2012	654.87
					Total	3003.00
		Forfeited amount of non-performing states	31-3-2012	1073.82	13 /7-4-2012	1261.13
					14 /7-4-2012	884.60
					15 /7-4-2012	598.37
			Total	2744.10	2744.10	
		Grant total	23745.10	23745.10		

Source: Finance Department (FD) and UADD

Appendix-3.2 (Part - I)
Refer to Para No. 3.1.3 (Page No. 50)
Details of unspent grant

(₹ in Lakh)

Sl. No.	Name of units	Opening balance	Amount received during the year (2011-12)	Total	Expenditure	Unspent balance
1	2	3	4	5 (3+4)	6	7 (5-6)
1	CMO Nagar Palika Mandla	27.14	63.77	90.91	10.67	80.24
2	CMO Nagar Panchayat Bamhani Banjar (Mandla)	0.13	13.37	13.50	2.91	10.59
3	Commissioner Nagar Nigam Sagar	77.70	232.91	310.61	149.09	161.52
4	Nagar Palika Parisad Bina (Sagar)	0.21	100.67	100.88	0.00	100.88
5	Nagar Palika Parisad Shivpuri	132.24	83.14	215.38	213.74	1.64
7	Nagar Palika Jawra (Ratlam)	0.00	93.48	93.48	19.07	74.41
8	Nagar Panchayat Rau (Indore)	2.76	21.09	23.85	0.00	23.85
9	Nagar Panchayat Orchha (Tikamgarh)	3.88	8.60	12.48	0.00	12.48
Total		244.06	617.03	861.09	395.48	465.61

Annexure -3.3(Part - I)

Refer to Para No. 3.2 (Page No.51)

Statement of surcharged electricity bills on connection code No. 502022

(Amount in ₹)

Bill for the month of	Net payment due	Arrears outstanding including previous months surcharge	Surcharge on monthly outstanding bills
7/2009	1561523	Not applicable	Not applicable
8/2009	1854387	221462	2214
9/2009	3457650	1854387	23179
10/2009	5197087	3457650	43220
11/2009	6835171	5197087	64774
12/2009	8609317	6835171	84792
01/2010	10486318	8609317	106261
02/2010	12230065	10486318	128746
03/2010	2168026	180065	149285
04/2010	3081798	2168026	25585
05/2010	3512224	2282798	28534
06/2010	2605016	1512224	18902
07/2010	2799889	705016	8812
08/2010	2397256	299889	3748
09/2010	2777012	464370	5804
10/2010	2710464	277012	3462
11/2010	2676760	210464	2630
12/2010	5509951	2676760	33459
01/2011	8324557	5470934	68386
02/2011	9036924	6324557	79056
03/2011	11385581	8536924	106711
04/2011	14148596	11385581	141182
05/2011	16854699	13448596	168107
06/2011	19179456	15854699	198183
07/2011	21955063	18479456	230993
08/2011	23860616	20955063	268391
09/2011	26028136	23360616	292007
10/2011	28422747	25528136	319101
11/2011	24514632	21556650	319101
12/2011	20387891	17556650	256432
01/2012	20359667	17556650	219458
02/2012	16434683	14056650	219458
Total			36,19,973

Annexure -3.4(Part - I)

Refer to Para No. 3.2 (Page No.51)

Statement of surcharged electricity bills on connection code No. 502023

(Amount in ₹)

Bill for the month of	Net payment due	Arrears outstanding including previous months surcharge	Surcharge on monthly outstanding bills
8/2009	1798069	Not applicable	Not applicable
9/2009	2963995	1214895	15186
10/2009	4986522	2963995	37049
11/2009	2094994	300126	3751
12/2009	3975736	2094994	26187
01/2010	5745666	3975736	49696
02/2010	7448950	5745666	71573
03/2010	8704372	7448950	92343
04/2010	9777186	8704372	108804
05/2010	11015625	9777186	122214
06/2010	12379579	11015625	137695
07/2010	14613466	12379579	154744
08/2010	17043418	14613466	180931
09/2010	19361162	17043418	209241
10/2010	21813406	19361162	235795
11/2010	24184658	21813406	263698
12/2010	25683814	23270935	290240
01/2011	27780868	25333814	316672
02/2011	29676213	27280868	341010
03.2011	32159141	29187213	364840
04/2011	35018948	32159141	397626
05/2011	37664581	34218948	427736
06/2011	40252232	36664581	458307
07/2011	43419624	39712140	492284
08/2011	44804398	41659716	526083
09/2011	46831490	43804398	547554
10/2011	48965393	45831490	572893
11/2011	46410736	43331490	572893
12/2011	46459909	43331490	573250
01/2012	46457174	43331490	541643
02/2012	46264689	43331490	541643
Total			86,73,581

Annexure -3.5(Part - I)

Refer to Para No. 3.4 (Page No. 54)

Statement of unauthorised Telecommunication Infrastructure Tower erected in
Bhopal Municipal Area

Sl.No.	Name of Company	No. of Unauthorised Tower
1	Idea (BTA cello Ltd.)	43
2	T T Info, Tata, Copo (Vyoum)	42
3	BSNL	48
4	Reliance	38
5	Airtel	130
6	Vodaphone	50
7	Axel	01
8	Other companies Towers	43
	Total	395

Appendix – 1.1 (PART-II)

Reference:- Paragraph 1.4– (Page No. 57)

List of PRIs Audited In 2011-12

S.No.	Name of ZILA Panchayat
1.	ZILA PANCHAYAT ASHOKNAGAR
2.	ZILA PANCHAYAT BURHANPUR
3.	ZILA PANCHAYAT CHHINDWARA
4.	ZILA PANCHAYAT DAMOH
5.	ZILA PANCHAYAT DATIA
6.	ZILA PANCHAYAT DEWAS
7.	ZILA PANCHAYAT GUNA
8.	ZILA PANCHAYAT HARDA
9.	ZILA PANCHAYAT KATNI
10.	ZILA PANCHAYAT PANNA
11.	ZILA PANCHAYAT RAJGARH
12.	ZILA PANCHAYAT REWA
13.	ZILA PANCHAYAT ANUPPUR
14.	ZILA PANCHAYAT ALIRAJPUR
15.	ZILA PANCHAYAT UJJAIN
16.	ZILA PANCHAYAT UMARIA
17.	ZILA PANCHAYAT KHANDWA
18.	ZILA PANCHAYAT KHARGONE
19.	ZILA PANCHAYAT GWALIOR
20.	ZILA PANCHAYAT CHHATTARPUR
21.	ZILA PANCHAYAT JABALPUR
22.	ZILA PANCHAYAT JHABUA
23.	ZILA PANCHAYAT TIKAMGARH
24.	ZILA PANCHAYAT DINDORI
25.	ZILA PANCHAYAT NARSINGPUR
26.	ZILA PANCHAYAT NEEMUCH
27.	ZILA PANCHAYAT BADWANI
28.	ZILA PANCHAYAT BETUL
29.	ZILA PANCHAYAT BALAGHAT
30.	ZILA PANCHAYAT BHIND
31.	ZILA PANCHAYAT BHOPAL
32.	ZILA PANCHAYAT MANDLA
33.	ZILA PANCHAYAT MANDSAUR
34.	ZILA PANCHAYAT MORENA
35.	ZILA PANCHAYAT RATLAM
36.	ZILA PANCHAYAT VIDISHA
37.	ZILA PANCHAYAT SHEOPUR
38.	ZILA PANCHAYAT SHAHDOL
39.	ZILA PANCHAYAT SHAJAPUR
40.	ZILA PANCHAYAT SHIVPURI
41.	ZILA PANCHAYAT SATNA
42.	ZILA PANCHAYAT SAGAR
43.	ZILA PANCHAYAT SINGROLI
44.	ZILA PANCHAYAT SEONI
45.	ZILA PANCHAYAT SIDHI
46.	ZILA PANCHAYAT SEHORE
47.	ZILA PANCHAYAT HOSHANGABAD

