



**ANNUAL TECHNICAL INSPECTION REPORT ON
PANCHAYATI RAJ INSTITUTIONS &
URBAN LOCAL BODIES
FOR THE YEAR 2015-16**



GOVERNMENT OF HARYANA

**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT)
HARYANA**

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PREFACE

This Report for the year ended March 2016 has been prepared for submission to the Government of Haryana in terms of Technical Guidance and Support to audit Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) under Section 20(1) of the Comptroller and Auditor General of India (Duties, Powers and Conditions of Service) Act, 1971.

The Report contains significant results of audit of Panchayati Raj Institutions and Urban Local Bodies in the State including the departments concerned.

The issues noticed in the course of test audit for the period 2015-16 as well as those issues which came to notice in earlier years, but could not be dealt with in the previous Reports, have also been included, wherever necessary.

The audit has been conducted in conformity with auditing standards issued by the Comptroller and Auditor General of India.

OVERVIEW

This Report is in two parts and consists of four chapters. Part A containing Chapters 1 and II deal with Panchayati Raj Institutions (PRIs) and Part B containing Chapters III and IV deal with Urban Local Bodies.

Profile of Panchayati Raj Institutions (PRIs)

Presently, there are 21 Zila Parishads (ZPs), 126 Panchayat Samities (PSs) and 6,205 Gram Panchayats (GPs) in the State. Overall control of PRIs rests with the Additional Chief Secretary to Government of Haryana, Development and Panchayats Department & Rural Development Department through the Directors, Development and Panchayats Department and Rural Development Department. The 73rd Constitutional amendment accorded constitutional status to PRIs. The State Government enacted the Haryana Panchayati Raj Act, 1994 and framed the Haryana Panchayati Raj Rules, 1995 and Haryana Panchayati Raj (Finance, Budget, Accounts, Audit, Taxation and Works) Rules, 1996 to enable these institutions to work as a third tier of Government. The records of accounts of 5 ZPs, 22 PSs and 157 GPs for the period 2010-15 were test-checked during the year 2015-16. The important audit findings are mentioned below:

(Chapter I)

Highlights of audit of Panchayati Raj Institutions

In Meham block, 84 beneficiaries to whom assistance of ₹ 40.95 lakh was paid under Indira Awas Yojna (IAY) had not completed construction of their dwelling units.

(Paragraph 2.1)

There was delay ranging between 15 and more than 90 days in payment of wages amounting to ₹ 4.44 crore under Mahatma Gandhi National Rural Employment Guarantee Scheme in Ratia block.

(Paragraph 2.3)

An amount of ₹ 23.06 lakh was not recovered from 65 ex-Sarpanches and Panches in twelve blocks.

(Paragraph 2.4)

Profile of Urban Local Bodies (ULBs)

Presently, there are 10 Municipal Corporations, 18 Municipal Councils and 52 Municipal Committees in the State. Overall control of the ULBs rests with the Principal Secretary to Government of Haryana, Urban Local Bodies Department through the Director, Urban Local Bodies Department. The 74th Constitutional amendment accorded constitutional status to the ULBs. To implement the provisions of the 74th Constitutional amendment, the Government of Haryana enacted the Haryana Municipal Corporation Act, 1994 and the Haryana Municipal Act, 1973 for transferring the powers and responsibilities to ULBs. The records of 36 ULBs (6 Municipal Corporations, 12 Municipal Councils and 18 Municipal Committees) were test checked during the year 2015-16. Important findings are detailed below:

(Chapter III)

Highlights of Audit of Urban Local Bodies

Audit of the Development of Scheduled Caste Basties Scheme brought out that funds under the scheme were distributed among the municipalities on the basis of total population instead of size of SC population. Fifty two *per cent* (₹ 47.38 crore) of funds received for execution of development works remained unspent with municipalities. Besides, an expenditure of ₹ 2.68 crore was incurred on unauthorized colonies in Faridabad.

(Paragraph 4.1)

Audit of the Management of own funds including collection of revenue by municipalities brought out that mechanism for collection of revenue by municipalities was marred by arrears of taxes, charges and fees such as property tax, tax on consumption of energy, development charges, ATMs dish antenna installation fee and license fees on account of various trade and commercial activities. Surplus funds were not invested to maximise interest.

(Paragraph 4.2)

Eight municipalities did not avail exemption of service tax resulting in avoidable payment of ₹ 64.47 lakh.

(Paragraph 4.3)

Eight municipalities failed to levy Service Tax of ₹ 1.31 crore on receipt of rent of shops/booths.

(Paragraph 4.4)

A sum of ₹ 11.09 lakh was paid in excess as EPF contribution by two municipalities.

(Paragraph 4.6)

A joint Solid Waste Management Plant completed at a cost of ₹ 78.95 crore for Municipal Corporations Gurgaon and Faridabad was non-functional since October 2013 while the plant at Municipal Corporation Yamunanagar-Jagadhari completed at cost of ₹ 11.28 crore was non-functional since December 2014.

(Paragraph 4.7)

Funds of ₹ 11.87 crore provided for development works were diverted by seven municipalities towards payment of salaries, arrears, allowances of the staff, wages and audit fees.

(Paragraph 4.9)

PART A: PANCHAYATI RAJ INSTITUTIONS

PART A: PANCHAYATI RAJ INSTITUTIONS

CHAPTER-I

PROFILE OF THE PANCHAYATI RAJ INSTITUTIONS

1.1 Introduction

The 73rd Constitutional Amendment accorded constitutional status to the Panchayati Raj Institutions (PRIs) and established a system of uniform structure, regular elections and regular flow of funds through Finance Commissions. As a follow up, the States were required to entrust these bodies with such powers, functions and responsibilities so as to enable them to function as institutions of local self government. In particular, the PRIs were required to prepare plans and implement schemes for economic development and social justice including those in relation to matters listed in the Eleventh Schedule of the Constitution of India.

The State Government enacted the Haryana Panchayati Raj Act, 1994 and framed the Haryana Panchayati Raj Rules, 1995 and the Haryana Panchayati Raj (Finance, Budget, Accounts, Audit, Taxation and Works) Rules, 1996 to enable these institutions to work as a third tier of the Government. Accounting structure as prescribed by the Comptroller and Auditor General (CAG) and Ministry of Panchayati Raj (MOPR), Government of India (GOI) has been adopted by the State Government and Annual Accounts (Receipts and Expenditure) are to be maintained by the PRIs accordingly.

1.2 Audit arrangement

The Director, Local Audit Department (LAD), Haryana is the statutory auditor and responsible for conducting the audit of PRI units. After conducting audit, Inspection Reports (IRs) are issued to the concerned PRIs.

The Eleventh Finance Commission (EFC) recommended that CAG of India should be entrusted with the responsibility of exercising control and supervision over proper maintenance of accounts and their audit for all the three tiers/levels of PRIs. Thirteenth Finance Commission (TFC) further recommended that the State Government must make arrangement for placement of Annual Technical Inspection Reports of CAG before the State Legislature. Based on the recommendations of TFC, the State Government entrusted (August 2008) the test audit of PRIs to CAG under Section 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The State Government further notified (December 2011) that Annual Technical Inspection Report (ATIR) of CAG as well as Annual Report of the Local Audit Department (LAD) would be placed before the State Legislature. The Fourteenth Finance Commission (FFC) also recommended that the Technical Guidance and Support (TGS) arrangements by the CAG should be continued and States should take action to facilitate local bodies to compile accounts and have them audited in time.

The State Government has complied with conditions of the *ibid* notification by placing ATIRs for the years 2009-11, 2011-13, 2013-14 and 2014-15 before the State Legislature on 6 September 2013, 10 March 2015, 4 September 2015 and 29 August 2016 respectively. Annual Audit Report of the Local Audit Department Haryana for the year 2014-15 was placed before the State Legislature on 31 August 2016. A separate Committee on Local Bodies and Panchayati Raj Institutions has also been constituted (May 2014) by the Haryana Vidhan Sabha for discussion of ATIRs.

The CAG may provide Technical Guidance and Support (TGS) to primary external auditors of PRIs viz; the Local Audit Department (Statutory Auditor) for the purpose of strengthening public finance management and accountability in Panchayati Raj Institutions. The parameters of such TGS are given in Regulations 152 to 154 of the Regulations on Audit and Accounts, 2007, issued by the CAG of India under section 23 of CAG's (DPC) Act, 1971.

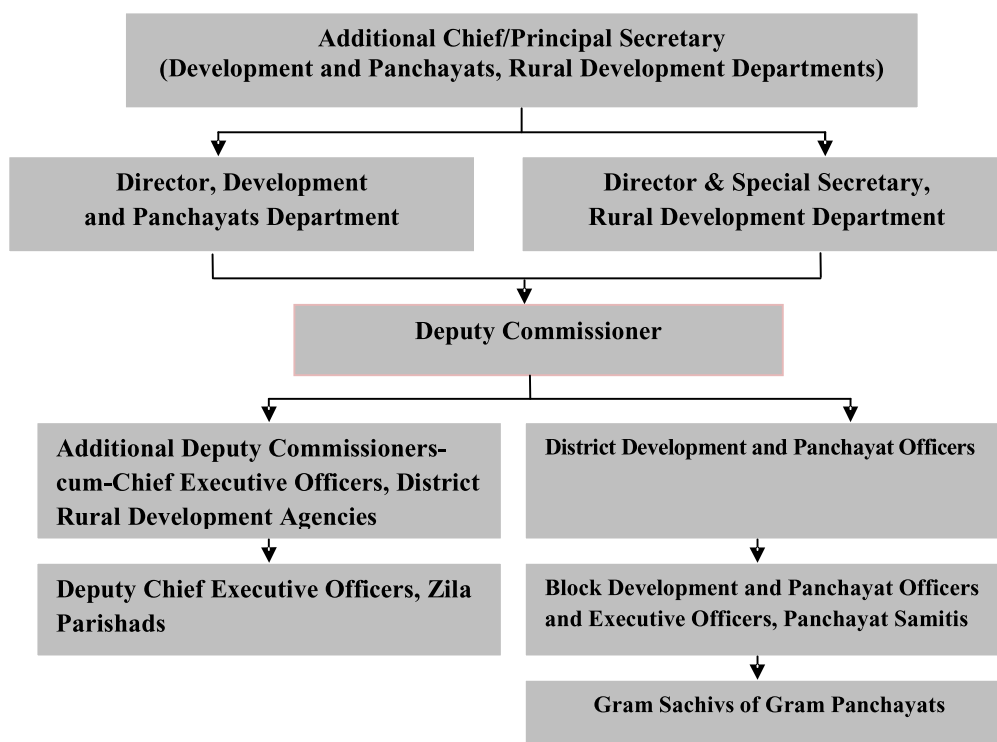
In pursuit of the task of providing Technical Guidance and Support to Local Audit Department (LAD), this office has undertaken the following;

- Audit of municipality was being conducted on pre-audit basis by LAD. Audit of Zila Parishads and Panchyat Samities was being conducted annually on post-audit basis. Audit of Gram Panchayats was being done bi-annually by Auditors. Keeping in view huge funds being spent at GPs level, an advisory was issued (July 2014) to the State Government to conduct audit of GPs by Subordinate Accounts Services (SAS) personnel. Though the State Government had decided to conduct the audit of GPs annually through SAS personnel, audit of some of GPs was still being conducted through non-SAS qualified personnel as of February 2017.
- Suggestions were given (June 2015) for improving the reporting system of LAD by following a structured reporting format containing preamble, facts of the case with evidences, quoting correct and appropriate orders/rules, framing audit observations, including reply of audited entity and drawing conclusions and recommendations. Inspection Reports issued by this office in respect of Municipal Corporations Karnal, Yamunanagar and Municipal Council Fatehabad for the period April 2013 to March 2015 and Municipal Committee Mohindergarh for the period April 2012 to March 2015 were sent to LAD (March 2016) as illustrative samples. However, these suggestions were not followed as of December 2016.
- This office has prescribed to LAD in July 2014 for submission of returns on serious irregularities like system deficiency, serious violation of rules and regulations and fraud/embezzlement. LAD while submitting a Nil report in June 2016 informed that no serious irregularities were noticed. However, contrary to this, audit noticed that serious irregularities such as embezzlement/misappropriation of funds, short recovery/non-recovery/loss of revenue and excess/avoidable expenditure were detected by LAD, which were not incorporated in the returns for proper follow up.

- Training is an important component of Technical Guidance and Support. In pursuance of the same, this office organised a training programme in March 2016 on “Audit of Annual Accounts of ULBs (Certification Audit)” and “Drafting/Reporting of Audit Report”.

1.3 Organisational structure of Panchayati Raj Institutions

There are 21 Zila Parishads, 126 Panchayati Samitis and 6,205 Gram Panchayats in the State. The organisational structure of the State Government, Panchayati Raj Department and the Panchayati Raj Institutions at the Zila Parishad (ZP), Panchayati Samiti (PS) and Gram Panchayat (GP) level has been depicted below.



The President of ZP, Chairman of PS and the Sarpanch of GP are the elected members and head the ZPs, PSs and GPs respectively.

1.3.1 Standing Committees

The PRIs constituted Standing Committees to perform assigned functions. The details of Standing Committees of PRIs are given in **Table 1**.

Table 1: Roles and responsibilities of the Standing Committees

Level of PRIs	Standing Committee Headed by	Name of the Standing Committee	Role and responsibilities of the Standing Committee
Panchayat Samiti	Chairman	General Standing Committee	Looks after establishment matters, communication building, rural housing, village extensions and relief.
		Finance, Audit and Planning Committee	Looks after the finance of the Panchayat Samiti, framing of budgets and co-operation, small saving scheme and any other function relating to the development plan of the block.
		Social Justice Committee	Looks after promotion of education, economic, social, cultural and other interests of the Scheduled Castes and Backward Classes.
Gram Panchayat	Chairman	Production sub-committee	Looks after agriculture production, animal husbandry, rural industries and poverty alleviation programmes.
		Social justice sub-committee	Looks after promotion of education, economic, social, cultural, sports, games and other interests of the Scheduled Castes and Backward Classes and other weaker sections; and promotion of welfare of women and children.
		Amenities sub-committee	Looks after education, public health, public works and other functions of sub-committees of the Gram Panchayat.

1.3.2 Institutional arrangements for implementation of schemes

The Panchayati Raj Institutions (PRIs) have technical and non-technical staff. Against 5,453 sanctioned posts, 1,476 posts (District Development and Panchayat Officers: 8; Block Development and Panchayat Officers: 27; Accountants: 3 *Gram Sachivs*: 435; Clerks: 139 and Others: 857) were lying vacant in these institutions as of 31 March 2016 (**Appendix 1**). In Zila Parishads (PRIs) against 311 sanctioned posts, 211 posts were lying vacant (**Appendix 2**).

1.3.3 Devolution of functions

The 73rd Constitutional Amendment Act, 1992 envisaged devolution of funds, functions and functionaries to the PRIs to make them fiscally capable and autonomous. The State has devolved 20 out of 29 functions included in the Eleventh Schedule of the Constitution to PRIs as shown in **Table 2**.

Table 2: Details of functions transferred to PRIs

Sl. No.	Functions transferred to PRIs
1.	Agriculture, including agricultural extension.
2.	Land improvement, implementation of land reforms, land consolidation and soil conservation.
3.	Minor irrigation, water management and watershed development.
4.	Animal husbandry, dairying and poultry.
5.	Social forestry and farm forestry.
6.	Minor forest produce.
7.	Rural housing.
8.	Drinking water.
9.	Fuel and fodder.
10.	Poverty alleviation programme.
11.	Education, including primary and secondary schools.
12.	Libraries.
13.	Markets and fairs.
14.	Health and sanitation, including hospitals, primary health centers and dispensaries.
15.	Family welfare.
16.	Women and child development.
17.	Social welfare, including welfare of handicapped and mentally retarded.
18.	Welfare of weaker sections, and in particular, of the Scheduled Castes and the Scheduled Tribes.
19.	Public distribution system.
20.	Maintenance of community assets.