JANPAD PANCHAYATS AUDITED IN 2011-12

S.No.	Name of Janpad Panchayat
1.	JANPAD PANCHAYAT ASHOK NAGAR
2.	JANPAD PANCHAYAT CHANDERI
3.	JANPAD PANCHAYAT ISAGARH
4.	JANPAD PANCHAYAT MUNGAOLI
5.	JANPAD PANCHAYAT BURHANPUR
6.	JANPAD PANCHAYAT KHAKNAR
7.	JANPAD PANCHAYAT AMARWADA
8.	JANPAD PANCHAYAT BICHHUA
9.	JANPAD PANCHAYAT CHAURAI
10.	JANPAD PANCHAYAT CHHINDWARA
11.	JANPAD PANCHAYAT PANDHURNA
12.	JANPAD PANCHAYAT TAMIA
13.	JANPAD PANCHAYAT DAMOH
14.	JANPAD PANCHAYAT BATIAGARH
15.	JANPAD PANCHAYAT HATTA
16.	JANPAD PANCHAYAT PATERA
17.	JANPAD PANCHAYAT BHANDER
18.	JANPAD PANCHAYAT SEWDA
19.	JANPAD PANCHAYAT BAGLI
20.	JANPAD PANCHAYAT DEWAS
21.	JANPAD PANCHAYAT KHATEGAON
22.	JANPAD PANCHAYAT SONKACCHA
23.	JANPAD PANCHAYAT KANNOD
24.	JANPAD PANCHAYAT CHACHODA
25.	JANPAD PANCHAYAT GUNA
26.	JANPAD PANCHAYAT ARON
27.	JANPAD PANCHAYAT RAGHOGARH
28.	JANPAD PANCHAYAT BAMORI
29.	JANPAD PANCHAYAT HARDA
30.	JANPAD PANCHAYAT KHIRKIYA
31.	JANPAD PANCHAYAT TIMARNI
32.	JANPAD PANCHAYAT BADWARA
33.	JANPAD PANCHAYAT RITHI
34.	JANPAD PANCHAYAT BOHRIBAND
35.	JANPAD PANCHAYAT DHIMARKHEDA
36.	JANPAD PANCHAYAT SHAHNAGAR
37.	JANPAD PANCHAYAT AJAYGARH
38.	JANPAD PANCHAYAT PANNA
39.	JANPAD PANCHAYAT PAWAI
40.	JANPAD PANCHAYAT BIAORA
41.	JANPAD PANCHAYAT KHILCHIPUR
42.	JANPAD PANCHAYAT RAJGARH
43.	JANPAD PANCHAYAT SARANGPUR
44.	JANPAD PANCHAYAT HANUMANA
45.	JANPAD PANCHAYAT MAUGANJ

46.	JANPAD PANCHAYAT REWA
47.	JANPAD PANCHAYAT RAIPUR KARCHULIYAN
48.	JANPAD PANCHAYAT SIRMOR
49.	JANPAD PANCHAYAT JAITHARI
50.	JANPAD PANCHAYAT KOTMA
51.	JANPAD PANCHAYAT PUSHRAJGARH
52.	JANPAD PANCHAYAT JOBAT
53.	JANPAD PANCHAYAT KATTHIWADA
54.	JANPAD PANCHAYAT ALIRAJPUR
55.	JANPAD PANCHAYAT SONDWA
56.	JANPAD PANCHAYAT BHAWRA
57.	JANPAD PANCHAYAT MHOW
58.	JANPAD PANCHAYAT BADNAGAR
59.	JANPAD PANCHAYAT MAHIDPUR
60.	JANPAD PANCHAYAT UJJAIN
61.	JANPAD PANCHAYAT KHACHROD
62.	JANPAD PANCHAYAT TARANA
63.	JANPAD PANCHAYAT MANPUR
64.	JANPAD PANCHAYAT PALI
65.	JANPAD PANCHAYAT KARKELLI
66.	JANPAD PANCHAYAT CHHAIGAONMAKHAN
67.	JANPAD PANCHAYAT BALDI
68.	JANPAD PANCHAYAT HARSUD
69.	JANPAD PANCHAYAT PUNASA
70.	JANPAD PANCHAYAT BARWAH
71.	JANPAD PANCHAYAT BHIKANGAON
72.	JANPAD PANCHAYAT KASRAWAD
73.	JANPAD PANCHAYAT KHARGONE
74.	JANPAD PANCHAYAT BHITARWAR
75.	JANPAD PANCHAYAT DABRA
76.	JANPAD PANCHAYAT MORAR
77.	JANPAD PANCHAYAT GHATIGAON
78.	JANPAD PANCHAYAT BIJAWAR
79.	JANPAD PANCHAYAT GAURIHAR
80.	JANPAD PANCHAYAT NOWGAON
81.	JANPAD PANCHAYAT RAJNAGAR
82.	JANPAD PANCHAYAT PANAGAR
83.	JANPAD PANCHAYAT SIHORA
84.	JANPAD PANCHAYAT SHAHPURA
85.	JANPAD PANCHAYAT JHABUA
86.	JANPAD PANCHAYAT BALDEOGARH
87.	JANPAD PANCHAYAT NIWARI
88.	JANPAD PANCHAYAT PALERA
89.	JANPAD PANCHAYAT PRITHVIPUR
90.	JANPAD PANCHAYAT MEHADWANI
91.	JANPAD PANCHAYAT SAMNAPUR
92.	JANPAD PANCHAYAT DHAR
93.	JANPAD PANCHAYAT GANDHWANI

94.	JANPAD PANCHAYAT MANAWAR
95.	JANPAD PANCHAYAT UMARBAN
96.	JANPAD PANCHAYAT BABAI CHICHLI
97.	JANPAD PANCHAYAT GOTEGAON
98.	JANPAD PANCHAYAT NARSINGHPUR
99.	JANPAD PANCHAYAT KARELLI
100.	JANPAD PANCHAYAT NEEMUCH
101.	JANPAD PANCHAYAT JAVAD
102.	JANPAD PANCHAYAT MANASA
103.	JANPAD PANCHAYAT NIWALI
104.	JANPAD PANCHAYAT PATI
105.	JANPAD PANCHAYAT SENDHWA
106.	JANPAD PANCHAYAT THIKRI
107.	JANPAD PANCHAYAT BHAINSDEHI
108.	JANPAD PANCHAYAT BHIMPUR
109.	JANPAD PANCHAYAT BETUL
110.	JANPAD PANCHAYAT CHICHOLI
111.	JANPAD PANCHAYAT BALAGHAT
112.	JANPAD PANCHAYAT KIRNAPUR
113.	JANPAD PANCHAYAT LALBARRA
114.	JANPAD PANCHAYAT KHAIRLANJI
115.	JANPAD PANCHAYAT ATER
116.	JANPAD PANCHAYAT GOHAD
117.	JANPAD PANCHAYAT LAHAR
118.	JANPAD PANCHAYAT MEHGAON
119.	JANPAD PANCHAYAT BERASIA
120.	JANPAD PANCHAYAT PHANDA
121.	JANPAD PANCHAYAT MANDLA
122.	JANPAD PANCHAYAT MOHGAON
123.	JANPAD PANCHAYAT MAWAI
124.	JANPAD PANCHAYAT BHANPURA
125.	JANPAD PANCHAYAT GAROTH
126.	JANPAD PANCHAYAT SITAMAU
127.	JANPAD PANCHAYAT MANDSAUR
128.	JANPAD PANCHAYAT KAILARAS
129.	JANPAD PANCHAYAT JOURA
130.	JANPAD PANCHAYAT MORENA
131.	JANPAD PANCHAYAT PAHADGARH
132.	JANPAD PANCHAYAT A LOT
133.	JANPAD PANCHAYAT PIPLODA
134.	JANPAD PANCHAYAT RATLAM
135.	JANPAD PANCHAYAT SAILANA
136.	JANPAD PANCHAYAT BADI
137.	JANPAD PANCHAYAT GAIRATGANJ
138.	JANPAD PANCHAYAT OBEDULLAHGANJ
139.	JANPAD PANCHAYAT SANCHI
140.	JANPAD PANCHAYAT UDAIPURA
141.	JANPAD PANCHAYAT KURWAI