1.4 Financial profile

1.4.1 Fund flow to PRIs

Source and custody of fund in PRIs

The resource base of PRIs consists of Own Revenue, State Finance Commission (SFC) grants, Central Finance Commission (CFC) grants, State Government grants and Central Government grants. While Central and State grants are utilized by the PRIs for execution of Central and State sponsored schemes as per the guidelines issued by Government of India (GOI) and State Government in this regard, own receipts of PRIs are utilized for execution of schemes/works formulated by the PRIs. The fund flow arrangements for major schemes are given in **Table 3**.

Table 3: Fund flow arrangements in major Centrally Sponsored Schemes

Sr. No.	Scheme	Fund flow arrangements
1	Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA)	GOI and State Government transfer their respective shares of MGNREGA funds in a bank account, called State Employment Guarantee Fund (SEGF) which is set outside the State Accounts. Funds are released from SEGF to District Rural Development Agencies (DRDAs), BDPOs and GPs.
2	Indira Awas Yojana (IAY)	The Indira Awas Yojna is a centrally sponsored scheme, funded on cost-sharing basis between the Government of India and the State Government in the ratio of 75:25. Funds are transferred directly to the beneficiaries' accounts in two installments through concerned DRDA. Second installment is released after construction reaches the lintel level.
3.	National Rural Livelihoods Mission (NRLM)	The NRLM is a centrally sponsored flagship programme for poverty reduction in the rural area. It is funded on sharing basis between the Government of India and the State Government in the ratio of 75:25. The Haryana State Rural Livelihoods Mission has been formed for implementation of the NRLM.
4	Swachh Bharat Mission	Under this scheme, funds are shared in the ratio of 60:40 between the Centre and State Government for construction of Individual Household Latrines (IHHL). While in the case of community sanitary complex, funds are shared in the ratio of 60:30:10 among the Centre, State and community respectively. On receipt of funds from GOI, the State releases the grants along with its share to district implementing agency (DRDA). The Gram Panchayat concerned provides information about beneficiaries with necessary details to the BDPO and DRDA which in turn release the assistance to the beneficiaries.

1.4.2 Resources and utilisation of funds

The resources and utilization of funds of PRIs for the period from 2011-12 to 2015-16 are detailed in **Table 4**.

Table 4: Time series data on resources and utilisation of funds of PRIs
(₹ in crore)

Particulars	2011-12		2012-13		2013-14		2014-15		2015-16	
	R	E	R	E	R	E	R	E	R	E
Own Revenue	211.80	211.80	237.87	237.87	259.65	259.65	411.54	411.54	282.06	282.06
CFC transfers (Central Finance Commission devolutions)	170.48	170.48	246.39	246.39	291.24	291.24	284.06	284.06	419.28	419.28
SFC transfers (State Finance Commission devolutions)	143.00	143.00	171.86	171.86	213.39	213.39	199.99	199.99	150.00	150.00
Grants for CSS (Centre and State Share)	560.09	579.48	626.72	631.88	825.72	577.19	508.03	421.69	363.15	271.68
State Government grants for state schemes	304.56	304.56	351.47	351.47	367.92	306.44	340.15	340.15	389.10	389.10
Total	1,389.93	1,409.32	1,634.31	1,639.47	1,957.92	1,647.91	1,743.77	1,657.43	1,603.59	1,512.12

Source: Director, Development and Panchayats Department Haryana and Director, Rural Development Department Haryana

Note: R: Receipt and E: Expenditure

As is evident from the above, utilisation of funds for the year 2013-14 to 2015-16 was less than the available resources in those years. The savings were mainly under grants for Centrally Sponsored Schemes and attributable to late release of funds by GOI/State Government. Further, funds remained unspent under IAY due to non-achievement of targets reportedly owing to non-availability of adequate number of eligible beneficiaries.

1.5 Accounting arrangement

The Deputy Chief Executive Officer is responsible for maintenance of accounts of the Zila Parishads, Block Development and Panchayat Officer-cum-Executive Officer with the assistance of Accountant maintains the accounts of Panchayat Samitis (PSs) while Gram Sachiv/Secretary maintains accounts of GPs.

State Government has adopted Model Accounting Structure 2009 developed by the Ministry of Panchayati Raj (MOPR) in consultation with the Comptroller and Auditor General (CAG) w.e.f. April 2010. The Director, Development and Panchayats Department stated (August 2016) that all the tiers of PRIs are maintaining their accounts in PRIAsoft, a software which is based on Model Accounting Structure, 2009.

1.6 Audit coverage

The records of accounts of five¹ ZPs out of 21, 22 PSs out of 126 and 157 GPs out of 6,205 for the period 2010-15 were test-checked during the years 2015-16 (**Appendix 3**). The important audit findings are discussed in Chapter-II.

1.7 Outstanding Inspection Reports and Paragraphs

The PRIs are required to comply with the observations, contained in the Inspection Reports (IRs), issued by the Principal Accountant General (Audit), Haryana and rectify the defects/omissions and report their compliance.

The details of inspection reports and paras issued, settled and outstanding as of September 2016 are shown in **Table 5**.

Table 5: Outstanding IRs/Paragraphs of PRI

Sr. No.	Year of issue of Inspection Reports	Opening balance of outstanding audit objection		Addition		Total		No. of IRs/ paras settled		No of IRs/Paras outstanding as of September 2016	
		IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras
1.	2011-12	92	761	43	301	135	1,062	-	7	135	1,055
2.	2012-13	135	1,055	36	241	171	1,296	-	3	171	1,293
3.	2013-14	171	1,293	63	452	234	1,745	-	-	234	1,745
4.	2014-15	234	1,745	43	307	277	2,052	09	149	268	1,903
5.	2015-16	268	1,903	46	271	314	2,174	51	890	263	1,284
		Total		231	1,572	Total		60	1,049		

Out of 890 paragraphs settled during 2015-16, 91 paragraphs were settled on the basis of compliance. A total of 799 paragraphs which were more than five years

¹ (i) Kaithal, (ii) Gurgaon, (iii) Rohtak, (iv) Jind, and (v) Kurukshetra

old have been referred to Government for taking action at their level that will be verified in audit. However 1,284 paragraphs were outstanding as of September 2016. The pendency of paragraphs for compliance is indicative of lack of due attention and effective action to address audit observation which undermines accountability.

CHAPTER -II

Results of audit of Panchayati Raj Institutions

2.1 Non-completion of dwelling units under Indira Awaas Yojana

Assistance of ₹ 45,000 was provided to each beneficiary in two instalments which was enhanced (April 2013) to ₹ 70,000 in three instalments to construct dwelling units. After verification of construction work up to the lintel level, the second instalment is released by the Block Development Panchayat Officers (BDPOs). The third instalment is to be given only after the house including the sanitary latrine was constructed and the beneficiary started living in the house. Further, as per provisions of the scheme, officers dealing with the IAY at the State headquarters, district, sub-division and block-levels should ascertain through field visits whether the programme was being implemented properly. Completion of a dwelling unit in no case should take more than two years from the date of sanction of first instalment.

Scrutiny of the records of BDPO, Meham (Rohtak) revealed that a sum of ₹ 6.75 lakh was released to 27 beneficiaries as first instalment during 2010-13 but the second instalments were not released. Further, a sum of ₹ 34.20 lakh was released to 57 beneficiaries as first and second instalment during 2013-14 but third instalment was not released. The non-release of second and third instalments indicated that the beneficiaries had not completed the construction of their dwelling units defeating the objective of the scheme.

The matter was referred (October 2016) to the Additional Chief Secretary to Government of Haryana, Development and Panchayats Department; their reply was awaited (January 2017).

2.2 Diversion of funds

Sanction orders issued by the State Government while releasing funds as grants-in-aid on the recommendations of Central Finance Commission (CFC) clearly specified that the funds would be utilised only for development works.

Scrutiny of the records (October 2015) of the Panchayat Samiti, Gurgaon revealed that CFC funds amounting to ₹1.42 lakh were diverted (April 2010 to July 2013) towards pay and allowances and training. This resulted in non-execution of development works to that extent and diversion of funds in violation of guidelines.

The matter was referred (August 2016) to the Principal Secretary to Government of Haryana, Development and Panchayats Department; the reply was awaited (January 2017).

2.3 Delay in making payment of wages

Section 3(3) of the National Rural Employment Guarantee Act, 2005 provides that disbursement of wage to workers under Mahatma Gandhi National Rural

Employment Guarantee Scheme (MGNREGS) shall be made on weekly basis or in any case not later than a fortnight after the date on which such work was done. Further, the MGNREGS guidelines provide that payment should be made not later than 15 days from when it becomes due or else the recipients shall be entitled to compensation at a rate of 0.05 *per cent* of the unpaid wages per day of the delay beyond the 16th day of closure of Muster Roll.

Scrutiny of the records of Block Development & Panchayat Officer (BDPO) Ratia in Fatehabad district revealed that there was delay in making payment of wages amounting to ₹ 4.44 crore in 28,950 cases. The delay ranged between 15 and more than 90 days during 2012-14 (**Appendix 4**).

The BDPO-cum-Programme Officer, Ratia stated (March 2015) that delay in payment of wages was due to non-availability of funds. The fact remains that guidelines were not adhered to and the implementing agency neither ensured availability of funds for making timely payment of wages to the workers nor paid compensation allowance for the delay.

The matter was referred (September 2016) to the Additional Chief Secretary to Government of Haryana, Development and Panchayats Department; their reply was awaited (January 2017).

2.4 Non-recovery of balances from Ex-Sarpanches and Panches

As per Section 18 (1) of the Haryana Panchayati Raj Act, 1994, the Sarpanch or Panch shall be responsible for the custody and charge of movable or immovable property of the Gram Panchayat (GP). Section 18 (2) of the Act provides that the Block Development and Panchayat Officer (BDPO) may, within a period of seven days prior to the publication of election programme of the GP or in the event of suspension or removal of Sarpanch, order to handover the records, register and other property to the person authorized for the custody of the record and property. Further, if any person fails to hand over the record or property to a person authorized by the BDPO under section 18 (1) or section 18(2) of the Act, as the case may be, the BDPO shall apply to an Executive Magistrate for securing such records and property from the person so that it can be handed over to the authorized person (Section 18 (3)).

Scrutiny of the records of 12 BDPOs¹ in three districts revealed that cash balances amounting to ₹ 23.06 lakh had not been handed over by 65 Ex-Sarpanches (**Appendix 5**) to the authorized person i.e. *Sarpanch* or *Panch*, Social Education Panchayat Officer or *Gram Sachiv*. The amount had been lying with them for the period from 1990-95 to 2010-15. Appropriate action as provided for in the Haryana Panchayati Raj Act, 1994 had not been taken to recover the amount.

¹ (i) Julana, (ii) Uchana, (iii) Narwana, (iv) Jind (v) Babain, (vi) Ismailabad, (vii) Shahbad, (viii) Thanesar, (ix) Alewa, (x) Safidon, (xi) Pillukhera and (xii) Farrukhnagar.

The matter was referred (September 2016) to the Additional Chief Secretary to Government of Haryana, Development and Panchayats Department; their reply was awaited (January 2017).

2.5 Irregular purchase of electrical items

Rule 140 of the of the Haryana Panchayati Raj Finance, Budget, Accounts, Audit, Taxation and Works Rules, 1996, stipulated that all electrical works at Gram Panchayat, Panchayat Samiti and Zila Parishad level shall be carried out with the consultation or approval of electrical wing of Panchayati Raj Department (now named as Development and Panchayats Department). Schedule C appended with Rule 135 (1) of these rules further provides that wide publicity shall be given for the tenders/quotations by means of advertisement in local popular newspapers for works above ₹ 50,000.

Scrutiny of the records (October 2015) of BDPO, Gurgaon revealed that works of Supply and Erection of automatic Compact Fluorescent Lamp for Street Lights for ₹ 16.35 lakh² was got executed (December 2010 to September 2014) from three firms on quotation basis instead of inviting tenders by advertisement in local popular newspaper although value of each of the four works was more than ₹ 50,000. Further, the works were got executed without the approval or consultation of electrical wing of the Department. Thus, purchase and erection of electrical items and its associated works was irregular.

On being pointed out by audit, the BDPO, Gurgaon stated (January 2017) that the purchase was made on the basis of quotation after getting the approval from Sub-Divisional Officer (Panchayati Raj). The reply was not acceptable as works were required to be executed after inviting tenders/quotations through local newspapers and in consultation or with the approval of the electrical wing of the Department.

2.6 Arrear of house tax

As per Rule 117 (1) of the Haryana Panchayati Raj Finance, Budget, Accounts, Audit, Taxation and Works Rules, 1996 (the Rule), a Gram Panchayat (GP) shall pass a resolution for the imposition of a house tax under clause (a) of sub-section (1) of Section 41 of the Haryana Panchayati Raj Act, 1994 within its jurisdiction at such rates as it may deem proper but not exceeding ₹ 30 per annum. Further, Rule 118 provides that after the close of each year, the GP shall prepare a list of defaulters showing the amount due from them and forward a separate case of each defaulter to Collector who shall recover the same as arrears of land revenue under Section 201 of the Act. The amount, thus recovered, shall be handed over to the GP.

² ₹ 5.63 lakh (December 2010); ₹ 6.08 lakh (March 2011); ₹ 1.01 lakh (May 2012); ₹ 3.63 lakh (September 2014)

Scrutiny of the records of five BDPOs in three districts revealed that house tax amounting to ₹ 59.43 lakh was in arrears as of March 2016. Details are given in **Table 6.**

Table: 6 Details of arrear of house tax

Sl. No.	BDPOs	Outstanding house tax (₹ in lakh)
1.	Meham (Rohtak)	16.92*
2.	Lakhan Majara (Rohtak)	11.30
3.	Safidon (Jind)	9.62
4.	Sampla (Rohtak)	17.70
5.	Bhattu Kalan (Fatehabad)	3.89
Total		59.43

***As on March 2015; records burnt in fire incident.**

The GPs had not taken steps as envisaged in the Rules to recover the outstanding house tax from the defaulters. During the course of audit, four BDPOs, namely, Mehama, Lakhan Majara, Safidon and Sampla stated (September to December 2015) that efforts would be made to recover the outstanding house tax.

The matter was referred (January 2017) to the Additional Chief Secretary to Government of Haryana, Development and Panchayats Department; their reply was awaited (January 2017).

PART B: URBAN LOCAL BODIES

PART B: URBAN LOCAL BODIES
CHAPTER-III**PROFILE OF THE URBAN LOCAL BODIES****3 Introduction**

The 74th Constitutional Amendment paved the way for decentralization of powers and transfer of 18 functions, listed in the Twelfth Schedule of the Constitution along with funds and functionaries to the Urban Local Bodies. The Government of Haryana enacted the Haryana Municipal Corporation Act, 1994 and the Haryana Municipal Act, 1973 for transferring the powers and responsibilities to Urban Local Bodies (ULBs).

3.1 Audit arrangement

Director, Local Audit Department (LAD), Haryana is the statutory auditor of all Municipal Corporations, Municipal Councils and Municipal Committees.