142.	JANPAD PANCHAYAT LATERI
143.	JANPAD PANCHAYAT NATERAN
144.	JANPAD PANCHAYAT GANJWASODA
145.	JANPAD PANCHAYAT SHEOPUR KALA
146.	JANPAD PANCHAYAT VIJAYPUR
147.	JANPAD PANCHAYAT KARAHAL
148.	JANPAD PANCHAYAT BEOHARI
149.	JANPAD PANCHAYAT GOHPARA PALI NO.1
150.	JANPAD PANCHAYAT JAISINGH NAGAR
151.	JANPAD PANCHAYAT AGAR
152.	JANPAD PANCHAYAT BAROD
153.	JANPAD PANCHAYAT KALAPIPAL
154.	JANPAD PANCHAYAT BADARWAS
155.	JANPAD PANCHAYAT POHRI
156.	JANPAD PANCHAYAT KARERA
157.	JANPAD PANCHAYAT KHANIADHANA
158.	JANPAD PANCHAYAT SHIVPURI
159.	JANPAD PANCHAYAT KOLARAS
160.	JANPAD PANCHAYAT MAIHAR
161.	JANPAD PANCHAYAT SATNA (SUHAWAL)
162.	JANPAD PANCHAYAT UNCHAHRA
163.	JANPAD PANCHAYAT KHURAI
164.	JANPAD PANCHAYAT DEORI
165.	JANPAD PANCHAYAT KESLI
166.	JANPAD PANCHAYAT BINA
167.	JANPAD PANCHAYAT MALTHON
168.	JANPAD PANCHAYAT DEOSAR
169.	JANPAD PANCHAYAT BAIDHAN
170.	JANPAD PANCHAYAT CHITRANGI
171.	JANPAD PANCHAYAT BARGHAT
172.	JANPAD PANCHAYAT CHHAPARA
173.	JANPAD PANCHAYAT LAKHNADON
174.	JANPAD PANCHAYAT KEWLARI
175.	JANPAD PANCHAYAT KUSMI
176.	JANPAD PANCHAYAT MAJHAULI
177.	JANPAD PANCHAYAT SIDHI
178.	JANPAD PANCHAYAT ASHTA
179.	JANPAD PANCHAYAT BUDHNI
180.	JANPAD PANCHAYAT SEHORE
181.	JANPAD PANCHAYAT NASRULLAGANJ
182.	JANPAD PANCHAYAT PIPARIYA
183.	JANPAD PANCHAYAT HOSHANGABAD
184.	JANPAD PANCHAYAT SIWNIMALWA
185.	JANPAD PANCHAYAT BANKHEDI

Note:- Selection of Gram Panchayat is made by the concerned audit party at the time of audit of Janpad Panchayat. 1035 Gram Panchayats were Audited during 2011-12.

Appendix-1.2 (PART-II)

Reference: Paragraph- 1.5.3 (Page No.58)

Receipt and payment statement of Zila panchayat Narsinghpur

(₹ in lakh)

2010-11				2011-12	
S No	Schemes Name	Fund allotment	Expenditure	Fund allotment	Expenditure
1	2	3	4	5	6
1	DRDA(Admn)	125.56	120.69	144.33	133.78
2	SGSY	440.83	397.39	423.45	419.82
3	Home state	0.00	0.00	952.54	948.25
4	IAY	577.95	536.38	620.25	602.69
5	Pension Schemes	1782.19	1536.83	2024.88	1034.33
6	TSC	545.12	173.25	487.10	460.99
7	MNREGS	1899.45	1487.00	2666.66	2121.35
8	MDM	2782.05	1792.11	1999.00	1994.13
Total		8153.15	6043.65	9318.21	7715.34

Data source :-Information furnished by ZP Narsinghpur

Appendix-1.3 (PART-II)

Reference: Paragraph -1.10 (Page No.62)

Non Preparation of Bank Reconciliation Statements in PRIs Units

(₹in Lakh)

S.No.	Name of Unit	Balance as per cash book as on 31.03.2012	Balance as per Pass book as on 31.03.2012	Difference
1.	2.	3.	4.	5. (4-3)
1	CEO,ZP Hoshangabad	2146.60	2438.83	292.23
2	CEO,ZP Burhanpur	471.29	523.62	52.33
3	CEO,ZP Dewas	314.32	910.72	596.40
4	CEO,ZP Jabalpur	203.13	222.07	18.94
5	CEO,ZP Katni	457.69	944.70	487.01
6	CEO,ZP Tikamgarh	3013.70	3756.42	742.72
7	CEO,ZP Narsinghpur	622.98	649.30	26.32
8	CEO,JP Dewas	206.80	257.19	50.39
9	CEO,JP Pohri	79.46	89.38	9.92
10	CEO,JP Jatara	199.25	268.77	69.52
11	CEO,JP Guna	158.82	285.73	126.91
12	CEO,JP Chachouda	254.73	265.59	10.86
13	CEO,JP Khaknar	277.85	339.53	61.68
14	CEO,JP Aaron	127.34	167.86	40.52
15	CEO,JP Jawra	193.52	215.22	21.70
16	CEO,JP Kannod	160.13	175.75	15.62
Total		8887.61	11510.68	2623.07
17	CEO,JP Petlawad	635.99	618.30	(-) 17.69
18	CEO,ZP Rewa	1482.21	1153.81	(-) 328.40
19	CEO,JP Rampur Naikin	260.08	255.45	(-) 4.63
20	CEO,JP Keshala	249.49	170.09	(-) 79.40
Total		2627.77	2197.65	(-) 430.12

Data Source:- Audit reports of concerned PRIs

Appendix-1.4 (PART-II)

Reference:- Paragraph 1.12 (Page No.63)

Defective reporting of Utilisation Certificates of Grant in aid under pension scheme to the Govt. of India

(₹ in lakh)

Year	Opening balance	Receipt	Total	Release/Exp.	Closing Balance
1	2	3	4	5	6 (4-5)
2008-09	1787.92	43592.42	45380.34	25303.90	20076.44
2009-10	20076.44	29747.00	49823.44	40468.50	9354.94
2010-11	9354.94	34686.00	44040.94	39084.53	4956.41
2011-12	4956.41	53973.36	58929.77	42857.02	16072.75
Total	-	161998.78	-	147713.95	-

Data Source:- Information furnished by Directorate Social justice and pension MP Bhopal

Appendix-1.5 (PART-II)

Reference: Paragraph 1.13 (Page No. 64)

Details of unadjusted advances of PRIs- during the year -2011-12

(₹ In Lakh)

S.No	Name of the Unit	Purpose of advance	Unadjusted amount
1.	CEO,ZP Rewa	Official work	5.99
2.	CEO,ZP Katni	Official work	2.31
3.	CEO,JP Khaknar	Official work	0.52
4.	CEO,JP Burhanpur	Official work	2.85
5.	CEO,JP Keshla	Official work	7.75
Total			19.42

Data source:- Audit reports of concerned PRIs.

Appendix - 2.1 (PART-II)
Reference paragraph 2.1 (Page No.63)

Statement showing the position of GIA received from the GOI and its drawl by the directorate of PRI from treasury and transfer to rural local bodies for the year 2011-2012

(₹ in lakh)

Sl. No.	Name of Grant	Installment	Amount release from GOI		Amount Drawn from treasury by Commissioner PR		Drawl of GIA (+)Excess (-)Less	Amount transferred to PRIs		Unspent Balance	
			Date	Amount	Bill No. & Date	Amount		Date	Amount		Name of LBs
1	2	3	4	5	6	7	8	9	10	11	12
1	General Basic Grant (GBG)	Ist	08-12-11	23985.00	395/14-12-11	23788.00	(-)197.00	16.12.11	23788.00	GPs	0.00
2	Special Area Basic Grant(SABG)	Ist	08-12-11	1128.00	394/14-12-11	1128.00		16.12.11	1128.00	GPs	0.00
3	General Basic Grant (GBG)	IIInd	22-03-12	24493.00	564/26-3-12	24493.00		27.03.12	24493.00	GPs	0.00
4	Special Area Basic Grant (SABG)	IIInd	22-03-12	1128.00	563/26-03-12	1128.00		27.03.12	1128.00	GPs	0.00
5	General Performance Grant (GPG)	Ist	31-03-12	8270.00	592/31-03-12	7475.00		11.09.12	5000.00	ZPs	2.28
					593/31-03-12	795.00					
		Forfeited from other states	31-03-12	2383.09	24/11-04-12	2383.09		14.09.12	3450.00	JPs	
								20.09.12	2400.00	JPs	
								24.09.12	1975.00	JPs	
6	Special Area Performance Grant (SAPG)	Nil	31-03-12	3349.19	23/11-04-12	3349.19		11.12.12	1175.00	ZPs	0.00
				Nil	Nil	0.00			0.00		
	Grand Total			64736.28		64539.28	(-)197.00		64537.00		2.28

Source:- Finance Department of Madhya Pradesh and Commissioner PR.