The Eleventh Finance Commission (EFC) recommended that CAG of India should be entrusted with the responsibility of exercising control and supervision over proper maintenance of accounts and their audit for all the three tiers/levels of ULBs. The Thirteenth Finance Commission further recommended that the State Government must make arrangement for placement of Annual Technical Inspection Reports of CAG before the State Legislature. The State Government entrusted (August 2008) test audit of ULBs to the CAG under Section 20 (1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and also for allowing C&AG for providing Technical Guidance (TG) to the Director, Local Audit Department, Haryana with regard to ULBs. The State Government further notified (December 2011) that Annual Technical Inspection Report (ATIR) of CAG as well the Annual Report of LAD would be placed before the State Legislature.

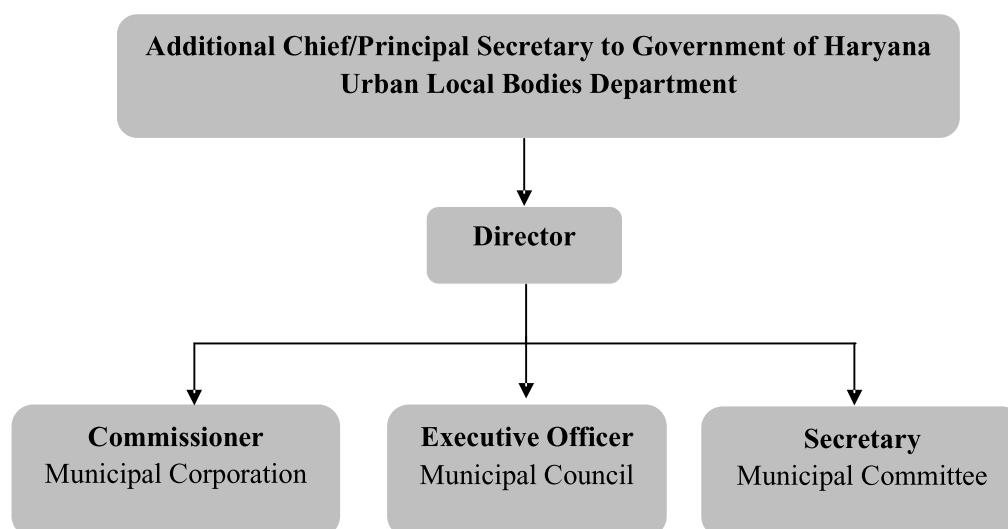
The State Government has complied with conditions of the *ibid* notification by placing ATIRs for the years 2009-11, 2011-13, 2013-14 and 2014-15 before the State Legislature on 6 September 2013, 10 March 2015, 4 September 2015 and 29 August 2016 respectively. Annual Audit Report of the Local Audit Department Haryana for the year 2014-15 was placed before the State Legislature on 31 August 2016. A separate Committee on Local Bodies and Panchayati Raj Institutions has also been constituted (May 2014) by the Haryana Vidhan Sabha for discussion of ATIRs.

The CAG may provide suitable Technical Guidance and Support (TGS) to primary external auditors of ULBs viz; the Local Audit Department (Statutory Auditor) for the purpose of strengthening public finance management and accountability in ULBs. The parameters of such TGS are as given in Regulations 152 to 154 of the Regulations on Audit and Accounts, 2007 issued by the CAG of India under Section 23 of the CAG's (DPC) Act, 1971.

3.2 Organisational structure of Urban Local Bodies

There are 10 Municipal Corporations, 18 Municipal Councils and 52 Municipal Committees in the State. Urban Local Bodies consist of elected members from each ward. The Mayor in Municipal Corporation and President in Municipal Council and Municipal Committees are elected by majority of elected members from different wards. Chairpersons preside over the meetings. The overall control of ULBs rests with the Principal Secretary (ULBs) to the Government of Haryana through the Director, Urban Local Bodies Department. The organisational set-up of ULBs is detailed in **Chart 1** below:

Chart 1: Organisational set-up of ULBs



3.2.1 Standing Committees

The ULBs shall constitute standing committees to perform assigned functions. Details of constitution of the Standing Committees of ULB are detailed in **Table 7**.

Table 7 Roles and responsibilities of the Standing Committees

Level of ULBs	Standing Committee Headed by	Name of the Standing Committee	Roles and responsibilities of the Standing Committee
Urban Local Bodies (ULBs)	Chairman	Finance Sub-Committee	Looks after the functions related to the finance of municipality, framing of budget, scrutinizing prospects of increase of revenue and examination of receipts and expenditure statements.
		Public Works and Building Sub-committee	Looks after the functions relating to municipal works, maintenance and verification of municipal properties and buildings under the control of ULBs. It also deals with all cases of encroachments and projections.
		Sanitation and water Supply Sub-committee.	Looks after matters relating sanitation, health, sewerage and water supply.

3.2.2 Devolution of functions

The 74th Amendment of the Constitution was enacted to decentralize the powers and functions to ULBs for ensuring proper and planned growth of cities and towns with adequate infrastructure and basic amenities. The Government of Haryana has entrusted 18 functions to ULBs as per details given in **Table 8** below. All the 18 functions have been transferred to ULBs.

Table 8: Details of functions transferred to ULBs

Sr. No.	Functions Transferred to ULBs
1.	Urban planning including town planning
2.	Regulation of land use and construction of buildings
3.	Planning for economic and social development
4.	Roads and bridges
5.	Water supply-domestic, industrial and commercial
6.	Public health sanitation, conservancy and sewerage water maintenance
7.	Fire services
8.	Urban forestry, protection of environment and promotion of ecological aspects
9.	Safeguarding the interest of weaker sections of the society including the handicapped and mentally retarded
10.	Slum improvement and upgradation
11.	Urban poverty alleviation
12.	Provision of urban amenities and facilities-parks, gardens and play grounds
13.	Promotion of cultural, educational and aesthetic aspects
14.	Burials and burial grounds, cremations, cremation grounds and electric crematoriums
15.	Cattle Ponds, prevention of cruelty to animals
16.	Vital statistics including registration of births and deaths
17.	Public amenities including street lighting, parking lots, bus stops and public conveniences
18.	Regulation of slaughter houses and tannery

3.3 Financial profile

3.3.1. Fund flow to ULBs

For execution of various developmental works, the ULBs receive funds mainly from GOI and the State Government in the form of grants. GOI grants include grants assigned under the recommendations of the Central Finance Commission and grants for implementation of schemes. The State Government grants are received through devolution of net proceeds of the total tax revenue on the recommendations of the State Finance Commission (SFC) and grants for implementation of State sponsored schemes. Besides, revenue is also mobilized by the ULBs in the form of taxes, rent, fees and issue of licenses.

While Central and State grants are utilized by the ULBs for execution of Central and State sponsored schemes as per the guidelines issued by GOI and State Government in this regard, own receipts of ULBs are utilized for administrative

expenses and execution of schemes/works formulated by the ULBs. The fund flow arrangements in major schemes are given in **Table 9**:

Table 9: Fund flow arrangements in major schemes

Sr. No.	Scheme	Fund flow Arrangements
1	National Urban Livelihood Mission (NULM)	Funding under NULM is shared between the Centre and the State in the ratio of 75:25. The objective of is to reduce poverty and vulnerability of the urban poor households by enabling them to access gainful self-employment and skilled wage employment.
2	Development of Scheduled Caste Basties	This is a State Plan Scheme and funded from State Scheduled Caste Sub-plan (SCSP). The objective of the scheme is to provide benefits to SC Basties with development works such as construction and repair of community centres, strengthening and construction of roads with drains, development of parks, providing street lights and construction of community toilets.
3.	Rajiv Gandhi Urban Development Mission, Haryana (RGUDMH)	This is a State sponsored scheme. The funds under the scheme are distributed amongst the eligible ULBs based on the infrastructure gap index and population of the ULBs concerned.

3.3.2 Resources and utilisation of funds

The trend of resources and utilization of funds of ULBs for the period from 2011-12 to 2015-16 are detailed in **Table 10**.

Table 10: Time series data on resources and utilisation of funds of ULBs
(₹ in crore)

Particulars	2011-12		2012-13		2013-14		2014-15		2015-16	
	R	E	R	E	R	E	R	E	R	E
Central Finance Commission	38.13	22.30	60.81	48.52	165.76	165.76	204.24	122.74	86.71	86.71
State Finance Commission	54.42	34.37	147.15	113.45	118.12	118.12	152.53	152.53	189.96	189.96
Loans	42.97	11.75	41.59	25.30	-	-	-	-	-	-
Own Sources (Taxes and Non Taxes)	675.56	1,018.51	471.00	327.12	1,275.21	892.43	570.55	555.95	1,259.35	1,459.35
Other grants	380.62	279.38	1,184.59	907.26	1,082.13	1,082.13	1,471.08	1,394.52	83.37	42.14
Grand Total	1,191.70	1,366.31	1,905.14	1,421.65	2,641.22	2,258.44	2,398.40	2,225.74	1,619.39	1,778.16

Source: Figures provided by Director, Urban Local Bodies, Haryana

Note: R: Receipt and E: Expenditure

As is evident from above, the expenditure exceeded the receipts in case of funds under 'Own Sources'. The excess expenditure was mainly due to incurring expenditure on salaries of municipal staff from other resources such as stamp duty share and grants received under Rajiv Gandhi Urban Development Mission Haryana.

3.4 Accounting arrangement

Senior Accounts Officers are responsible for maintenance of accounts in Municipal Corporations while the Executive Officers in the case of Municipal Councils and Secretaries in the case of Municipal Committees maintain the accounts with the assistance of Accountants.

The maintenance of accounts of Municipal Committees, Municipal Councils and Municipal Corporations is governed by the Municipal Account Code, 1930. Draft notification of the Haryana Municipal Account Code, 2012 consistent with accounting format and codification pattern stipulated in the National Municipal Accounts Manual was issued in March 2012. The Director, Urban Local Bodies Department stated (November 2016) that Municipal Account Code based on the National Municipal Accounts Manual to introduce double entry system accounting in municipalities was under finalisation.

3.5 Audit coverage

A test check of the records of 36 ULBs (6¹ Municipal Corporations, 12² Municipal Councils and 18³ Municipal Committees) was conducted during the year 2015-16.

3.6 Outstanding Inspection Reports and Paragraphs

The Commissioner/ Executive Officer/ Secretary of the Municipal Corporation, Municipal Council and Municipal Committee respectively are required to comply with the observations, contained in the Inspection Reports (IRs), issued by the Principal Accountant General (Audit) Haryana and rectify the defects/omissions and report their compliance to settle the observations. The details of IRs and paragraphs issued, settled and outstanding as on 31 March 2016 are shown in Table 11.

Table 11: Position of outstanding IRs/Paragraphs of ULBs

Year of issue of Inspection Reports	Opening balance of outstanding IR/Paras		Addition		Total		No. of IRs/paras settled		No of outstanding IR/Paras as on 31 March 2016	
	IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras	IRs	Paras
2011-12	54	501	21	260	75	761	-	07	75	754
2012-13	75	754	36	264	111	1018	-	-	111	1018
2013-14	111	1018	32	453	143	1471	-	-	143	1471
2014-15	143	1471	32	271	175	1742	-	21	175	1721
2015-16	175	1721	54	345	229	2066	35	807	194	1259
Total			175	1593	Total		35	835		

¹ (1) Ambala, (2) Faridabad (3) Gurgaon, (4) Karnal, (5) Yamunanagar and (6) Hisar

² (1) Sonipat, (2) Gohana, (3) Kaithal, (4) Tohana, (5) Bahadurgarh, (6) Charkhi Dadri, (7) Narnaul, (8) Jind, (9) Fatehabad, (10) Dabwali, (11) Hansi and (12) Hodal

³ (1) Gannaur, (2) Kharkhoda, (3) Samalkha, (4) Julana, (5) Safidon, (6) Rajound, (7) Naraingarh, (8) Bhawani Khera, (9) Loharu, (10) Siwani, (11) Nuh, (12) Ferozepur Jirkha, (13) Bhuna, (14) Hathin, (15) Nagal Chaudhary, (16) Mohindergarh, (17) Tavru and (18) Punhana

Out of 807 paragraphs settled during 2015-16, 16 paragraphs were settled on the basis of compliance. A total of 389 paragraphs which were more than five years old were not pursued further due to losing their significance or relevance with passage of time, while 402 paragraphs have been referred to Government for taking action at their level that will be verified in audit. However, 1,259 paragraphs were still outstanding as of September 2016. The pendency of paragraphs for compliance is indicative of lack of due attention and effective action to address audit observation which undermines accountability.

CHAPTER-IV

Results of audit of Urban Local Bodies

Urban Local Bodies Department

4.1 Development of Scheduled Castes Basties Scheme

4.1.1 Introduction

A scheme 'Development of SC Basties' for the areas where SC population was 50 *per cent* or less was launched in 2009-10 replacing the ongoing scheme for the Development of Wards with more than 50 *per cent* SC Population. Under the scheme, the development works such as construction of community centres; repair, strengthening and construction of roads with drains; development of parks; providing street lights and construction of community toilets were to be executed. As against the allocation of ₹ 236.31 crore, ₹ 219.81 crore were released to municipalities during 2011-16, against which utilization certificates of ₹ 65.44 crore were submitted by municipalities.

With a view to assessing whether the scheme was implemented efficiently and effectively, records of the Directorate of Urban Local Bodies (ULBs), three¹ Municipal Corporations, six² Municipal Councils and 16³ Municipal Committees for the period 2011-16 were scrutinized during January- July 2016.

Audit findings

4.1.2 Financial management

4.1.2.1 Funds not distributed to municipalities in proportion to SC population

As the scheme of Development of SC Basti was formulated under Scheduled Caste Sub-Plan, the funds were required to be allocated to municipalities in proportion to SC population in their areas. Scrutiny of records revealed that while funds were allocated to the municipalities during 2009-10 and 2010-11 (first and second quarters) on the basis of SC population of the municipalities concerned, the allocations from 2010-11 (third and fourth quarters) to 2015-16 was made on the basis of the total population of municipalities irrespective of the SC population in their areas which was against the guidelines and resultantly 20 municipalities received ₹ 28.50 crore in excess of their entitlement while the remaining 59 municipalities received less funds to that extent (**Appendix 6**).

The Department stated (June 2016) that funds were released after getting the approval of the competent authority. The fact remains that the funds were not released with reference to SC population and the targeted population could not get the benefits to the extent envisaged in the scheme.

¹ (i) Faridabad, (ii) Gurgaon and (iii) Sonipat

² (i) Hansi, (ii) Kaithal, (iii) Narnaul, (iv) Narwana, (v) Palwal and (vi) Sirsa

³ (i) Barwala (ii) Cheeka, (iii) Dharuhera, (iv) Hathin, (v) Kalayat, (vi) Ladwa, (vii) Loharu, (viii) Nilokheri, (ix) Pehowa, (x) Pundri, (xi) Punhana, (xii) Safidon, (xiii) Samalkha, (xiv) Shahbad, (xv) Siwani and (xvi) Uklana Mandi

4.1.2.2 Funds remained unspent due to slow implementation of the scheme

The Director, ULBs, released funds of ₹ 219.81 crore for the implementation of the scheme during 2011-16. The municipalities submitted the utilization certificates (UCs) for ₹ 65.44 crore (30 *per cent*) only while UCs for ₹ 154.37 crore⁴ were awaited (June 2016).

The Department stated (June 2016) that the development works were in progress at field level and utilisation certificate would be submitted on their completion. The fact remains that the implementation of the scheme was very slow as even UCs for the year 2011-12 were awaited.

Test-checked municipalities received funds amounting to ₹ 91.76 crore during 2011-16 for execution of development works. However, only ₹ 44.38 crore were spent and balance funds of ₹ 47.38 crore (52 *per cent*) were lying (**Appendix 7**) unutilised. Audit observed that municipalities had not prepared proper plans for the utilisation of funds and implementation of the scheme. Resultantly funds remained unspent.

Five⁵ municipalities stated (April-June 2016) that the funds could not be utilized due to shortage of technical staff while Municipal Council, Hansi stated (June 2016) that the funds could not be utilized due to non-passing of resolutions for execution of development works by the council. Remaining 19 municipalities stated (March-June 2016) that the balance funds would be utilized at the earliest on the execution of works.

4.1.2.3 Non-maintenance of separate account

As per condition 2 of the sanction of the funds under the scheme, the accounts of the grants released under the scheme were to be maintained and operated separately for check by audit. Scrutiny of records of 25 test-checked municipalities revealed that only six municipalities maintained separate accounts i.e. cash book and bank accounts. In the absence of separate accounts, the amount of interest earned on the grants could not be ascertained.

The municipalities concerned stated (March-June 2016) that separate accounts would be maintained in future.

4.1.3 Execution of work

4.1.3.1 Expenditure incurred in unauthorised colonies

As per instructions issued (November 2008) by the Director, ULBs and further reiterated (April 2013) by the Principal Secretary, ULBs Department, development works were not to be carried out by the municipalities in unauthorised colonies.

⁴ 2011-12: ₹ 14.07 crore; 2012-13: ₹ 18.32 crore; 2013-14: ₹ 25.97 crore; 2014-15: ₹ 42.09 crore and 2015-16: ₹ 53.92 crore.

⁵ Municipal Corporation, Gurgaon and Municipal Committee, Loharu, Siwani, Uklana Mandi and Pehowa.

Municipal Corporation Faridabad, however, incurred an expenditure of ₹ 2.68 crore during 2011-16 (**Appendix 8**) on development works mainly on the construction of streets in six⁶ unauthorised colonies.

The Officer Incharge of Accounts of Municipal Corporation, Faridabad stated (March 2016) that the compliance of instructions would be made in future.

4.1.3.2 Unjustified expenditure in the area not inhabited by SC population

The main objective of the scheme was to provide benefits to SC population. Audit observed that the Municipal Committee, Kalayat incurred an expenditure of ₹ 2.51 lakh on the construction of street and drain in Ward No.7 which was not inhabited by SC population. Thus, no benefit accrued to the targeted population and the expenditure incurred on the work was unjustified.

The Secretary of the MC Kalayat while admitting the facts stated (April 2016) the point would be kept in view in future.

4.1.3.3 Non-levy of penalty for delay in completion of works

As per clause 2 of contract, an amount equal to one *per cent* of estimated cost of whole work for each day of delay or maximum ten *per cent* of the estimated cost of work was recoverable from the contractor for delay in completion of works.

Scrutiny of records of four⁷ MCs revealed that the development works such as constructions of streets, boundary wall, kitchen sheds and anganwari centres executed during 2010-16 were not completed within the stipulated period. There were delays ranging between 45 and 367 days in completion of these works (**Appendix 9**). Audit observed that neither extensions were sought by the contractors nor municipal engineers levied penalty for delay in completion of works. As per contract agreements, penalty of ₹ 8.96 lakh was leviable on contractors. Payments of final bills were made to the contractors without recovery of penalty. The concerned municipalities stated (March-June 2016) that the matter would be investigated and action would be taken accordingly.

4.1.4 Results of joint physical verification of development works

Physical verification of development works in selected municipalities was conducted by Audit along with the officials of the municipalities during March-June 2016. Physical verification of Municipal Corporation, Faridabad revealed that a community centre at village Agwanpur (in Ward No.21, Faridabad) was constructed (March 2015) at a cost of ₹ 11.22 lakh, but basic amenities such as toilet, bathroom, water supply and sewerage system were not provided in the community centre. As a result, proper utilization of community centre could not be ensured.

Physical verification of development works of Municipal Council, Hansi revealed that the work of providing cement concrete (CC) in the street in Ward No. 15 was

⁶ A.C. Nagar, Indra Nagar, Ram Nagar, Nehru Colony, Dhruv dera and Gadha Khor khera.

⁷ Municipal Corporation Faridabad and Sonipat, Municipal Council Kaithal and Sirsa

shown to have been completed (May 2013) at a cost of ₹ 2.13 lakh. But physical verification revealed that the Cement Concrete in the street was not constructed.



CC street not constructed from the house of Mr. Ramesh to Munsii Godara in Ward No. 15, Hansi (01 June 2016)

Thus, chances of misappropriation of the funds of ₹ 2.13 lakh cannot be ruled out. The Secretary, MC Hansi stated (June, 2016) that the street was constructed on the site. The reply is not correct as during the joint physical verification by audit along with the Junior Engineer of MC Hansi in the presence of the residents of the locality, it was found that the street was not constructed.

4.1.5 Monitoring

For better implementation of the scheme, the Director, ULBs as head of the Department was responsible for monitoring the implementation of the scheme. The Department should have evolved a proper system for monitoring including monthly physical /financial progress reports to be obtained from municipalities so as to take remedial action where progress was not satisfactory. Audit, however, observed that the Department has not monitored the implementation of the scheme as no returns of progress of works were prescribed for the municipalities.

4.1.6 Conclusion

The scheme was formulated with the main objective of providing infrastructure facilities in the areas inhabited by SC population. Audit, however, observed that funds under the scheme were distributed among the municipalities on the basis of total population instead of size of SC population. The implementation of scheme was very slow as huge funds remained unspent with the municipalities. Besides, an expenditure of ₹ 2.68 crore was incurred in unauthorised colonies in Faridabad. Further, there was lack of monitoring at Directorate level.

4.2 Management of own funds including collection of revenue by municipalities

4.2.1 Introduction

Urban local bodies (ULBs) or Municipalities are the primary administrative units for providing basic infrastructure and services in urban areas. Article 243X of the Constitution empowers the State Legislature to authorise the municipalities to levy, collect and appropriate taxes, duties, tolls and fees.

With a view to assessing whether the management of own funds including collection of revenue by municipalities was proper, records of Director Urban

Local Bodies Department and 23 municipalities⁸ for the period 2011-16 were test checked during February-July 2016. The selection of municipalities was done by adopting Probability Proportionate to Size With Replacement (PPSWR) method. Besides, the audit findings detected during transaction audit of *eight* municipalities⁹ have also been incorporated in the paragraph.

Audit findings

4.2.2 Municipal Taxation

4.2.2.1 Budget estimates and actual receipt of own funds

The Budget estimates and actual receipts of the own funds of test checked municipalities from the period 2011-12 to 2015-16 are given in **Table 12** below:

Table: 12 Statement showing budget estimate and actual realisation of own fund

(₹ in crore)

Period	Budget estimate	Actual receipts	Variations {Increase(+) Shortfall(-)}	Percentage of realisation
2011-12	1226.18	636.17	(-) 590.01	52
2012-13	1739.20	790.92	(-) 948.28	45
2013-14	1649.37	866.48	(-) 782.89	53
2014-15	1651.56	592.72	(-) 1058.84	36
2015-16	2012.18	929.03	(-) 1083.15	46

There were variations ranging between 36 and 53 *per cent* in budget estimates and actual receipts from own sources during the last five years. Shortfall of estimated receipts was due to non-assessment of previous collection and failure to prepare action plans for collection of revenue. In 15 out of 23 municipalities, the revenue collection was less than 80 *per cent* of the budget estimates during 2011-12 and overall realisation was only 52 *per cent* (**Appendix 10**). The concerned Municipalities (March-July 2016) stated that less receipts were due to shortage of staff, inaccurate assessment of property tax and short recovery of development charges. Thus, these shortcomings need to be addressed by municipalities to strengthen the revenue collection mechanism.

4.2.2.2 Non-achievement of target regarding recovery of property tax

Section 87 of the Haryana Municipal Corporation Act, 1994 and Section 69 of the Haryana Municipal Act, 1973 provide that the municipality shall levy property tax payable by the owner or occupier of building and land at the rates notified by the

⁸ (i) Municipal Corporation, Panchkula (ii) Faridabad and (iii) Gurgaon (iv) Municipal Council, Kaithal, (v) Jind, (vi) Bahadurgarh, (vii) Palwal and (viii) Narnaul, (ix) Municipal Committee, Shahabad, (x) Pehowa, (xi) Ladwa, (xii) Pundri, (xiii) Nissing, (xiv) Dharuhera, (xv) Sampla, (xvi) Bawanikhera, (xvii) Gharunada, (xviii) Kalanwali, (xix) Rania, (xx) Jhajjar, (xxi) Mahadegarh, (xxii) Siwani and (xxiii) Samalkha.

⁹ (i) Municipal Corporation, Yamunanagar, (ii) Karnal, (iii) Hisar, (iv) Municipal Council, Fatehabad, (v) Hansi, (vi) Hodel, (vii) Municipal Committee, Naraingarh and (viii) Hathin.

Government, from time to time. Section 94(4) of the Haryana Municipal Act, 1973 and Section 95 of the Haryana Municipal Corporation Act, 1994 further provide that on the failure to recover any sum due on account of tax from the person primarily liable, the Secretary/Executive Officer shall recover the said amount from the occupier by attachment of rent or license fee payable by such occupier.

Scrutiny of Demand and Collection Registers of test checked municipalities revealed that property tax including fire tax amounting to ₹ 488.60 crore was in arrears as on March 2016 (**Appendix 11**) which constituted 53 *per cent* of the amount due at the beginning of 2015-16.

The position of recovery was less than 10 *per cent* of the demand/arrears during 2015-16 in the municipalities of Dharuhera, Pehowa and Jhajjar. It was also observed that municipalities had not exercised the powers under Section 94(4) of the Haryana Municipal Act, 1973 and Section 95 of the Haryana Municipal Corporation Act, 1994 to recover the due amount of taxes by attachment of rent or license fee payable by the occupier.

The municipalities concerned (except *four* municipalities¹⁰) stated (March-July 2016) that notices would be issued and recovery would be made accordingly.

4.2.2.3 Non-recovery of tax on consumption of energy

Section 87(2) of the Haryana Municipal Corporation Act, 1994 and Section 70(1) of the Haryana Municipal Act, 1973 provide for levy of tax on the consumption of energy at the rate of five paise for every unit of electricity consumed by any person within the limits of the municipality. The tax is required to be collected by the Uttar/Dakshin Haryana Bijli Vitran Nigam Limited (UHBVNL/DHBVNL) and paid to the municipalities.

Scrutiny of records of selected municipalities revealed that demand and collection registers were not maintained as required under Section XI.15 of the Municipal Account Code, 1930. The UHBVNL/DHBVNL neither provided the details of electricity units consumed in area of MCs nor paid/adjusted the amount of tax collected by them (except MCs Faridabad and Hisar). In the absence of details of actual consumption of electricity, amount of tax could not be worked out. No mechanism was evolved by municipalities to recover or adjust electricity tax from UHBVNL/DHBVNL. Thus, the huge potential of revenue on accounts of the electricity tax remained untapped.

The municipalities concerned (except Municipal Corporation, Faridabad) stated (March-July 2016) that information regarding due amount was not available with them.

In Municipal Corporation Hisar, tax on consumption of energy amounting to ₹ 2.59 crore was recoverable from DHBVNL as on March 2015. The Executive

¹⁰ (i) Faridabad, (ii) Gurgaon, (iii) Kaithal and (iv) Jind

Officer, MC, Hisar stated (January 2016) that notices would be issued for recovery of electricity tax to DHBVNL.

4.2.2.4 Loss of revenue due to inaction

Provisions contained in the Chapter XVIII of the Haryana Municipal Corporation Act, 1994 read with the Section 352 (2) of the Act and Section 128 of Haryana Municipal Act, 1973 provide that various trades, commercial activities, etc. can only be performed in the municipal area after getting permission/licence for these purposes and payment of requisite fee. Further, paragraph IX.2 and IX.3 of the Municipal Account Code, 1930 provide that proper record/registers in Form License-I, II and III are to be maintained and no licence shall be issued for a period more than a year. Scrutiny of records revealed that:

In Municipal Corporation, Panchkula and Gurgaon, trades and commercial activities had been running in the municipal areas. Audit observed that MC, Panchkula, since its existence (March 2010) had not made any provision for charging licence fee on commercial activities as of March 2016. This has resulted in loss of revenue of ₹ 6.28 crore (**Appendix 12**) (calculated on the basis of licence fee fixed by MC, Ambala). In MC, Gurgaon ₹ 0.36 crore was outstanding on this account.

In 12 municipalities¹¹, the number of units carrying out commercial activities had not been assessed. The Executive Officer/Secretary of these municipalities stated (March-July 2016) that license fee is charged on those units who applied for licenses; survey to identify the commercial units was not conducted. Hence it could not be ensured whether all units carrying out commercial activities had been charged with license fee.

Six municipalities¹² had identified 553 license units and license fee of ₹ 8.51 lakh was recoverable from them.

Thus, revenue on account of the license fees for commercial activities remained untapped.

4.2.2.5 Non-recovery of development charges

The Government formulated a policy in November 2013 (read with revised norms issued in December 2013) for fixation of development charges to be leviable on buildings/plots situated within the notified civic amenities and infrastructure deficient municipal areas at the rate of ₹ 150 per square yard, ₹ 100 per square yard, ₹ 50 per square yard and ₹ 30 per square yard for the Municipal Corporation

¹¹ i) Kaithal, (ii) Jind, (iii) Shahabad, (iv) Pehowa, (v) Ladwa, (vi) Nissing, (vii) Dharuhera, (viii) Sampla, (ix) Bawanikhera, (x) Gharunda, (xi) Jhajjar and (xii) Mahendergarh

¹² (i) Pundri : ₹ 0.83 lakh of 30 units, (ii) Kalanwali: ₹ 3.09 lakh of 57 units, (iii) Rania: ₹ 0.28 lakh of 42 units, (iv) Mahendergarh: ₹ 2.47 lakh of 273 units, (v) Siwani: ₹ 0.68 lakh of 75 units and (vi) Samalkha: ₹ 1.16 lakh of 76 units.

of Faridabad and Gurgaon, other Municipal Corporations, Municipal Council and Municipal Committees respectively.

The Government declared (January-February and September 2014) areas under 376 colonies in 25 municipalities to be civic amenities and infrastructure deficient municipal areas. Audit observed that the recovery of development charges had not been made from the concerned residents as of March 2016. Demand notices had not been issued to the owners for making payment of the charges even after a lapse of two years. As a result, revenue of ₹ 177.80 crore remained un-recovered from residents of these colonies. **(Appendix 13).**

Twenty one municipalities¹³ stated (November 2015-July 2016) that notices would be issued for recovery of development charges. Municipal Committee, Nissing stated (April 2016) that development charges of built up areas would be recovered at the time of issue of 'No Objection Certificates'. Municipal Council, Jind stated (June 2016) that ₹ 1.63 crore had been recovered during June 2014 to June 2016 while issuing No Objection Certificates.

4.2.2.6 Non-levy of installation/license and processing fee on Dish-Antenna of Automated Teller Machines (ATMs)

The Haryana Municipal Corporation/Haryana Municipal (Communication and Connectivity Infrastructure) Bye laws 2013 provides that no communication infrastructure shall be laid/installed without obtaining a license under these bye-laws from the competent authority within the areas of a municipality. One time installation/license fee of ₹ 5,000 and processing fee of ₹ 1,000 per dish antenna (other than dish antenna installed under DTH) shall be charged for grant of license.

Scrutiny of records of 27 municipalities revealed that installation and processing fee on account of dish antennas of ATMs was not being charged on the concerned banks. The municipalities were unaware of the provisions of ibid Bye-laws and hence no demand was raised. This resulted in non-receipt of revenue of ₹ 1.34 crore **(Appendix 14)** to municipalities.