Appendix-2.2 (Part-II)

Reference paragraph 2.1.2 (Page No -65)

**Statement showing the details of GBG & SABG of FC-XIII Grants
transferred to PRIs
(Year 2011-12)**

SI No.	Name of District, JP and GPs	Ist installment				IInd installment			
		Date of transfer of grant from directorate	Date of receipt in PRIs accounts	Amount	Delay in days	Date of transfer of grant from Directorate	Date of receipt in PRIs accounts	Amount	Delay in days
1	2	3	4	5	6	7	8	9	10
District Mandla Janpad Panchayat Narayanganj									
1	Khinha	16.12.2011	10.1.2012	201587	25	27.3.2012	26.4.2012	250000	30
2	Dobhi	16.12.2011	9.1.2012	151182	24	27.3.2012	26.4.2012	250000	30
3	Shaha	16.12.2011	9.1.2012	118162	24	27.3.2012	26.4.2012	250000	30
4	Kuda Maili	16.12.2011	9.1.2012	157871	24	27.3.2012	26.4.2012	250000	30
5	Chakdehi	16.12.2011	9.1.2012	176408	24	27.3.2012	26.4.2012	250000	30
6	Bije gaon	16.12.2011	9.1.2012	169312	24	27.3.2012	23.4.2012	250000	27
District Mandla Janpad Panchayat Bijadandi									
1	Patha Chaurai	16.12.2011	27.1.2012	179494	42	27.3.2012	28.4.2012	250000	32
2	Bilnagri Mal	16.12.2011	27.1.2012	278071	42	27.3.2012	28.4.2012	400000	32
3	Bija Dandi	16.12.2011	27.1.2012	159428	42	27.3.2012	28.4.2012	250000	32
4	Lahshar	16.12.2011	27.1.2012	163765	42	27.3.2012	24.4.2012	250000	28
5	Bijay Pur (Piparia)	16.12.2011	27.1.2012	288298	42	27.3.2012	28.4.2012	400000	32
6	Belkhedi	16.12.2011	27.1.2012	192059	42	27.3.2012	28.4.2012	250000	32
District Mandla Janpad Panchayat Mandla									
1	Aughat Khapri	16.12.2011	5.1.2012	65339	20	27.3.2012	NA	NA ¹	0
2	Fool Sagar	16.12.2011	10.1.2012	174970	25	27.3.2012	26.4.2012	250000	30
3	Umaria	16.12.2011	9.1.2012	179033	24	27.3.2012	26.4.2012	250000	30
4	Jatipur	16.12.2011	9.1.2012	298921	24	27.3.2012	26.4.2012	400000	30
5	Hirde Nagar	16.12.2011	9.1.2012	208608	24	27.3.2012	26.4.2012	400000	30
6	Katra	16.12.2011	9.1.2012	163823	24	27.3.2012	26.4.2012	250000	30
District Mandla Janpad Panchayat Mawai									
1	Khalaudi	16.12.2011	9.1.2012	153315	24	27.3.2012	26.4.2012	250000	30
2	Mawai	16.12.2011	9.1.2012	275075	24	27.3.2012	26.4.2012	400000	30
3	Pakhwar	16.12.2011	9.1.2012	148207	24	27.3.2012	26.4.2012	250000	30
4	Narhar Ganj	16.12.2011	9.1.2012	169236	24	27.3.2012	26.4.2012	250000	30
5	Chapartala	16.12.2011	14.1.2012	83594	29	27.3.2012	26.4.2012	85555	30
6	Saras Doli	16.12.2011	9.1.12012	147562	24	27.3.2012	26.4.2012	247427	30

¹ Not available

District Mandla Janpad Panchayat Ghughri									
1	Khajri	16.12.2011	9.1.2012	146195	24	27.3.2012	26.4.2012	250000	30
2	Gaj Raj	16.12.2011	9.1.2012	193262	24	27.3.2012	26.4.2012	250000	30
3	Tikaria	16.12.2011	9.1.2012	189929	24	27.3.2012	26.4.2012	250000	30
4	Chiwla Tola	16.12.2011	9.1.2012	271075	24	27.3.2012	26.4.2012	400000	30
5	Surehli	16.12.2011	9.1.2012	299339	24	27.3.2012	26.4.2012	400000	30
6	Banehri	16.12.2011	9.1.2012	173420	24	27.3.2012	26.4.2012	250000	30
District Mandla Janpad Panchayat Mohgaon									
1	Umaria	16.12.2011	9.1.2012	152859	24	27.3.2012	26.4.2012	250000	30
2	Sigarapur	16.12.2011	9.1.2012	117321	24	27.3.2012	26.4.2012	244546	30
3	Githar	16.12.2011	9.1.2012	179414	24	27.3.2012	26.4.2012	250000	30
4	Umadih	16.12.2011	9.1.2012	187014	24	27.3.2012	26.4.2012	250000	30
5	Kaua Dongri	16.12.2011	9.1.2012	266767	24	27.3.2012	26.4.2012	400000	30
6	Kheri Mal	16.12.2011	9.1.2012	162875	24	27.3.2012	26.4.2012	250000	30
District Mandla Janpad Panchayat Niwas									
1	Sukhri	16.12.2011	27.1.2012	170716	42	27.3.2012	5.5.2012	250000	39
2	Katang Siwni	16.12.2011	27.1.2012	136107	42	27.3.2012	28.4.2012	250000	32
3	Payli Bahur	16.12.2011	27.1.2012	175809	42	27.3.2012	5.5.2012	250000	39
4	Bhanpur Bisaura	16.12.2011	27.1.2012	284019	42	27.3.2012	5.5.2012	400000	39
5	Bamhani	16.12.2011	1.2.2012	182000	47	27.3.2012	5.5.2012	250000	39
6	Thanam Gaon	16.12.2011	27.1.2012	250944	42	27.3.2012	5.5.2012	400000	39
District Mandla Janpad Panchayat Nainpur									
1	Maske	16.12.2011	9.1.2012	164833	24	27.3.2012	26.4.2012	250000	30
2	Jaidepur	16.12.2011	9.1.2012	261964	24	27.3.2012	26.4.2012	400000	30
3	Hirapur	16.12.2011	9.1.2012	140713	24	27.3.2012	26.4.2012	250000	30
4	Kajarwada	16.12.2011	9.1.2012	315437	24	27.3.2012	26.4.2012	400000	30
5	Sakwah	16.12.2011	9.1.2012	161151	24	27.3.2012	26.4.2012	250000	30
6	Jahar Mau	16.12.2011	9.1.2012	282474	24	27.3.2012	26.4.2012	400000	30
District Mandla Janpad Panchayat Bichhiya									
1	Manohar pur	16.12.2011	9.1.2012	282931	24	27.3.2012	26.4.2012	400000	30
2	Rajo	16.12.2011	9.1.2012	133098	24	27.3.2012	26.4.2012	250000	30
3	Dharamपुरi	16.12.2011	9.1.2012	177438	24	27.3.2012	26.4.2012	250000	30
4	Ahmad pur	16.12.2011	9.1.2012	280887	24	27.3.2012	26.4.2012	400000	30
5	Karia Gaon	16.12.2011	9.1.2012	172966	24	27.3.2012	26.4.2012	250000	30
6	Anjania	16.12.2011	9.1.2012	248746	24	27.3.2012	26.4.2012	317272	30
District Sagar Janpad Panchayat Bina									
1	Giraul	16.12.2011	5.1.2012	136449	20	27.3.2012	19.4.2012	250000	23
2	Bhan Garh	16.12.2011	5.1.2012	290479	20	27.3.2012	19.4.2012	400000	23
3	Lakhahar	16.12.2011	5.1.2012	176971	20	27.3.2012	19.4.2012	250000	23
4	Besra Kashoi	16.12.2011	5.1.2012	178622	20	27.3.2012	19.4.2012	250000	23
5	Bilghaw	16.12.2011	5.1.2012	274790	20	27.3.2012	19.4.2012	400000	23
6	Piparkhedi	16.12.2011	5.1.2012	125330	20	27.3.2012	19.4.2012	250000	23
7	Khajuria	16.12.2011	5.1.2012	178097	20	27.3.2012	19.4.2012	250000	23
8	Kirond	16.12.2011	5.1.2012	184126	20	27.3.2012	19.4.2012	250000	23