The concerned Municipalities, (except Faridabad and Gurgaon) stated (November 2015-July 2016) that notices would be issued to all banks.

4.2.2.7 Non-realisation of revenue due to delay presentation of cheques

Scrutiny of records of test checked municipalities revealed that three¹⁴ municipalities received ₹ 30.23 lakh¹⁵ in 78 cases on account of various charges

¹³ (i) Gurgaon, (ii) Kaithal, (iii) Bahadurgarh, (iv) Palwal, (v) Narnaul, (vi) Yamunanagar, (vii) Shahabad, (viii) Pehowa, (ix) Ladwa, (x) Pundri, (xi) Sampla, (xii) Bawanikhera, (xiii) Gharunada, (xiv) Kalanwali, (xv) Rania, (xvi) Jhajjar, (xvii) Mahendergarh, (xviii) Siwani, (xix) Samalkha, (xx) Dharuhera, (xxi) Hansi.

¹⁴ (i) Yamunanagar, (ii) Kaithal and (iii) Ladwa.

¹⁵ (i) Yamunanagar ₹ 12.90 lakh in 39 cases, (ii) Kaithal ₹ 17.03 lakh in 35 cases and (iii) Ladwa ₹ 0.30 lakh in 4 cases.

i.e. house tax, rent, licence fee and tehbazari through cheque during 2003 to 2016. Audit observed that these cheques were not presented to the banks for encashment within the validity period of the cheques and the amounts were not credited by banks. As a result, the amounts could not be realised.

The Senior Accounts Officer of Municipal Corporation, Yamunanagar stated (February 2016) that out of ₹ 12.90 lakh, ₹ 21,500 had been deposited in the municipal fund. The Secretary, Municipal Committee, Ladwa (April 2016) stated that notices would be issued to the firms, while the Executive Officer, Municipal Council, Kaithal stated (April 2016) that bank reconciliation could not be done due to shortage of staff.

4.2.3 Non-investment of surplus funds

Section 60 of the Haryana Municipal Act, 1973 provides that it would be lawful to invest surplus funds in the securities of the Central Government and such other public securities as the State Government may specify in this behalf.

Scrutiny of records of test checked municipalities revealed that on an average there were surplus funds of ₹ 41.02 crore¹⁶ with seven municipalities, but these were not invested in any Government securities or any other public securities and were kept in savings bank accounts. Had these funds been invested in fixed deposits, the municipalities would have earned additional interest of ₹ 3.59 crore¹⁷.

Executive Officers/Secretaries of six municipalities¹⁸ stated (April-July 2016) that surplus fund would be invested in future while Secretary of Municipal Committee, Shahabad stated (March 2016) that municipal funds could not be invested due to outstanding liability on account of the salary of staff.

The reply of Municipal Committee, Shahabad is not tenable as there were surplus funds continuously for two years and funds were required to be invested as per provisions.

4.2.4 Bank reconciliation not done

Scrutiny of records of Municipal Council, Kaithal revealed that an amount of ₹ 3.01 lakh was shown in the cash book as paid (October 2014) to a contractor through cheque. However, ₹ 3.69 lakh was debited by the bank against this cheque. Thus, an excess debit of ₹ 0.68 lakh was made by the bank. The council had not reconciled the bank account with cash book.

¹⁶ (i) Shahabad: ₹ 0.55 crore, (ii) Pundri: ₹ 0.46 crore, (iii) Dharuhera: ₹ 25.57 crore, (iv) Sampla: ₹ 4.38 crore, (v) Bahadurgarh: ₹ 5.01 crore, (vi) Jhajjar: ₹ 2.12 crore and (vii) Samalkha: ₹ 2.93 crore.

¹⁷ (i) Shahabad: ₹ 0.04 crore (2014-16), (ii) Pundri: ₹ 0.02 crore (2015-16), (iii) Dharuhera: ₹ 2.05 crore (2014-15), (iv) Sampla: ₹ 0.88 crore (2011-16), (v) Bahadurgarh: ₹ 0.20 crore (2015-16), (vi) Jhajjar: ₹ 0.17 crore (2014-16) and (vii) Samalkha: ₹ 0.23 crore (2014-16).

¹⁸ (i) Pundri, (ii) Jhajjar, (iii) Sampla, (iv) Dharuhera, (v) Samalkha and (vi) Bahadurgarh.

Similarly, an amount of ₹ 17.25 lakh was shown debited by the bank in November 2015. But the corresponding entry of this payment was not found in the cash book. Relevant records/vouchers in support of payment by bank were not available with the council. In the absence of records, the chances of misappropriation of funds cannot be ruled out.

Municipal Council, Kaithal stated (April 2016) that appropriate action would be taken in these cases after investigation.

4.2.5 Conclusion

Mechanism for collection of revenue by municipalities was marred by deficiencies as there were huge arrears of taxes, charges and fees such as property tax, tax on consumption of energy, development charges, ATMs dish antenna fee and license fees on accounts of various trade and commercial activities. Surplus funds were not invested to earn more interest. Budget estimates of receipts were not prepared on the basis of the collection for previous years.

4.3 Non-availment of exemption from Service Tax

The Government of India, Ministry of Finance (Department of Revenue) vide their Notification dated 20 June 2012 exempted services provided to a local authority by the manpower supplying agencies from Services Tax, where manpower was supplied to municipalities for sanitation purpose. As per this notification, the municipalities were not required to pay Service Tax to the manpower supplying agencies on the bills of manpower supplied for sanitation purpose from July 2012 onwards.

Scrutiny of records showed that eight¹⁹ municipalities had not availed of the exemption and paid Service Tax amounting to ₹ 64.47 lakh to the manpower supplying agencies for supply of manpower for sanitation purposes during July 2012 to July 2013 resulting in avoidable financial burden on the municipalities.

The matter was referred (July 2016) to the Principal Secretary to Government of Haryana, Urban Local Bodies Department; their reply was awaited (January 2017).

4.4 Non-recovery of Service Tax on rental receipts

As per Section 65(105) (zzzz) of the Finance Act 1994, the term taxable service for renting of immovable property means any service provided or to be provided to any person, by any other person in relation to renting of immovable property

¹⁹ (i) Municipal Council, Hodal ₹ 0.38 lakh (March 2013), (ii) Municipal Committee, Tauru: ₹ 0.48 lakh (February 2013 to June 2013) and (iii) Municipal Council, Fatehabad: ₹ 9.02 lakh (September 2012 to March 2013) (iv) Municipal Committee, Bhuna : ₹ 0.35 lakh (April 2013 to May 2013) (v) Municipal Committee, Nuh ₹ 0.91 lakh (May 2013 to July 2013) (vi) Municipal Committee, Tohana ₹ 4.42 lakh (July 2012 to December 2012) (vii) Municipal Council, Sonapat ₹ 23.56 lakh (July 2012 to February 2013) (viii) Municipal Council, Palwal ₹ 25.35 lakh (April 2013 to January 2014)

for use in the course of furtherance of business or commerce. Immovable property includes renting, letting, leasing, licensing or other similar arrangements of immovable property. With the introduction of negative list from 1 July 2007, Section 66B prescribes levy of Service Tax at prescribed rates²⁰ on the value of services provided other than those specified in the negative list.

Scrutiny of records of eight municipalities revealed that shops/booths/lands of the municipalities had been rented out on monthly rental basis. The municipalities were liable to pay ₹ 1.31 crore Service Tax on rental receipts during 2007 to 2015 after collecting the same from tenants as these services were not in the negative list. It was noticed that municipalities had not collected Service Tax from tenants. Further, four municipalities had deposited service tax amounting to ₹ 42.59 lakh and ₹ 6.16 lakh as interest and penalty from their own resources without recovering the same from the tenants (**Appendix 15**).

The matter was referred (July 2016) to the Principal Secretary to Government of Haryana, Urban Local Bodies Department; their reply was awaited (January 2017).

4.5 Loss due to non-recovery of Service Tax on sale of space for advertisement

As per Section 65 (105) (zzzm) of the Finance Act, 1994 'Sale of space for advertisement purpose' is a taxable service with effect from May 2006. The service came under negative list under Section 66 D of the Act w.e.f. July 2012. Hence, this service was taxable only for the period May 2006 to July 2012. Further, Section 87 of the Act contains provisions of recovery of any amount of service tax due to Central Government.

Scrutiny of record of the Municipal Corporation Karnal (MCK) revealed that it sold (2006-09) space to advertising agencies for advertising purpose and received (August 2006 to September 2009) ₹ 2.34 crore from the agencies (**Appendix 16**). However, no provision for levy of the service tax on the agencies was made in the agreement executed between Municipality and each of the agencies.

Further, the Service Tax Department under the Section 87 of the Act recovered (May 2013) service tax²¹ amounting to ₹ 28.37 lakh from the Municipality. This resulted in loss to the Municipality as it had not levied service tax on the agencies and the same had to be paid by the Municipality.

The matter was referred (September 2016) to the Principal Secretary to Government of Haryana, Urban Local Bodies Department; their reply was awaited (January 2017).

²⁰ For the years 2008-09 & from 2012-13 to 2013-14 at 12.36 *per cent* and for the years 2009-10 to 2011-12 at 10.30 *per cent*

²¹ From 18th April 2006 to 10 May 2007 service tax rate was 12.24 *per cent*; from 11 May 2007 to 23rd February 2009 service tax rate was 12.36 *per cent* and from 24th February 2009 to 31 March 2012 service tax rate was 10.30 *per cent*.

4.6 Excess payment of EPF to manpower supplying agencies

As per the provisions contained in the Employees' Provident Funds Scheme, 1952, the EPF contribution was payable on maximum wage ceiling of ₹ 6,500 per month during the period from June 2001 to August 2014.

Municipal Council, Hansi, and Municipal Corporation, Hisar, outsourced services of sanitation staff from service providers. Scrutiny of records of these municipalities revealed that the service providers claimed EPF on the actual wages of the sanitation staff instead of ceiling of ₹ 6,500 per month. This resulted in excess payment of ₹ 11.09 lakh during April 2013 to June 2014 (**Appendix 17**) to the service providers.

On being pointed out, the concerned Municipalities admitted the facts and stated (January 2016) that recovery of excess payment would be made from the concerned service providers.

The matter was referred (August 2016) to the Principal Secretary to Government of Haryana, Urban Local Bodies Department; their reply was awaited (January 2017).

4.7 Irregularities relating to solid waste management

The Haryana Municipal Act, 1973 and the Haryana Municipal Corporation Act, 1994 provide that solid waste management is the function of the municipality. Further, the Municipal Solid Wastes (Management and Handling) Rules, 2000 provide that every municipal authority shall be responsible for creating infrastructure for collection, storage, segregation, transportation, procession and disposal of municipal solid waste. The Central Finance Commissions from time to time also emphasised that the local bodies should spend the grants on the basic services such as water supply, sewerage, solid waste management, etc.

Following irregularities relating to solid waste management were noticed:

(i) Municipal Committee, Ferozpur Zhirka (Mewat) received (January to March 2006) ₹ 47 lakh as grants-in-aid from the Urban Local Bodies Department for arranging site to set up a solid waste treatment plant (SWMP). Sanction of the grants specified that the funds would be utilised within one year from the date of drawal from the treasury. Any amount left unspent after the expiry of the utilisation period was required to be deposited in the Government treasury. The MC kept the entire fund in bank account which with accrual of interest accumulated to ₹ 53.51 lakh (October 2015). The funds, besides lying unspent despite lapse of more than nine years were also not deposited in the Government treasury. Retention of the funds after lapse of utilisation period was unauthorized.

(ii) Municipal Council Jind received (August 2013) funds amounting to ₹ 1.35 crore as grants-in-aid to purchase land at Gram Panchayat (GP), Ram Rai for setting up of SWMP. Audit observed that instead of purchasing land, the municipality entered into a lease agreement (May 2014) with the GP, Ram Rai to take 7 acre-8 kanal land on lease for 33 years and spent ₹ 10.73 lakh (July 2014)

on stamp duty and lease rent. Subsequently, the lease deed was rescinded (June 2015) due to litigation of the land. Land for the purpose had not yet been purchased (December 2016).

The Executive Officer, MC Jind stated (June 2016) that setting up of solid waste treatment plant for Jind district was being considered under cluster scheme proposed at Jind. The fact remains that the land had not been purchased despite lapse of more than three years of release of funds for the purpose.

(iii) SWMP under Urban Infrastructure Development Scheme for Small and Medium Town (UIDSSMT) for Municipal Corporation Yamunanagar-Jagadhari (MCY) was completed (December 2012) at a cost of ₹ 11.28 crore. MCY entered (August 2012) into agreement with a firm for systematic treatment, processing and disposal of municipal solid waste in accordance with Municipal Solid Waste (Management & Handling) Rules 2000 (Rules) for 30 years. Clause 8.2 of the agreement provided that in the event of any default by the operator, the MCY shall be entitled to terminate the agreement and appropriate the performance security.

The Executive Officer, MCY stated (January 2017) that show-cause notice was issued against the firm and the concerned bank was requested (August 2015 to December 2016) to forfeit performance security of ₹ 65 lakh. Encashment of bank guarantee was still awaited (December 2016).

Audit observed that SWMP was non-functional since December 2014 and solid waste was not being disposed off after proper treatment. However, while action was initiated against the defaulting firm, no action was initiated to make the SWMP functional through any other agency despite its remaining non-functional for more than two years.

The matter was referred (August 2016) to the Principal Secretary to Government of Haryana, Urban Local Bodies Department; their reply was awaited (January 2017).

(iv) Municipal Corporation Faridabad (MCF) and the Municipal Corporation Gurgaon (MCG) entered (October 2008) into an agreement for development of the Integrated Municipal Solid Waste Processing Plants & Sanitary Landfill. As per the agreement, the MC, Gurgaon was to lease 30.5 acres land in 2008 at village Bandhwari, Gurgaon to the MC, Faridabad for 30 years and MC Faridabad was in turn to implement the scheme and was also responsible for development, operation and maintenance of the facility for 30 years. Further, the MCF entered into an agreement (September 2009) with a firm for operation and maintenance of the SWMP for 30 years. The integrated SWMP was completed (January 2010) at cost of ₹ 78.95 crore and became functional in December 2010.

Audit observed that the SWMP was non-functional since October 2013 and the solid waste was being dumped at the plant site. A sum of ₹ 9.81 crore was also recoverable from the firm on account of machinery of MCF taken away by it and hire charges of machinery/water tankers provided to the firm. Besides, MCG also spent ₹ 19.89 lakh (September to December 2013) on sanitary work at the plant site and on pending electricity bills on behalf of the firm. Further, non-functioning of the SWMP and dumping of waste directly in landfill led to foul smell with the

result that MCG had to allot (May 2014) the work of bio-culture spray on the dumped waste at the rate of ₹ 2.50 lakh per month for a year to another firm. The SWMP was lying non-functional for the last three years which had resulted in non-achievement of the intended objective.

The Commissioner, MCF stated (December 2016) that the performance security of ₹ three crore had been forfeited and the case of recovery and other dues owing to non-operation of the SWMP by the firm was pending with the Arbitrator.

The matter was referred (August 2016) to the Principal Secretary to Government of Haryana, Urban Local Bodies Department; their reply was awaited (January 2017).

4.8 Improper maintenance of muster rolls and bogus payment

Scrutiny of records (September 2015) of the CPDO Rohtak revealed that the payments of ₹ 3.25 lakh (**Appendix 18**) for carrying out developmental works were made by the Municipal Corporation Rohtak (MCR) on 13 muster rolls without getting signatures/thumb impressions of actual payees. Yet the payments were passed by the Secretary and the President of MCR and were shown as paid in the cash book.

Further, it was also noticed that six same persons were shown employed on the muster rolls of work “*Construction of Kumharan Choupal in Saura Mohala, Rohtak*” (Dates 6th to 20th October 2010) and “*Construction of Kabir Dharamshala near Old Sadar Thana, Rohtak*” simultaneously during the same period.

Since simultaneous employment of same persons at two different sites is not possible, the entire payments made on 13 muster rolls without getting signatures/thumb impressions of the persons deployed was doubtful. Such payments are fraught with the risk of misappropriation of funds.

The matter was referred (August 2016) to the Principal Secretary to Government of Haryana, Urban Local Bodies Department; their reply was awaited (January 2017).

4.9 Diversion of funds

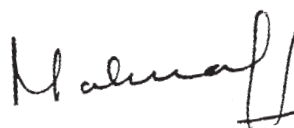
As per guidelines for utilization of grant under share of surcharge on VAT for Rajiv Gandhi Urban Development Mission Haryana (RGUDMH), the grant was to be utilized for urban infrastructure such as sanitation, cleanliness, solid waste management and other civic infrastructure. In case payment is to be made for any purpose other than these purposes, permission of Government shall be sought with proper justification. Similarly, sanctions releasing funds as grants-in-aid on the recommendations of Central Finance Commission (CFC) and State Finance Commission (SFC) clearly specified that the funds would be utilised for developmental works.

Scrutiny of records (September 2015- March 2016) of seven²² municipalities

²² Municipal Corporations Faridabad and Hisar; Municipal Council, Mandi Dabwali; Municipal Committees Bhuna, Nuh, Siwani and Bawani Khera

revealed that funds amounting to ₹ 11.87 crore were diverted towards payment of salaries, arrear, allowances of the staff, wages and audit fees out of grants released under share of surcharge on VAT for RGUDMH and under recommendations of CFC and SFC (**Appendix 19**). Further, permission from the Government for spending the amount on salary, wages, etc. out of RGUDMH funds was not obtained. This resulted in non-execution of development works in municipal areas to that extent.

The matter was referred (August 2016) to the Principal Secretary to Government of Haryana, Urban Local Bodies Department; their reply was awaited (January 2017).



Chandigarh

Dated:

(Mahua Pal)
Principal Accountant General (Audit),
Haryana

Appendices

Appendix 1

(Reference: Paragraph 1.3.2; Page 4)

Staff position (Technical and non-Technical) in PRIs in the State

Sl. No	Name of the Post	Post Sanctioned	Men in position	Vacant
1.	Director General, Development & Panchayats	1	1	0
2.	Joint Director	2	1	1
3.	Deputy Director	2	2	0
4.	District Development and Panchayat Officer	21	13	8
5.	Principal	2	1	1
6.	Chief Engineer	1	1	0
7.	Superintending Engineer	5	5	0
8.	Assistant Director	2	2	0
9.	Legal Officer	25	19	6
10.	Executive Engineer	24	23	1
11.	Officer on Special Duty (Development & Project Officer)	1	0	1
12.	Sub-divisional Engineer	131	130	1
13.	Superintendent	10	6	4
14.	Block Development and Panchayat Officer	126	99	27
15.	Instructor	7	3	4
16.	Research Officer	1	1	0
17.	Deputy Superintendent	50	35	15
18.	Assistant	333	256	77
19.	Personal Assistant	2	2	0
20.	Senior Scale Stenographer	3	0	3
21.	Social Education and Panchayat Officer	126	37	89
22.	Junior Scale Stenographer	7	6	1
23.	Steno Typist	164	42	122
24.	Clerk	349	210	139
25.	Driver	170	135	35
26.	Librarian	2	1	1
27.	Junior Engineer	519	519	0
28.	Accountant	159	129	30
29.	Accounts Clerk	154	02	152
30.	Gram <i>Sachiv</i>	2237	1802	435
31.	Patwari	116	43	73
32.	Circle Head Draftsman	05	05	0
33.	Head Draftsman	26	26	0
34.	Draftsman	24	23	1
35.	Reswtorer	1	0	1
36.	Daftri	1	1	0
37.	Machineman	1	1	0
38.	Jamadar	2	2	0
39.	Peon	472	322	150
40.	Sweeper -cum-Chowkidar	26	07	19
41.	Mali-cum-Chokidar	139	60	79
42.	Cook	4	4	0
Total		5,453	3,977	1,476

Appendix 2

(Reference: Paragraph 1.3.2; Page 4)

Staff position (Technical and non-Technical) in Zila Parishads in the State

Sl. No	Name of the Post	Post Sanctioned	Men in position	Vacant
1.	Deputy Chief Executive Officer	21	13	8
2.	Account Officer	21	10	11
3.	Superintendent	21	0	21
4.	Accountant	21	7	14
5.	Assistant	40	15	25
6.	Sr. Scale Stenographer	21	1	20
7.	Steno Typist	21	6	15
8.	Clerk	21	9	12
9.	Accounts Clerk	21	10	11
10.	Driver	21	10	11
11.	Chokidar-cum-mali	21	3	18
12.	Peon	40	12	28
13.	Sweeper	21	4	17
Total		311	100	211

Appendix 3

(Reference: Paragraph 1.6; Page 7)

List of Panchayat Samitis and Gram Panchayat test-checked

Sl. No	Name of Panchayat Samitis	Name of Gram Panchayat
1.	Patodhi	(1) Bilaspur, (2) Bhokarka,(3) Barahari Rehnawa, (4)Balewa, (5) Mirzapur, (6) Managwaki, (7) Mahniawas, (8) Khanpur, (9) Fakharpur, (10) Lokari , (11) Sherpur
2.	Farukhnagar	(1) Khandewla, (2) Ghari Nathy Khan, (3) Birhera, (4) Tirpdi, (5) Palri, (6) Jhanjhrola khera
3.	Gurgaon	(1) Bajghera, (2) Dharampur, (3) Kherki, (4) Khoh, (5) Nainwal, (6) Naurangpur
4.	Sohna	(1) Alipur, (2) Hazipur, (3) Kuliaaka, (4) Maidawas, (5) Sarmathla
5.	Sampla	(1) Dataur, (2) Gandhra, (3) Garhi Sampla, (4) Gijji, (5) Bhainsru Kalan, (6) Pakasma, (7) Samchana
6.	Rohtak	(1) Assan, (2) Kansala, (3) Ladhot, (4) Makroli Kalan, (5) Ritauli, (6) Rithal Phogat, (7) Taja Majra
7.	Kalanaur	(1) Patwapur, (2) Kakrana, (3) Taimurpur, (4) Marodi Jattan
8.	Meham	(1) Ajaib, (2) Bhaini Chanderpal, (3) Krishangarh, (4) Mokhra Kheri, (5) Mokhra Khandain Chhajan
9.	Lakhanmajra	(1) Bainsi, (2) Sasrauli, (3) Lakhan Majra, (4) Chandi
10.	Pillukhera	(1) Ludana, (2) Rajana Khurd, (3) Alanjogi Khera, (4) Dharoli, (5) Burain
11.	Safidon	(1) Bahadurgarh, (2) Aaftabgarh, (3) Bhuslana, (4) Nimnabad, (5) Rojhla, (6) Naya Gaon Siwanamal, (7) Malar, (8) Todi Kheri, (9) Shillakheri
12.	Alewa	(1) Durana, (2) Naguran, (3) Alewa, (4) Naguran Nimran, (5) Shamdo
13.	Jind	(1) Ramrai, (2) Nidana, (3) Brah Khurd, (4) Jalalpur Khurd, (5) Govindpura, (6) Ghimana, (7) Ramgarh, (8) Manoharpur, (9) Nidani
14.	Julana	(1) Ramkali, (2) Deorar, (3) Malvi, (4) Lajwana Khurd, (5) Padana, (6) Jhamola
15.	Narwana	(1) Rewar, (2) Garhi, (3) Singhwal, (4) Sinsar, (5) Frain Khurd
16.	Uchana	(1) Alipura, (2) Khatkar, (3) Mohangarh, (4) Tarkha, (5) Karsindu, (6) Palwan
17.	Thanesar	(1) Aajrani, (2) Bajidpur, (3) Bhiwani Khera, (4) Bishangarh, (5) Dabkheri, (6) Dhurali, (7) Gobind Majra, (8) Hariapur, (9) Jogna Khera, (10) Kheri Ram Nagar, (11) Kirmach,(12) Malik Pur, (13) Udarsi, (14) Shadipur Ladwa, (15) Patti Kishan Pura
18.	Ladwa	(1) Bapda, (2) Baronda, (3) Bhallar, (4) Bahlolpur, (5) Budha, (6) Gajlana, (7) Gharaula, (8) Gudha, (9) Gudhi, (10) Sonti
19.	Ismailabad	(1) Ajrana Khurd, (2) Ajrawar, (3) Bhustala, (4) Fatehgarh Chammu, (5) Ismailabad, (6) Kheri Shahidan, (7) Majri Kalan
20.	Shahbad	(1) Mohidin Pur, (2) Tigri, (3) Jogi Majra, (4) Bakana, (5) Habana, (6) Jain Pur, (7) Nagla, (8) Hari Pur, (9) Kalsani, (10) Gori Pur, (11) Mohan Pur, (12) Sulakhni
21.	Babain	(1) Jalkheri, (2) Rampura, (3) Nakhrojpur, (4) Bir Mangoli, (5) Lakhmari, (6) Khirki Viran, (7) Mangoli Jattan
22.	Pehowa	(1) Julmat, (2) Jakhawala, (3) Kakrala Gujran, (4) Hamira Farm, (5) Siana Saidan, (6) Surmi

Total GPs: 157 GPs

Appendix 4

(Reference: Paragraph 2.3; Page 10)

Statement showing delay in payment of wages under MGNREGS

(Amount in ₹ lakh)

Name of Block	Year	Delayed Payment between 15-30 days		Delayed Payment between 30-60 days		Delayed Payment between 60-90 days		Delayed Payment more than 90 days	
		Transactions	Amount	Transactions	Amount	Transactions	Amount	Transactions	Amount
Ratia	2012-13	4354	63.70	2532	33.50	423	5.13	152	2.69
	2013-14	5495	94.07	13894	217.91	1511	20.49	589	6.18
Total		9849	157.77	16426	251.41	1934	25.62	741	8.87
Total cases: 9849+ 16426+1934+741= 28,950.									
Total amount: ₹157.77lakh+₹ 251.41lakh+₹ 25.62lakh+₹8.87lakh= ₹443.67 lakh.									

Appendix 5

(Reference: Paragraph 2.4; Page 10)

Details of amounts recoverable from Ex-Sarpanches/Panches

Sl. No	Name of BDPO	Name of GP	Numbers of Ex-Sarpanch	Period	Amount (in ₹ lakh)
1.	Julana	Hathwala	5	1995-15	0.41
		Ramkali	2	2000-15	0.25
		Malavi	1	2000-05	0.50
		Lajbana kalan	1	2000-05	0.51
		Padana	1	1995-2000	0.26
		Jhamola	2	1995-2005	0.64
		Anup Garh	2	2005-15	0.43
2.	Uchana	Palawa	4	1995-2000	1.39
		Mohan Garh	1	2000-05	0.52
		Karshindhu	1	2000-05	0.06
		Tarkha	1	1990-95	0.02
		Khatkad	1	2014-15	0.11
3.	Narwana	Rewar	2	1995-2000	0.98
		Ghari	1	2005-10	0.13
		Singwal	1	2005-10	0.19
		Sinsar	1	2005-10	0.32
		Frain Khurad	1	1995-2000	0.19
4.	Jind	Ramrai	1	1990-95	0.19
		Nidana	2	1995-05	0.43
		Braha Khurad	1	2000-05	0.20
		Jalalpur Khurad	1	1995-2000	0.16
5.	Babain	Jal Kheri	2	2000-10	1.48
		Ram Pura	3	1995-10	0.36
		Nakhroj Pur	1	2010-15	0.03
6.	Ismailabad	Ajrana Khurd	8	2000-10	6.08
		Bhusthala	2	2005-10	0.10
7.	Shahbad	Mohidinpur	2	2000-05	0.09
		Tigri	1	2005-10	0.08
		Jogimajra	1	2005-10	0.64
8.	Thanesar	Bhiwani Khera	1	2005-10	1.56
		Munir Pur	1	2005-10	0.23
		Gobind Majra	1	2005-10	0.15
9.	Alewa	Shamdo	1	Since July, 2015	0.08
10.	Safidon	Butani	1	2010-15	0.23
11.	Pillukhera	Ludana	2	2000-15	0.78
		Rajana Khurd	1	2010-15	0.09
		Alan jogi	1	2000-05	0.36
12.	Farrukhnagar	Khandewla	2	2009-10	2.32
		Ghari Nathey Khan	1	2010-11	0.51
Total			65	-	23.06

Appendix 6

(Reference: Paragraph 4.1.2.1; Page 19)

Details of fund released in excess (+) to the Municipalities during 2011-16

(Amount in ₹ lakh)

Sr. No.	Name of MCs	2011-12	2012-13	2013-14	2014-15	2015-16	Total Excess(+)
1	Ambala	-16.88	-11.68	52.06	67.28	69.15	159.93
2	Ateli Mandi	-0.01	0.02	0.75	0.95	0.98	2.69
3	Bahadurgarh	2.24	2.68	0.81	0.93	-0.39	6.27
4	Beri	1.26	1.15	1.94	2.52	2.57	9.44
5	F/Jhirkha	-0.59	-0.37	1.89	2.44	2.43	5.80
6	Faridabad	279.53	235.55	228.88	296.23	309.09	1349.28
7	Gannur	-1.18	-0.76	1.15	1.46	1.29	1.96
8	Gurgaon	136.82	114.40	189.35	245.25	258.24	944.06
9	Hathin	0.78	0.72	0.97	1.24	1.24	4.95
10	Karnal	55.06	47.38	-16.27	-21.37	-26.06	38.74
11	Nangal Choudhary	0.00	0.00	3.44	4.45	4.71	12.60
12	Narnaul	5.17	4.64	3.78	4.86	4.65	23.10
13	Nuh	-1.57	-1.22	1.06	1.36	1.35	0.98
14	Palwal	20.18	17.17	-9.28	-12.15	-14.22	1.70
15	Pehowa	1.65	1.57	2.24	2.87	2.80	11.13
16	Punhana	8.69	7.29	4.83	6.25	6.57	33.63
17	Samalkha	1.34	1.29	4.33	5.59	5.74	18.29
18	Shahabad	3.24	2.89	3.76	4.85	4.91	19.65
19	Sonepat	23.25	20.52	11.12	14.24	66.57	135.70
20	Thanesar	23.87	20.34	7.52	9.66	9.19	70.58
	Total	542.85	463.58	494.33	638.91	710.81	2850.48