District Sagar Janpad Panchayat Sagar									
1	Bhainsa Naka	16.12.2011	5.1.2012	333375	20	27.3.2012	19.4.2012	400000	23
2	Majhguan	16.12.2011	5.1.2012	322500	20	27.3.2012	19.4.2012	400000	23
3	Kapuria	16.12.2011	5.1.2012	201025	20	27.3.2012	19.4.2012	250000	23
4	Bararu	16.12.2011	5.1.2012	320000	20	27.3.2012	19.4.2012	400000	23
5	Patkui	16.12.2011	5.1.2012	162903	20	27.3.2012	19.4.2012	250000	23
District Sagar Janpad Panchayat Shahgad									
1	Mahuna	16.12.2011	5.1.2012	143934	20	27.3.2012	19.4.2012	250000	23
2	Rabara	16.12.2011	5.1.2012	123431	20	27.3.2012	19.4.2012	250000	23
3	Dulchi Pur	16.12.2011	5.1.2012	173854	20	27.3.2012	19.4.2012	400000	23
4	Magra	16.12.2011	5.1.2012	149579	20	27.3.2012	19.4.2012	250000	23
5	Khtaura Kala	16.12.2011	5.1.2012	334200	20	27.3.2012	19.4.2012	400000	23
District Sagar Janpad Panchayat Raheli									
1	Majhguan	16.12.2011	5.1.2012	163795	20	27.3.2012	19.4.2012	250000	23
2	Hardi	16.12.2011	5.1.2012	348175	20	27.3.2012	19.4.2012	400000	23
3	Ghoghra	16.12.2011	5.1.2012	170598	20	27.3.2012	19.4.2012	250000	23
4	Ram Khiria	16.12.2011	5.1.2012	239882	20	27.3.2012	19.4.2012	400000	23
5	Khiria Khas	16.12.2011	5.1.2012	190613	20	27.3.2012	19.4.2012	250000	23
6	Juna	16.12.2011	5.1.2012	331475	20	27.3.2012	19.4.2012	400000	23
7	Khaira	16.12.2011	5.1.2012	174196	20	27.3.2012	19.4.2012	250000	23
8	Udai Pura	16.12.2011	5.1.2012	166628	20	27.3.2012	19.4.2012	250000	23
District Sagar Janpad Panchayat Khurai									
1	Naroda	16.12.2011	17.1.2012	109970	32	27.3.2012	16.5.2012	250000	50
2	Mahuna Jat	16.12.2011	5.1.2012	100713	20	27.3.2012	19.4.2012	250000	23
3	Niwari	16.12.2011	17.1.2012	209175	32	27.3.2012	1.6.2012	250000	66
4	Karia Gujar	16.12.2011	17.1.2012	139607	32	27.3.2012	5.9.2012	250000	162
5	Tevra	16.12.2011	17.1.2012	274593	32	27.3.2012	1.6.2012	400000	66
6	Muhansa	16.12.2011	5.1.2012	172903	20	27.3.2012	19.4.2012	250000	23
7	Bhilone	16.12.2011	17.1.2012	146219	32	27.3.2012	16.5.2012	250000	50
8	Nau Kheda	16.12.2011	17.1.2012	235858	32	27.3.2012	3.10.2012	400000	190
9	Lakhan Khera	16.12.2011	5.1.2012	100032	20	27.3.2012	19.4.2012	174426	23
District Sagar Janpad Panchayat Rahatgad									
1	Barkheda	16.12.2011	5.1.2012	110482	20	27.3.2012	19.4.2012	250000	23
2	Toda Gautamia	16.12.2011	5.1.2012	34593	20	27.3.2012	19.4.2012	250000	23
District Sagar Janpad Panchayat Deori									
1	Dongar Salaiya	16.12.2011	5.1.2012	207318	20	27.3.2012	19.4.2012	250000	23
2	Kham Kheda	16.12.2011	5.1.2012	166751	20	27.3.2012	19.4.2012	250000	23
3	Mane Gaon	16.12.2011	5.1.2012	184460	20	27.3.2012	19.4.2012	250000	23
4	Barkoti Kala	16.12.2011	5.1.2012	348150	20	27.3.2012	19.4.2012	400000	23
5	Sarkheda	16.12.2011	5.1.2012	155463	20	27.3.2012	19.4.2012	250000	23
6	Madh Piparia	16.12.2011	5.1.2012	128877	20	27.3.2012	19.4.2012	250000	23
7	Khamaria	16.12.2011	19.4.2012	114009	125	27.3.2012	19.4.2012	238344	23
8	Jait Pur Kachya	16.12.2011	5.1.2012	336275	20	27.3.2012	19.4.2012	400000	23

District Sagar Janpad Panchayat Malthon									
1	Rajwas	16.12.2011	24.2.2012	334550	70	27.3.2012	24.4.2012	400000	28
2	Semra Lodhi	16.12.2011	24.2.2012	156182	70	27.3.2012	24.4.2012	250000	28
3	Bandari	16.12.2011	24.2.2012	321955	70	27.3.2012	24.4.2012	470995	28
4	Sagoni	16.12.2011	24.2.2012	133697	70	27.3.2012	24.4.2012	250000	28
5	Laloi	16.12.2011	21.3.2012	161559	96	27.3.2012	24.4.2012	250000	28
District Sagar Janpad Panchayat Jaisi Nagar									
1	Sagoni Khurd	16.12.2011	5.1.2012	134567	20	27.3.2012	19.4.2012	250000	23
2	Khurai Thavri	16.12.2011	5.1.2012	258512	20	27.3.2012	19.4.2012	400000	23
3	Hinnod	16.12.2011	5.1.2012	323472	20	27.3.2012	19.4.2012	400000	23
4	Jamunia Gaur	16.12.2011	5.1.2012	151423	20	27.3.2012	19.4.2012	228000	23
5	Jaisi Nagar	16.12.2011	5.1.2012	323318	20	27.3.2012	19.4.2012	495407	23
6	Semra Gopalam	16.12.2011	5.1.2012	331756	20	27.3.2012	19.4.2012	400000	23
District Sagar Janpad Panchayat Kesli									
1	Jaitpur	16.12.2011	5.1.2012	266179	20	27.3.2012	19.4.2012	400000	23
2	Khamaria	16.12.2011	5.1.2012	114009	20	27.3.2012	19.4.2012	400000	23
3	Kevlari Kala	16.12.2011	5.1.2012	321201	20	27.3.2012	19.4.2012	400000	23
4	Chikhli Jamunia	16.12.2011	5.1.2012	147220	20	27.3.2012	19.4.2012	250000	23
5	Tada	16.12.2011	5.1.2012	321625	20	27.3.2012	19.4.2012	400000	23
6	Kesli	16.12.2011	5.1.2012	323275	20	27.3.2012	19.4.2012	500000	23

Appendix-2.3 (PART - II)

Reference: Paragraph- 2.1.6 (Page No. 67)

Statement of Unspent Balance in GPs A/C as on 31-03-2012

Name of District	Name of Janpad	Sl. No	Name of Gram Panchayat	Opening Balance	Receipt (2011-12)	Total Available Amount	Expenditure (2011-12)	Unspent Balance (31.3.2012)	
1	2	3	4	5	6	7 (5+6)	8	9 (7-8)	
Mandla	Narayan Ganj	1.	Khinha	262744	455406	718150	175080	543070	
		2.	Dobhi	26094	401182	427276	93160	334116	
		3.	Shaha	131838	368162	500000	241450	258550	
		4.	Kuda Maili	93260	407871	501131	330180	170951	
		5.	Chakdehi	162785	430178	592963	184650	408313	
		6.	Bije gaon	0	419312	419312	201285	218027	
		Bija Dandi	7.	Patha Chaurai	0	500000	500000	17941	482059
			8.	Bilnagri Mal	121929	678071	800000	110000	690000
			9.	Bija Dandi	90572	409428	500000	380000	120000
			10.	Lahshar	86235	413765	500000	80000	420000
			11.	Bijay Pur (Piparia)	307210	688298	995508	241500	754008
			12.	Belkhedi	0	442059	442059	196758	245301
	Mandla	13.	Aughat Khapri	2284	65339	67623	65339	2284	
		14.	Fool Sagar	0	312485	312485	131518	180967	
		15.	Umaria	0	429033	429033	69916	359117	
		16.	Jantipur	0	698921	698921	102973	595948	
		17.	Hirde Nagar	0	608608	608608	278051	330557	
		18.	Katra	0	413823	413823	0	413823	
	Mawai	19.	Khalaudi	49080	403315	452395	295641	156754	
		20.	Mawai	3872	675075	678947	296860	382087	
		21.	Pakhwar	0	398207	398207	214633	183574	
		22.	Narhar Ganj	907	419236	420143	180000	240143	
		23.	Chapartala	14096	169149	183245	182801	444	
		24.	Saras Doli	154483	394989	549472	284135	265337	
	Ghughri	25.	Khajri	266300	396195	662495	380000	282495	
		26.	Gaj Raj	182947	443262	626209	432555	193654	
		27.	Tikaria	145058	439929	584987	269155	315832	
		28.	Chiwla Tola	316111	671075	987186	418689	568497	
		29.	Surehli	280340	699339	979679	227755	751924	
		30.	Banehri	233039	423420	656459	567938	88521	
	Mohgaon	31.	Umaria	402859	253714	656573	239300	417273	
		32.	Sigarpur	302964	361867	664831	264595	400236	
		33.	Githar	173605	429414	603019	171619	431400	
		34.	Umardih	147654	437014	584668	529053	55615	
		35.	Kaua Dongri	186657	666767	853424	315410	538014	
		36.	Kheri Mal	0	412875	412875	219102	193773	

	Niwas	37.	Sukhri	175234	420716	595950	259700	336250
		38.	Katang Siwni	209175	386107	595282	332133	263149
		39.	Payli Bahur	67218	425809	493027	326744	166283
		40.	Bhanpur Bisaura	237698	684019	921717	237112	684605
		41.	Bamhani	124850	432000	556850	123579	433271
		42.	Thanam Gaon	117750	650944	768694	323855	444839
	Nainpur	43.	Maske	132785	414833	547618	227124	320494
		44.	Jaidepur	104257	661964	766221	526458	239763
		45.	Hirapur	138186	390713	528899	195192	333707
		46.	Kajarwada	102660	715437	818097	412038	406059
		47.	Sakwah	59168	411151	470319	318290	152029
		48.	Jahar Mau	78184	682474	760658	223409	537249
	Bichiya	49.	Manohar pur	288740	682931	971671	340990	630681
		50.	Rajo	258793	383098	641891	462514	179377
		51.	Dharamपुरi	201190	427438	628628	578628	50000
		52.	Ahmad pur	491272	680887	1172159	418331	753828
		53.	Karia Gaon	204244	422966	627210	557575	69635
		54.	Anjania	620367	566018	1186385	557315	629070
Sagar	Bina	55.	Giraul	10883	386449	397332	105000	292332
		56.	Bhan Garh	2985	690479	693464	290000	403464
		57.	Lakhahar	1880	426971	428851	152000	276851
		58.	Besra Kashoi	42759	428622	471381	163000	308381
		59.	Bilghaw	851	674790	675641	274000	401641
		60.	Piparkhedhi	1032	375330	376362	118000	258362
		61.	Khajuria	0	428097	428097	148000	280097
		62.	Kirond	3321	434126	437447	184000	253447
	Sagar	63.	Bhainsa Naka	0	733375	733375	0	733375
		64.	Majhguan	0	722500	722500	0	722500
		65.	Kapuria	0	451025	451025	199000	252025
		66.	Bararu	0	720000	720000	305952	414048
		67.	Patkui	0	412903	412903	255862	157041
	Shahgarh	68.	Mahuna	7575	393934	401509	379331	22178
		69.	Rabara	13344	373431	386775	215000	171775
		70.	Dulchi Pur	75977	573854	649831	370000	279831
		71.	Magra	69058	399579	468637	44346	424291
		72.	Khtaura Kala	171697	734200	905897	157798	748099
	Rahli	73.	Majhguan	0	413795	413795	413000	795
		74.	Hardi	0	748175	748175	295000	453175
		75.	Ghoghra	0	420598	420598	172500	248098
		76.	Ram Khiria	0	639882	639882	377928	261954
		77.	Khiria Khas	0	440613	440613	249790	190823
		78.	Juna	0	731475	731475	416200	315275
		79.	Khaira	0	424196	424196	240000	184196
		80.	Udai Pura	0	416628	416628	180000	236628

	Khurai	81.	Naroda	0	359970	359970	102901	257069
		82.	Mahuna Jat	0	350713	350713	100000	250713
		83.	Niwari	0	459175	459175	167000	292175
		84.	Karia Gujar	0	389607	389607	94900	294707
		85.	Tevra	0	674593	674593	197549	477044
		86.	Muhansa	0	422903	422903	120250	302653
		87.	Bhilone	0	396219	396219	126000	270219
		88.	Nau Kheda	0	635858	635858	0	635858
		89.	Lakhan Khera	0	274458	274458	85000	189458
	Rahatgarh	90.	Barkheda	0	360482	360482	150000	210482
		91.	Toda Gautamia	0	284593	284593	0	284593
	Deori	92.	Dongar Salaiya	74703	457318	532021	368630	163391
		93.	Kham Kheda	83249	416751	500000	262383	237617
		94.	Mane Gaon	22411	434460	456871	320582	136289
		95.	Barkoti Kala	131045	748150	879195	693102	186093
		96.	Sarkheda	0	405463	405463	270350	135113
		97.	Madh Piparia	65390	378877	444267	187500	256767
		98.	Khamaria	0	352353	352353	43468	308885
		99.	Jait Pur Kachya	0	736275	736275	36275	700000
	Malthon	100.	Rajwas	0	734550	734550	0	734550
		101.	Semra Lodhi	0	406182	406182	194000	212182
		102.	Bandari	0	792950	792950	220850	572100
		103.	Sagoni	0	383697	383697	0	383697
		104.	Laloi	0	411559	411559	249820	161739
	Jaisi Nagar	105.	Sagoni Khurd	0	384567	384567	111920	272647
		106.	Khurai Thavri	0	658512	658512	461440	197072
		107.	Hinnod	0	723472	723472	277133	446339
		108.	Jamunia Gaur	0	379423	379423	118000	261423
		109.	Jaisi Nagar	0	818725	818725	0	818725
		110.	Semra Gopalam	0	731756	731756	315250	416506
	Kesli	111.	Jaitpur	0	666179	666179	494000	172179
		112.	Khamaria	0	514009	514009	350000	164009
		113.	Kevlari Kala	0	721201	721201	594201	127000
		114.	Chikhli Jamunia	0	397220	397220	320200	77020
		115.	Tada	0	721625	721625	656625	65000
		116.	Kesli	226806	823275	1050081	369600	680481
			Grant Total	8761660	58078435	66840095	28574665	38265430

Appendix-2.4 (PART- II)

Reference: paragraph- 2.1.7.1 (Page No.68)

Statement of recoverable Property Tax as on 31-03-2012

SI. No.	Name of districts	Name of JPs	Name of GPs	Opening Balance	Current demand (2011-12)	Total recoverable amount	Receipt during the year	Balance (31.3.2012)
1	2	3	4	5	6	7 (5+6)	8	9 (7-8)
1.	Mandla	Narayan Ganj	Khinha	0	0	0	0	0
2.			Dobhi	0	14420	14420	0	14420
3.			Shaha	19820	3429	23249	5189	18060
4.			Kuda Maili	0	51556	51556	0	51556
5.			Chakdehi	9000	500	9500	500	9000
6.			Bije gaon	14520	1721	16241	0	16241
7.		Bija Dandi	Patha Chaurai	0	0	0	0	0
8.			Bilnagri Mal	0	0	0	0	0
9.			Bija Dandi	0	0	0	0	0
10.			Lahshar	0	0	0	0	0
11.			Bijay Pur (Piparia)	0	0	0	0	0
12.			Belkhedi	0	0	0	0	0
13.		Mandla	Aughat Khapri	14532	2490	17022	0	17022
14.			Fool Sagar	0	0	0	0	0
15.			Umaria	0	0	0	0	0
16.			Jatipur	0	22500	22500	0	22500
17.			Hirde Nagar	136172	41044	177216	15189	162027
18.			Katra	101638	13805	115443	0	115443
19.		Mawai	Khalaudi	0	58800	58800	12000	46800
20.			Mawai	80000	90000	170000	29840	140160
21.			Pakhwar	2150	1070	3220	2150	1070
22.			Narhar Ganj	0	39200	39200	2000	37200
23.			Chapartala	0	41100	41100	12000	29100
24.			Saras Doli	12350	14200	26550	3320	23230
25.		Ghughri	Khajri	0	0	0	0	0
26.			Gaj Raj	0	0	0	0	0
27.			Tikaria	0	0	0	0	0
28.			Chiwla Tola	0	0	0	0	0
29.			Surehli	0	0	0	0	0
30.			Banehri	1715	1772	3487	1781	1706
31.		Mohgaon	Umaria	12750	5100	17850	0	17850
32.			Sigarpur	19735	9180	28915	0	28915
33.			Githar	156088	92736	248824	0	248824
34.			Umadih	60640	27500	88140	0	88140
35.			Kaua Dongri	0	0	0	0	0
36.			Kheri Mal	0	0	0	0	0