Details of fund released in less (-) to the Municipalities during 2011-16

Sl. No.	Name of MCs	2011-12	2012-13	2013-14	2014-15	2015-16	Total Less(-)
1	Assandh	-9.77	-7.84	-4.23	-5.52	-6.18	-33.54
2	Barara	0	0	0	0	-6.37	-6.37
3	Barwala	-39.4	-31.99	-25.79	-33.53	-36.64	-167.35
4	Bawal	-1.27	-0.97	0.25	0.32	0.20	-1.47
5	Bawanikhara	-12.2	-9.85	-9.73	-12.65	-13.86	-58.29
6	Bhiwani	-13.5	-9.92	-5.2	-6.89	-9.06	-44.57
7	Bhuna	0	-24.13	-10.06	-13.08	-14.37	-61.64
8	Charkhidadri	-0.43	-0.06	0.08	0.06	-0.4	-0.75
9	Cheeka	-12.31	-9.85	-7	-9.11	-10.18	-48.45
10	Dharuhera	-11.18	-9.03	0.54	0.69	0.49	-18.49
11	Ellenabad	-12.54	-10.04	-6.47	-8.44	-9.42	-46.91
12	Farukh Nagar	-8.52	-6.89	-4.88	-6.36	-6.98	-33.63
13	Fatehabad	-8.08	-6.21	-5.36	-7.01	-8.17	-34.83
14	Gharaunda	-6.9	-5.45	-1.42	-1.87	-2.34	-17.98
15	Gohana	-10.67	-8.4	-4.15	-5.44	-6.42	-35.08
16	Haily Mandi	-6.62	-5.32	-4.24	-5.52	8.22	-13.48
17	Hansi	-12.73	-9.93	-5.33	-6.99	-8.27	-43.25
18	Hisar	27.08	24.35	-41.17	-53.71	-61	-104.45

Sl. No.	Name of MCs	2011-12	2012-13	2013-14	2014-15	2015-16	Total Less(-)
19	Hodel	-20.07	-16.15	-10.08	-13.14	-14.62	-74.06
20	Indri	-9.12	-7.36	-3.67	-4.77	-5.31	-30.23
21	Jhajjar	-5.68	-4.39	-0.49	-0.66	-1.13	-12.35
22	Jind	-9.89	-7.18	0.06	-0.03	-1.41	-18.45
23	Julana	-10.69	-8.65	-5.27	-6.85	-7.57	-39.03
24	Kaithal	-4.92	-3.24	-1.1	-1.53	-2.83	-13.62
25	Kalanaur	-12.88	-10.41	-16.07	-20.89	-22.8	-83.05
26	Kalanwali	-3.65	-2.82	-5.07	-6.6	-7.32	-25.46
27	Kalayath	-3.44	-2.71	-3.49	-4.56	-5.06	-19.26
28	Kanina	-2.19	-1.72	0.67	0.87	0.83	-1.54
29	Kharkhoda	-7.15	-5.75	-7.53	-9.74	-10.8	-40.97
30	Ladwa	-1.79	-1.31	-0.09	-0.15	-0.39	-3.73
31	Loharu	-6.51	-5.24	-5.2	-6.78	-7.44	-31.17
32	Mandi Dabwali	-13.31	-10.54	-16.8	-21.84	-24.08	-86.57
33	Meham	-4.54	-3.61	-2.25	-2.94	-3.35	-16.69
34	Mohindergarh	-38.04	-30.95	-0.73	-0.95	-1.28	-71.95
35	Naraingarh	-9.25	-7.45	-5.2	-6.77	-7.51	-36.18
36	Narnaund	-1.62	-1.22	-0.46	-0.61	-0.8	-4.71
37	Narwana	-3.07	-2.18	-0.91	-1.24	-1.83	-9.23
38	Nilokheri	-5.95	-4.77	-5.54	-7.2	-7.94	-31.4
39	Nissing	1.38	1.24	-6.34	-8.25	-9.07	-21.04
40	Panchkula	-39.04	-30.6	-53.06	-69.17	-77.91	-269.78
41	Panipat	60.07	51.37	-39.32	-51.52	-60.88	-40.28
42	Pataudi	-7.17	-5.75	-3.26	-4.32	-4.78	-25.28
43	Pundri	-9.88	-7.98	-1.42	-1.87	-2.27	-23.42
44	Rajaund	0	0	-8.17	-4.23	-4.36	-16.76
45	Rania	-9.59	-7.7	-5.87	-7.63	-8.47	-39.26
46	Ratia	-24.26	-19.68	-12.51	-16.29	-17.92	-90.66
47	Rewari	-28.16	-22.35	-5.83	-7.67	-9.48	-73.49
48	Rohtak	-55.02	-42.45	-35.32	-46.23	-54	-233.02
49	Safidon	-3.59	-2.75	0.16	0.18	-0.08	-6.08
50	Sampla	-6.47	-5.16	-1.08	-1.42	-1.7	-15.83
51	Sirsa	-27.28	-21.25	-22.24	-29.02	-32.89	-132.68
52	Siwani	-9.73	-7.85	-7.76	-10.1	-11.09	-46.53
53	Sohna	-18.47	-14.9	-8.94	-11.63	-2.74	-56.68
54	Taoru	-2.17	-1.67	-4.96	-6.46	-7.16	-22.42
55	Tarori	-7.12	-5.67	-5.18	-6.76	-7.53	-32.26
56	Tohana	-31.58	-25.49	-20.69	-26.92	-29.67	-134.35
57	Uchana	0	0.09	-0.08	-0.11	-0.26	-0.36
58	Uklana Mandi	0	-18.51	-8.51	-11.07	-12.13	-50.22
59	Y/Nagar	-11.97	-7.34	-20.57	-26.99	-33.03	-99.9
	Total	-542.85	-463.58	-494.33	-638.91	-710.81	-2850.48

Appendix 7

(Reference: Paragraph 4.1.2.2; Page 20)

Statement showing details of fund released, expenditure and balances

Sl. No.	Name of Municipality	₹ in Crore)			Utilisation Percentage
		Fund released	Expenditure	Balance	
1.	Barwala	108.94	63.67	45.27	58.45
2.	Cheeka	100.63	71.00	29.63	70.56
3.	Dharuhera	71.14	0.47	70.67	0.66
4.	Faridabad	3521.20	1354.36	2166.84	38.46
5.	Gurgaon	1874.92	626.11	1248.81	33.94
6.	Hansi	229.07	107.07	122.00	46.74
7.	Hathin	36.08	0.00	36.08	0.00
8.	Kaithal	371.62	323.94	47.68	87.17
9.	Kalayath	49.82	35.35	14.47	70.96
10.	Ladwa	72.99	19.10	53.89	26.17
11.	Loharu	35.92	11.58	24.34	32.24
12.	Narnaul	193.33	130.90	62.43	67.71
13.	Narwana	159.73	111.61	48.12	69.87
14.	Nilokheri	48.22	25.40	22.82	52.68
15.	Palwal	331.01	236.84	94.17	71.55
16.	Pehowa	102.12	55.60	46.52	54.45
17.	Pundri	73.96	43.00	30.96	58.14
18.	Punhana	70.93	51.82	19.11	73.05
19.	Safidooan	88.43	61.51	26.92	69.56
20.	Samalkha	99.17	66.53	32.64	67.09
21.	Shahabad	112.40	59.46	52.94	52.90
22.	Sirsa	482.84	344.64	138.20	71.38
23.	Siwani	49.51	25.01	24.50	50.52
24.	Sonepat	856.43	609.04	247.39	71.11
25.	Uklana mandi	35.35	3.63	31.72	10.27
Total		9175.76	4437.64	4738.12	48.36

(Source: Data supplied by the Municipalities)

Appendix 8

(Reference: Paragraph 4.1.3.1; Page 21)

Details of development works executed in unauthorised area/colony in Municipal area of Faridabad

Sl. No.	Name of Colony/Ward	Name of works	Expenditure (₹ in lakh)	Date of payment
1	AC Nagar, Ward No. 12	Providing and laying of 60 mm thick interlocking tiles near nallah of AC Nagar in Ward No. 12	7.90	06.02.2014
2	AC Nagar, Ward No. 12	Providing and laying of 60 mm thick interlocking tiles in various streets of AC Nagar, Ward No. 12	9.66	13.02.2014
3	AC Nagar, Ward No. 12	Providing and laying of 60 mm thick interlocking paver tiles in various streets of AC Nagar in Ward No. 12	9.13	13.02.2014
4	AC Nagar, Ward No. 12	Providing and laying of 60 mm thick interlocking paver tiles in area of AC Nagar in street of Dena Bank & Syndicate Bank in Ward No. 12	2.84	05.09.2014
5	AC Nagar, Ward No. 12	Providing and laying of 60 mm thick interlocking tiles in various streets of AC Nagar in Ward No. 12	7.89	20.11.2013
6	AC Nagar, Ward No. 12	Providing and laying of 60 mm thick interlocking tiles near Nallah of AC Nagar in Ward No. 12	7.24	01.09.2014
7	AC Nagar, Ward No. 12	Providing and laying of 60 mm thick interlocking tiles near Nallah of AC Nagar in Ward No. 12	8.08	22.07.2014
8	AC Nagar, Ward No. 12	Providing and laying of 60 mm thick interlocking paver tiles in various streets of AC Nagar in Ward No. 12	5.39	20.11.2013
9	AC Nagar, Ward No. 13	Providing and laying of interlocking 80 mm thick paver Block M-35 Grade Paving in various street in front of Ram Dharm Kanta & back side street of Delite Hotel, AC Nagar in Ward No. 13	10.53	09.10.2014
10	AC Nagar, Ward No. 13	Providing and laying of 80 mm thick interlocking paver Block M-35 grade paving in various streets near Raghu Nath Mandir, AC Nagar in Ward No. 13	12.95	09.10.2014
11	AC Nagar, Ward 13	Providing and laying of 80 mm thick interlocking paver Block M-35 grade paving and drain in various streets near Masjid wali gali, AC Nagar in Ward No. 13	10.45	07.01.2015
12	AC Nagar, Ward No. 13	Provisioning of drain type 1' & 60 mm thick interlocking paver tiles in various Streets of AC Nagar, NIT Faridabad in Ward No. 13	4.35	19.06.2013
13	AC Nagar, Ward 13	Providing and laying of interlocking tiles 80 mm thick paver tiles M-35 grade in various streets near house of Vijay Medical Store to Tanki, Ram Pratap to Ram Milan near Vaishya Dharamshala near Labour Commissioner Office, AC Nagar in Ward No. 13	4.04	18.11.2015
14	Indira Nagar, Ward No. 13	Providing and fixation of 80 mm thick interlocking paver tiles M-35 grade in various streets of Indira Nagar in Ward No. 13	7.10	07.01.2015
15	Indira Nagar, Ward No. 13	Providing and laying of 80 mm thick interlocking tiles in street of Indira Nagar near Industrial area Faridabad in Ward No. 13	8.27	22.07.2014
16	Indira Nagar, Ward No. 17	Construction of Community Hall in Indira Nagar, Millhad Colony, Krishna Colony, Ram Nagar in Ward No. 17	9.44	12.12.2014
17	Indira Nagar, Ward No. 13	Construction of drain type IInd along leading from Yamaha factory to railway line Indira Nagar in Ward No. 13	4.31	10.02.2014
18	Indira Nagar, Ward No. 13	Providing and laying of 80 mm thick interlocking tiles M-35 grade in street of Indira Nagar near Alpha factory in Ward No. 13	5.11	13.03.2014
19	Indira Nagar, Ward No. 13	4 number of mini tubewell 6" dia bore in various places (Indira Nagar, Sanjay Nagar, AC Nagar Millhad colony) in Ward No. 13	4.00	20.01.2015
20	Indira Nagar, Ward No. 13	Providing and laying of interlocking tiles 80 mm thick paver block M-35 grade paving various street of Indira	3.38	10.09.2014

Sl. No.	Name of Colony/Ward	Name of works	Expenditure (₹ in lakh)	Date of payment
		Nagar in Ward No. 13		
21	Indira Nagar, Ward No.13	Construction of drain type 1 st and Providing and laying of 60 mm thick interlocking tiles various street of Indira Nagar in Ward No. 13	3.89	17.07.2014
22	Ram Nagar, Ward No.13	4 numbers of mini tubewell 6" dia bore in various places in Ram Nagar, Krishana Nagar, AC Nagar in Ward No. 13	4.22	16.02.2015
23	Ram Nagar, Ward No 12	Providing and laying of interlocking tiles M-35 grade with drain in various streets Ram Nagar in Ward No. 12	10.06	20.07.2015
24	Ram Nagar, Ward No 13	Providing and laying of interlocking tiles 60 mm thick paver tiles M-35 grade in various streets Ram Nagar between transport road tubewell and Hanuman Mandir in Ward No.13	8.43	09.09.2015
25	Nehru Colony, NIT Fairidabad in Ward No. 10	Providing and laying of 60 mm thick interlocking tiles M-35 in various streets of Nehru Colony, NIT Faridabad in Ward No. 10	11.54	12.01.2015
26	Nehru Colony, Ward No. 10	Providing and laying of 60 mm thick interlocking Paver tiles M-35 grade in Shiv Mandir wali Gali, Yadav wali gali Bhaelan Cement & near disposal in Nehru Colony, Ward No. 10	7.49	24.12.2013
27	Nehru Colony, Ward No. 10	Providing and laying of 60 mm thick interlocking tiles in various street of Nehru Colony in Ward No. 10	1.64	27.09.2013
28	Nehru Colony, Ward No. 10	Providing and laying of interlocking tiles paver tiles M-35 grade Sulabh Sauchalay & Bisa Wali gali, Nehru Colony in Ward No. 10	8.32	03.10.2013
29	Nehru Colony, Ward No. 10	Providing and laying of 60 mm thick interlocking tiles in various street of Nehru Colony, Ward No. 10	18.20	04.01.2013
30	Nehru Colony, Ward No. 10	Providing and laying of 80 mm thick interlocking paver tiles in various streets near by Jalebi Chowk, Nehru Colony, Ward No. 10	5.73	18.09.2014
31	Nehru Colony, Ward No.10	Providing and laying of 80 mm thick interlocking paver tiles various streets in Nehru Colony in Ward No. 10	6.49	19.07.2014
32	Nehru Colony, Ward No. 10	Providing and laying of 60 mm thick interlocking paver tiles M-35 grade behind Masjid to Bodha Mandir in Nehru Colony in Ward No. 10	9.10	03.10.2013
33	Nehru Colony, Ward No. 10	Providing and laying of 80 mm thick interlocking tiles in various streets of near DHBVN Sub Station, Nehru Colony in Ward No. 10	6.63	31.07.2014
34	Nehru Colony, Ward No.10	Providing and laying of 60 mm thick interlocking tiles & 35 Grade H. No. 1271 wali gali Nehru Colony in Ward No. 10	9.46	28.03.2014
35	Nehru Colony, Ward No. 10	Construction of drain type 1 st & Providing and laying of 60 mm thick interlocking tiles at various street of Nehru Colony in Ward No. 10	0.47	27.09.2013
36	Dhruv Dera, Ward No. 19	Providing and laying of 80 mm thick interlocking tiles in various streets in Dhruv Dera in Ward No. 19	8.82	12.09.2014
37	Gadha Khor Dera in Ward No. 19	Provision of one number of tubewell bore by DTH machine in Gadha Khor Dera in Ward No. 19	5.52	15.07.2015
Total			268.07	

Source: Data compiled on the basis of works list supplied by the Municipal Corporation, Faridabad

Appendix 9

(Reference: Paragraph 4.1.3.3; Page 21)

Statement showing details of non-levy of penalty for delay in completion of works