37.		Niwas	Sukhri	0	0	0	0	0
38.			Katang Siwni	0	0	0	0	0
39.			Payli Bahur	0	0	0	0	0
40.			Bhanpur Bisaura	0	0	0	0	0
41.			Bamhani	0	0	0	0	0
42.			Thanam Gaon	0	0	0	0	0
43.		Nainpur	Maske	0	0	0	0	0
44.			Jaidepur	0	0	0	0	0
45.			Hirapur	0	0	0	0	0
46.			Kajarwada	0	0	0	0	0
47.			Sakwah	0	0	0	0	0
48.			Jahar Mau	11310	12060	23370	1450	21920
49.		Bichiya	Manohar pur	4500	5200	9700	0	9700
50.			Rajo	13800	15200	29000	0	29000
51.			Dharampuri	0	0	0	0	0
52.			Ahmad pur	0	0	0	0	0
53.			Karia Gaon	0	0	0	0	0
54.			Anjanina	18394	2810	21204	0	21204
55.	Sagar	Bina	Giraul	0	0	0	0	0
56.			Bhan Garh	11000	22000	33000	11000	22000
57.			Lakhahar	0	0	0	0	0
58.			Besra Kashoi	0	0	0	0	0
59.			Bilghaw	1000	1500	2500	0	2500
60.			Piparkheddi	0	0	0	0	0
61.			Khajuria	0	54600	54600	0	54600
62.			Kirond	3000	6000	9000	0	9000
63.		Sagar	Bhainsa Naka	0	0	0	0	0
64.			Majhguan	0	0	0	0	0
65.			Kapuria	0	0	0	0	0
66.			Bararu	0	0	0	0	0
67.			Patkui	0	0	0	0	0
68.		Shahgarh	Mahuna	0	0	0	0	0
69.			Rabara	25600	1190	26790	0	26790
70.			Dulchi Pur	2000	800	2800	0	2800
71.			Magra	16866	1412	18278	0	18278
72.			Khtaura Kala	31634	1593	33227	0	33227
73.		Rahli	Majhguan	0	0	0	0	0
74.			Hardi	7500	7500	15000	0	15000
75.			Ghoghra	29148	3254	32402	0	32402
76.			Ram Khiria	0	0	0	0	0
77.			Khiria Khas	0	0	0	0	0
78.			Juna	0	0	0	0	0
79.			Khaira	0	0	0	0	0
80.			Udai Pura	0	0	0	0	0

81.		Khurai	Naroda	15000	17000	32000	2000	30000
82.			Mahuna Jat	4000	6000	10000	1200	8800
83.			Niwari	2000	3000	5000	2000	3000
84.			Karia Gujar	8600	5400	14000	1200	12800
85.			Tevra	17000	8000	25000	4000	21000
86.			Muhansa	6675	13120	19795	2600	17195
87.			Bhilone	9500	13000	22500	1700	20800
88.			Nau Kheda	16500	17500	34000	1400	32600
89.			Lakhan Khera	0	0	0	0	0
90.		Rahatgarh	Barkheda	0	23507	23507	1000	22507
91.			Toda Gautamia	18000	2000	20000	18700	1300
92.		Deori	Dongar Salaiya	0	0	0	0	0
93.			Kham Kheda	8000	4000	12000	0	12000
94.			Mane Gaon	12500	12500	25000	200	24800
95.			Barkoti Kala	8000	4000	12000	0	12000
96.			Sarkheda	49135	3819	52954	0	52954
97.			Madh Piparia	0	0	0	0	0
98.			Khamaria	25000	5600	30600	0	30600
99.			Jait Pur Kachya	0	0	0	0	0
100.		Malthon	Rajwas	34000	3513	37513	500	37013
101.			Semra Lodhi	0	0	0	0	0
102.			Bandari	216523	38150	254673	23196	231477
103.			Sagoni	0	0	0	0	0
104.			Laloi	0	0	0	0	0
105.		Jaisi Nagar	Sagoni Khurd	0	0	0	0	0
106.			Khurai Thavri	0	0	0	0	0
107.			Hinnod	0	0	0	0	0
108.			Jamunia Gaur	0	0	0	0	0
109.			Jaisi Nagar	0	0	0	0	0
110.			Semra Gopalam	0	0	0	0	0
111.		Kesli	Jaitpur	5300	5300	10600	0	10600
112.			Khamaria	15670	4575	20245	0	20245
113.			Kevlari Kala	0	0	0	0	0
114.			Chikhli Jamunia	10674	807	11481	0	11481
115.			Tada	18000	22500	40500	31569	8931
116.			Kesli	702302	75070	777372	28048	749324
			Grant Total	2019241	955603	2974844	215732	2759112
							Say ₹ 27.59 Lakh	

Appendix-2.5 (PART - II)_

Reference: Paragraph 2.1.7.2 (Page No.68)

Non recovery of pending user charges (as on March 2012)

SI. NO.	Name of districts	Name of JPs	Name of GPs	Nal Jal Scheme					
				No. of consumer	Opening balance	Current demand (2011-12)	Total Recoverable tax amount	Receipt during year	Closing balance
1	2	3	4	5	6	7	8 (6+7)	9	10 (8+9)
1.	Mandla	Narayan Ganj	Khinha	0	0	0	0	0	0
2.			Dobhi	0	0	0	0	0	0
3.			Shaha	0	0	0	0	0	0
4.			Kuda Maili	0	0	0	0	0	0
5.			Chakdehi	0	0	0	0	0	0
6.			Bije gaon	0	0	0	0	0	0
7.		Bija Dandi	Patha Chaurai	0	0	0	0	0	0
8.			Bilnagri Mal	0	0	0	0	0	0
9.			Bija Dandi	175	0	126000	126000	126000	0
10.			Lahshar	0	0	0	0	0	0
11.			Bijay Pur (Piparia)	0	0	0	0	0	0
12.			Belkhedi	0	0	0	0	0	0
13.		Mandla	Aughat Khapri	60	13680	28800	42480	27480	15000
14.			Fool Sagar	0	0	0	0	0	0
15.			Umaria	0	0	0	0	0	0
16.			Jatipur	142	36000	68160	104160	63000	41160
17.			Hirde Nagar	247	153524	74100	227624	17050	210574
18.			Katra	0	0	0	0	0	0
19.		Mawai	Khalaudi	0	0	0	0	0	0
20.			Mawai	95	3250	57000	60250	60000	250
21.			Pakhwar	0	0	0	0	0	0
22.			Narhar Ganj	0	0	0	0	0	0
23.			Chapartala	0	0	0	0	0	0
24.			Saras Doli	0	0	0	0	0	0
25.		Ghughri	Khajri	0	0	0	0	0	0
26.			Gaj Raj	0	0	0	0	0	0
27.			Tikaria	0	0	0	0	0	0
28.			Chiwla Tola	0	0	0	0	0	0
29.			Surehli	0	0	0	0	0	0
30.			Banehri	0	0	0	0	0	0
31.		Mohgaon	Umaria	0	0	0	0	0	0
32.			Sigarpur	72	6600	25920	32520	21700	10820
33.			Githar	0	0	0	0	0	0
34.			Umadih	0	0	0	0	0	0

35.			Kaua Dongri	0	0	0	0	0	0
36.			Kheri Mal	0	0	0	0	0	0
37.		Niwas	Sukhri	0	0	0	0	0	0
38.			Katang Siwni	0	0	0	0	0	0
39.			Payli Bahur	0	0	0	0	0	0
40.			Bhanpur Bisaura	101	48200	60600	108800	31000	77800
41.			Bamhani	0	0	0	0	0	0
42.			Thanam Gaon	0	0	0	0	0	0
43.		Nainpur	Maske	0	0	0	0	0	0
44.			Jaidepur	0	0	0	0	0	0
45.			Hirapur	0	0	0	0	0	0
46.			Kajarwada	0	0	0	0	0	0
47.			Sakwah	0	0	0	0	0	0
48.			Jahar Mau	123	15090	29520	44610	18280	26330
49.		Bichiya	Manohar pur	0	0	0	0	0	0
50.			Rajo	0	0	0	0	0	0
51.			Dharampuri	0	0	0	0	0	0
52.			Ahmad pur	115	24350	69000	93350	32350	61000
53.			Karia Gaon	0	0	0	0	0	0
54.			Anjania	628	365152	263760	628912	78034	550878
55.	Sagar	Bina	Giraul	0	0	0	0	0	0
56.			Bhan Garh	60	17800	28800	46600	0	46600
57.			Lakhahar	0	0	0	0	0	0
58.			Besra Kashoi	0	0	0	0	0	0
59.			Bilghaw	30	7800	7200	15000	0	15000
60.			Piparkhedi	0	0	0	0	0	0
61.			Khajuria	0	0	0	0	0	0
62.			Kirond	0	0	0	0	0	0
63.		Sagar	Bhainsa Naka	98	8605	88800	97405	97405	0
64.			Majhguan	0	0	0	0	0	0
65.			Kapuria	0	0	0	0	0	0
66.			Bararu	0	0	0	0	0	0
67.			Patkui	0	0	0	0	0	0
68.		Shahgarh	Mahuna	0	0	0	0	0	0
69.			Rabara	0	0	0	0	0	0
70.			Dulchi Pur	0	0	0	0	0	0
71.			Magra	0	0	0	0	0	0
72.			Khathaura Kala	270	75714	32400	108114	24740	83374
73.		Rahli	Majhguan	0	0	0	0	0	0
74.			Hardi	100	52800	36000	88800	9600	79200
75.			Ghoghra	21	7560	7560	15120	0	15120
76.			Ram Khiria	152	1100	47160	48260	0	48260
77.			Khiria Khas	0	0	0	0	0	0
78.			Juna	0	0	0	0	0	0

79.			Khaira	0	0	0	0	0	0
80.			Udai Pura	15	0	4500	4500	0	4500
81.		Khurai	Naroda	0	0	0	0	0	0
82.			Mahuna Jat	0	0	0	0	0	0
83.			Niwari	0	0	0	0	0	0
84.			Karia Gujar	0	0	0	0	0	0
85.			Tevra	0	0	0	0	0	0
86.			Muhansa	204	26259	19584	45843	2600	43243
87.			Bhilone	0	0	0	0	0	0
88.			Nau Kheda	0	0	0	0	0	0
89.			Lakhan Khera	0	0	0	0	0	0
90.		Rahatgarh	Barkheda	0	0	0	0	0	0
91.			Toda Gautamia	0	0	0	0	0	0
92.		Deori	Dongar Salaiya	0	0	0	0	0	0
93.			Kham Kheda	0	0	0	0	0	0
94.			Mane Gaon	0	0	0	0	0	0
95.			Barkoti Kala	0	0	0	0	0	0
96.			Sarkheda	0	0	0	0	0	0
97.			Madh Piparia	0	0	0	0	0	0
98.			Khamaria	0	0	0	0	0	0
99.			Jait Pur Kachya	0	0	0	0	0	0
100.		Malthon	Rajwas	0	0	0	0	0	0
101.			Semra Lodhi	0	0	0	0	0	0
102.			Bandari	355	154051	213000	367051	116907	250144
103.			Sagoni	0	0	0	0	0	0
104.			Laloi	0	0	0	0	0	0
105.		Jaisi Nagar	Sagoni Khurd	0	0	0	0	0	0
106.			Khurai Thavri	0	0	0	0	0	0
107.			Hinnod	50	13000	12000	25000	0	25000
108.			Jamunia Gaur	0	0	0	0	0	0
109.			Jaisi Nagar	120	159076	57600	216676	0	216676
110.			Semra Gopalam	122	0	73200	73200	34548	38652
111.		Kesli	Jaitpur	20	2200	7200	9400	3000	6400
112.			Khamaria	0	0	0	0	0	0
113.			Kevlari Kala	230	110200	55200	165400	20000	145400
114.			Chikhli Jamunia	21	17650	6300	23950	6600	17350
115.			Tada	548	418900	164400	583300	90325	492975
116.			Kesli	850	549844	255000	804844	96140	708704
			Grant Total	5096	2288405	1918764	4207169	976759	3230410

Appendix-2.6 (PART - II)

Paragraph 2.1.8 (Page No. 68)

Name of GPs who has not conducted Social Audit during 2011-12

Name of ZPs	Name of JPs	Sl. NO	Name of GPs	Social Audit
1	2.	3	4	6
Mandla	Narayan Ganj	1.	Khinha	Yes
		2.	Dobhi	No
		3.	Shaha	Yes
		4.	Kuda Maili	Yes
		5.	Chakdehi	No
		6.	Bije gaon	No
	Bija Dandi	7.	Patha Chaurai	No
		8.	Bilnagri Mal	No
		9.	Bija Dandi	No
		10.	Lahshar	No
		11.	Bijay Pur (Piparia)	No
		12.	Belkhedi	No
	Mandla	13.	Aughat Khapri	Yes
		14.	Fool Sagar	No
		15.	Umaria	Yes
		16.	Jatipur	No
		17.	Hirde Nagar	Yes
		18.	Katra	No
	Mawai	19.	Khalaudi	No
		20.	Mawai	No
		21.	Pakhwar	No
		22.	Narhar Ganj	No
		23.	Chapartala	No
		24.	Saras Doli	No
	Ghughri	25.	Khajri	No
		26.	Gaj Raj	No
		27.	Tikaria	No
		28.	Chiwla Tola	No
		29.	Surehli	No
		30.	Banehri	No
	Mohgaon	31.	Umaria	No
		32.	Sigarpur	No
		33.	Githar	No
		34.	Umadih	No
		35.	Kaua Dongri	No
		36.	Kheri Mal	No
	Niwas	37.	Sukhri	No

		38.	Katang Siwni	No
		39.	Payli Bahur	No
		40.	Bhanpur Bisaura	No
		41.	Bamhani	No
		42.	Thanam Gaon	No
	Nainpur	43.	Maske	No
		44.	Jaidepur	No
		45.	Hirapur	No
		46.	Kajarwada	No
		47.	Sakwah	No
		48.	Jahar Mau	No
	Bichiya	49.	Manohar pur	No
		50.	Rajo	No
		51.	Dharamपुरi	No
		52.	Ahmad pur	No
		53.	Karia Gaon	No
		54.	Anjanía	No
Sagar	Bina	55.	Giraul	No
		56.	Bhan Garh	No
		57.	Lakhahar	No
		58.	Besra Kashoi	No
		59.	Bilghaw	No
		60.	Piparkhedi	No
		61.	Khajuria	No
		62.	Kirond	No
	Sagar	63.	Bhainsa Naka	No
		64.	Majhguan	No
		65.	Kapuría	No
		66.	Bararu	No
		67.	Patkui	No
	Shahgarh	68.	Mahuna	No
		69.	Rabara	No
		70.	Dulchi Pur	No
		71.	Magra	No
		72.	Khtaura Kala	No
	Rahli	73.	Majhguan	Yes
		74.	Hardi	No
		75.	Ghoghra	No
		76.	Ram Khiria	No
		77.	Khiria Khas	Yes
		78.	Juna	No
		79.	Khaira	No
		80.	Udai Pura	No
	Khurai	81.	Naroda	No

		82.	Mahuna Jat	Yes
		83.	Niwari	No
		84.	Karia Gujar	No
		85.	Tevra	No
		86.	Muhansa	No
		87.	Bhilone	No
		88.	Nau Kheda	No
		89.	Lakhan Khera	No
	Rahatgarh	90.	Barkheda	No
		91.	Toda Gautamia	No
	Deori	92.	Dongar Salaiya	No
		93.	Kham Kheda	No
		94.	Mane Gaon	No
		95.	Barkoti Kala	No
		96.	Sarkheda	No
		97.	Madh Piparia	No
		98.	Khamaria	No
		99.	Jait Pur Kachya	No
	Malthon	100.	Rajwas	No
		101.	Semra Lodhi	No
		102.	Bandari	No
		103.	Sagoni	No
		104.	Laloi	No
	Jaisi Nagar	105.	Sagoni Khurd	No
		106.	Khurai Thavri	No
		107.	Hinnod	No
		108.	Jamunia Gaur	No
		109.	Jaisi Nagar	No
		110.	Semra Gopalam	No
	Kesli	111.	Jaitpur	No
		112.	Khamaria	No
		113.	Kevlari Kala	No
		114.	Chikhli Jamunia	No
		115.	Tada	No
		116.	Kesli	No

Note:-107 GPs (116-09) was not conducted social audit.