Sr. No.	Name of MCs	Name of Works	Estimate Cost ₹ in lakh	Date of start of work/ Work Order	Completion date as per Work Order	Actual date of completion	Delay in Days	Penalty due (₹ in lakh)
1.	Faridabad	P/L interlocking 60 mm thick paver blocks M-35 in various streets of Ram Nagar in W.13	5.70	8.09.14	7.12.2014	8.09.2015	276	0.57
	Faridabad	Construction of attendance shed for sewer Man in Ward no.12&13	5.84	15.12.2013	14.02.2014	02.06.2014	109	0.58
2.	Kaithal	Construction of boundary wall in khasra no. 152 & 151 in Patti Dogar	10.00	19.01.2011	18.03.2011	20.03.2012	367	1.00
	Kaithal	Construction of kitchen shed in Balmiki Chanchal Giri Ashram, Ward no. 31	1.00	14.01.2013	28.02.2013	15.04.2013	45	0.10
	Kaithal	Construction of Anganwari Centre in Jalandhari mohalla, Ward no.22	2.42	10.02.2013	26.03.2013	31.07.2013	127	0.24
3.	Sirsa	Construction of Gali School No. 4 wali W. 21	10.00	20.08.12	19.10.12	06.01.13	79	1.00
	Sirsa	Construction of IPB Gali in Rajesh Khanawal MC, Papu Indora Sanjay Colony W. No. 28	10.00	21.09.12	20.11.12	10.05.13	171	1.00
	Sirsa	Construction of CC Gali from Ch. Cotton Factory to Shiv Sankar Rice Mill W. No. 31	10.00	01.08.14	31.08.14	31.03.15	212	1.00
4.	Sonepat	Construction of street from Gohana Road to Narender (JE) of Malik Colony, W.No.31	9.75	09.07.14	08.10.14	09.05.15	212	0.98
	Sonepat	Construction of street from H/o Karnail to Ram Kumar Rohila, W. No. 29	9.90	02.12.14	02.03.15	30.06.15	120	0.99
	Sonepat	Construction of street from H/o Hukam Chand to H/o Ved Prakash, W. No. 28	5.00	02.12.14	02.03.15	10.05.15	69	0.50
	Sonepat	Construction of street from Vikash Nager to Malviya Nager, W.29	10.00	02.12.14	02.03.15	30.05.15	89	1.00
Total			89.61					8.96

(Source: Data compiled from records produced by the Municipalities)

Appendix 10
(Reference: Paragraph 4.2.2.1; Page 23)

Statement showing Budget Estimate, Actual Realisation and Percentage of Own Fund during the period 2011-12 to 2015-16

(₹ in crore)

Sl. No	Name of the Municipalities	Budget Estimate					Actual Realisation (Percentage)				
		2011-12	2012-13	2013-14	2014-15	2015-16	2011-12	2012-13	2013-14	2014-15	2015-16
1	Panchkula	57.59	74.66	89.81	74.74	76.81	10.26 (18)	4.35 (06)	38.47 (43)	24.09 (32)	35.99 (47)
2	Shahabad	5.26	5.66	6.46	6.59	6.92	2.57 (49)	2.10 (37)	3.17 (49)	1.18 (18)	1.27 (18)
3	Pehowa	3.94	4.96	5.71	6.17	7.09	3.24 (82)	2.34 (47)	4.19 (73)	2.21 (36)	2.05 (29)
4	Ladwa	3.73	3.96	4.19	3.93	1.50	1.94 (52)	1.82 (46)	2.22 (53)	1.44 (37)	0.77 (51)
5	Pundri	0.92	1.42	1.51	1.67	1.73	1.10 (120)	0.77 (54)	0.67 (44)	1.33 (80)	1.03 (60)
6	Nissing	0.62	0.79	0.91	1.04	0.91	0.43 (69)	0.74 (94)	0.59 (65)	0.26 (25)	0.56 (62)
7	Kaithal	17.20	23.41	29.69	34.12	36.24	9.97 (58)	8.14 (35)	11.91 (40)	15.75 (46)	9.54 (26)
8	Jind	8.93	9.95	12.43	16.11	17.87	6.83 (76)	6.42 (65)	9.16 (74)	10.85 (67)	15.12 (85)
9	Dharuhera	2.28	2.90	3.50	5.10	6.25	2.91 (128)	1.04 (36)	5.86 (167)	4.56 (89)	5.61 (90)
10	Sampla	5.29	6.13	3.30	7.34	9.37	6.09 (115)	4.59 (75)	1.27 (38)	5.49 (75)	9.37 (100)
11	Bawanikhera	1.17	1.32	1.46	2.05	2.26	0.66 (56)	0.71 (54)	0.60 (41)	0.37 (18)	0.51 (23)
12	Gharaunda	2.81	2.93	3.04	3.85	5.83	1.83 (65)	1.87 (64)	1.70 (56)	1.84 (48)	2.11 (36)
13	Kalanwali	1.25	1.60	1.98	2.47	3.07	1.02 (82)	0.97 (61)	0.66 (33)	0.90 (36)	1.00 (33)

Sl. No	Name of the Municipalities	Budget Estimate				Actual Realisation (Percentage)					
		2011-12	2012-13	2013-14	2014-15	2015-16	2011-12	2012-13	2013-14	2014-15	2015-16
14	Rania	1.71	1.81	2.09	2.64	2.78	0.98 (57)	1.91 (106)	1.34 (64)	0.85 (32)	1.15 (41)
15	Bahadurgarh	20.78	21.14	26.62	26.62	27.03	15.08 (73)	18.53 (88)	16.80 (63)	17.63 (66)	19.40 (72)
16	Jhajjar	6.71	6.45	7.69	8.96	9.22	4.57 (68)	4.48 (69)	13.98 (182)	6.48 (72)	4.34 (47)
17	Mahendergarh	5.86	6.40	7.09	7.76	8.62	3.55 (61)	3.55 (55)	4.44 (63)	3.52 (45)	2.46 (29)
18	Faridabad	397.14	547.77	571.41	451.90	511.40	209.06 (53)	260.62 (48)	345.83 (61)	285.78 (63)	234.31 (46)
19	Gurgaon	659.98	982.60	835.35	942.12	1216.74	331.69 (50)	438.08 (45)	378.93 (45)	186.20 (20)	546.40 (45)
20	Palwal	11.34	17.97	19.56	26.91	38.57	11.04 (97)	15.43 (97)	12.54 (70)	9.02 (46)	18.72 (49)
21	Narnaul	7.00	9.80	9.77	11.50	11.28	7.93 (113)	7.96 (81)	7.90 (81)	7.77 (68)	10.96 (97)
22	Siwani	1.06	1.19	1.13	2.12	2.33	0.43 (41)	0.81 (68)	0.85 (75)	0.44 (21)	1.07 (46)
23	Samalkha	3.61	4.38	4.67	5.85	8.36	2.99 (83)	3.69 (84)	3.40 (73)	4.76 (81)	5.29 (63)
Total		1226.18	1739.20	1649.37	1651.56	2012.18	636.17 (52)	790.92 (45)	866.48 (53)	592.72 (36)	929.03 (46)

Source: Compiled from the data received from the municipalities.

Appendix 11**(Reference: Paragraph 4.2.2.2; Page 24)****Statement showing details of non-recovery of Property Tax including Fire Tax**

Sr.No	Name of Municipalities	Amount recoverable (Arrear+Target)	Amount actually recovered	Amount outstanding as on 31 st March 2016	Percentage of outstanding
		(₹ in crore)			
1	Panchkula	7.46	4.01	3.45	46
2	Shahabad	1.90	1.17	0.73	38
3	Pehowa	2.96	0.31	2.65	90
4	Ladwa	0.45	0.31	0.14	31
5	Pundri	0.50	0.15	0.35	70
6	Nissing	0.11	0.11	0.00	0
7	Kaithal	13.04	1.58	11.46	88
8	Jind	3.67	1.77	1.90	52
9	Dharuhera	9.81	0.02	9.79	100
10	Sampla	0.34	0.10	0.24	71
11	Bawanikhera	0.18	0.03	0.15	83
12	Gharaunda	0.65	0.24	0.41	63
13	Kalanwali	0.88	0.35	0.53	60
14	Rania	0.48	0.18	0.30	63
15	Bahadurgarh	2.56	0.99	1.57	61
16	Jhajjar	4.73	0.45	4.28	90
17	Mahendergarh	0.14	0.03	0.11	79
18	Faridabad	316.08	41.67	274.41	87
19	Gurgaon	557.00	385.22	171.78	31
20	Palwal	1.91	0.45	1.46	76
21	Narnaul	2.71	0.65	2.06	76
22	Siwani	0.39	0.23	0.16	41
23	Samalkha	1.18	0.51	0.67	46
Total		929.13	440.53	488.60	53

Source: Compiled from the data received from municipalities.

Appendix 12

(Reference: Paragraph 4.2.2.4; Page 25)

Statement showing details of non-levy of licence fee on commercial activities by Municipal Corporation, Panchkula

Sr. No.	Particulars of commercial activities	Number of units	Minimum rate of annual fee for license (in ₹)	Amount of fee for five years (in ₹ lakh)
1.	Shops	4,610	2,000	461.00
2.	Industries and institutions	750	3,000	112.50
3.	Residential-cum-commercial houses	698	1,000	34.90
4.	Banks	24	2,000	2.40
5.	Bar and restaurants	8	15,000	6.00
6.	Hospital and nursing homes	6	10,000	3.00
7.	Petrol pumps	12	5,000	3.00
8.	Theatres	2	10,000	1.00
9.	Showrooms of two wheeler vehicles	3	10,000	1.5
10.	Showrooms of four wheeler vehicles	3	15,000	2.25
Total		6,116	-	627.55

Appendix 13**(Reference: Paragraph 4.2.2.5; Page 26)****Statement showing details of non-recovery of development charges**

Sr. No	Name of municipalities	No. of Colonies	Total built-up area (in sq. yards)	Rate per Sq. yard (in ₹)	Amount recovered (₹ in crore)	Amount to be recovered (₹ in crore)
1	Municipal Committee, Pundri	05	684618	30	0.44	1.61
2	Municipal Committee, Nissing	05	353610.4	30	-	1.06
3	Municipal Council, Kaithal	20	3380014	50	-	16.90
4	Municipal Council, Jind	60	4174742	50	-	20.87
5	Municipal Committee, Dharuhera	09	399784	30	0.15	1.05
6	Municipal Committee, Bawanikhhera	02	21489.6	30	-	0.06
7	Municipal Committee, Gharaunda	03	43608.4	30	0.03	0.10
8	Municipal Committee, Kalanwali	01	246598	30	-	0.74
9	Municipal Committee, Rania	10	436906.8	30	0.04	1.27
10	Municipal Council, Bahadurgarh	26	945784.4	50	-	4.73
11	Municipal Committee, Jhajjar	18	1733639.6	30	-	5.20
12	Municipal Committee, Mahendergarh	06	424952	30	-	1.27
13	Municipal Corporation, Gurgaon	44	4199910	150	-	63.00
14	Municipal Council, Palwal	12	1932708.8	50	-	9.66
15	Municipal Council, Narnaul	04	106480	50	-	0.53
16	Municipal Committee, Siwani	04	466285.6	30	-	1.40
17	Municipal Committee, Samalkha	17	1028984	30	-	3.09
18	Municipal Committee, Naraingarh	09	493825.2	30	-	1.48
19	Municipal Corporation, Yamunanagar	16	816604.8	100	-	8.17
20	Municipal Corporation, Karnal	24	1435398.80	100	-	14.35
21	Municipal Council, Fatehabad	08	328297.20	50	-	1.64
22	Municipal Corporation, Hisar	38	1269725.60	100	-	12.70
23	Municipal Council, Hansi	22	388845.60	50	-	1.94
24	Municipal Council, Hodel	05	247953.20	50	-	1.24
25	Municipal Committee, Hathin	08	1247897.20	30	-	3.74
Total		376			0.66	177.80

Note: Municipal Corporation, Panchkula had not regularized unauthorized colony.**Source: Data provided by municipalities**

Appendix 14

(Reference: Paragraph 4.2.2.6; Page 26)

Statement showing details of non-recovery of installation and processing fee from Dish-Antenna of ATMs

Sl. No.	Name of the Municipalities	Period	No. of ATM	Recoverable amount		Total
				Installation charges	Processing fee	
				(₹ in lakh)		
1	Panchkula	2011-16	255	12.75	2.55	15.30
2	Shahabad	2011-16	26	1.30	0.26	1.56
3	Pehowa	2011-16	22	1.10	0.22	1.32
4	Ladwa	2011-16	23	1.15	0.23	1.38
5	Pundri	2011-16	04	0.20	0.04	0.24
6	Nissing	2011-16	09	0.45	0.09	0.54
7	Kaithal	2011-16	50	2.50	0.50	3.00
8	Dharuhera	2011-16	16	0.80	0.16	0.96
9	Sampla	2011-16	12	0.60	0.12	0.72
10	Bawanikhera	2011-16	02	0.10	0.02	0.12
11	Gharaunda	2011-16	15	0.75	0.15	0.90
12	Kalanwali	2011-16	08	0.40	0.08	0.48
13	Rania	2011-16	07	0.35	0.07	0.42
14	Bahadurgarh	2011-16	31	1.55	0.31	1.86
15	Jhajjar	2011-16	27	1.35	0.27	1.62
16	Mahendergarh	2011-16	12	0.60	0.12	0.72
17	Faridabad	2011-16	622	31.10	6.22	37.32
18	Gurgaon	2011-16	401	20.05	4.01	24.06
19	Palwal	2011-16	54	2.70	0.54	3.24
20	Narnaul	2011-16	32	1.60	0.32	1.92
21	Siwani	2011-16	08	0.40	0.08	0.48
22	Samalkha	2011-16	24	1.20	0.24	1.44
23	Yamunanagar	2013-14	133	6.65	1.33	7.98
24	Karnal	2012-15	201	10.05	2.01	12.06
25	Hisar	2013-15	174	8.70	1.74	10.44
26	Fatehabad	2012-15	36	1.80	0.36	2.16
27	Hansi	2013-15	29	1.45	0.29	1.74
Total			2233	111.65	22.33	133.98

Note: Transaction Audit: (i) Yamunanagar, (ii) Karnal, (iii) Hisar, (iv) Fatehabad and (v) Hansi**Source:** Compiled from the data received from bank authorities/municipalities.

Appendix 15
(Reference: Paragraph 4.4; Page 29)
Details of Service Tax not collected

(Amount in ₹ lakh)

Sl. No.	Name of Unit	Period	Service Tax not collected	Service Tax deposited out of MC fund	Interest and penalty paid out of MC fund
1.	Municipal Council, Dhabwali	April 2007 to March 2013	15.15	15.15	5.89
2.	Municipal Committee, Nuh	February 2009 to March 2015	9.10	-	0
3.	Municipal Council, Mohindergarh	April 2011 to March 2015	32.37	-	0
4.	Municipal Committee, Ferozpur Zirkha	June 2007 to March 2015	23.15	-	0
5.	Municipal Committee, Siwani	-	0.11	0.11	0.27
6.	Municipal Council, Charkhi Dadri	June 2007 to December 2012	25.74	10.13	0
7.	Municipal Council, Kaithal	-	17.20	17.20	0
8.	Municipal Corporation, Faridabad	April 2014 to March 2015	8.00	-	0
Total			130.82	42.59	6.16

Appendix 16

(Reference: Paragraph 4.5; Page 29)

Statement showing rental receipts and service tax deducted by the Service Tax department there against

Sl.No.	Period	Advertising Agency	Amount collected by Municipality (₹ in lakh)	Rate of Service tax ¹ (in per cent)	Amount of Service Tax debited by the Bank (₹ in lakh) on direction under the Section 87 of the Act
1.	27.08.2006 to 09.11.2006	M/s A	7.03	12.24	0.86
2.	13.12.2006 to 20.04.2007	M/s B	47.86	12.24	5.86
	18.06.2007 to 01.02.2008	M/s B	40.49	12.36	5.01
3.	20.03.2008 to 26.03.2008	M/s C	98.00	12.36	12.11
4.	01.01.2009 to 23.02.2009	M/s C	16.33	12.36	2.02
	24.02.2009 to 30.09.2009	M/s C	24.50	10.30	2.52
Total			234.21		28.38

¹ From 18th April 2006 to 10 May 2007 service tax rate was 12.24 per cent; from 11 May 2007 to 23rd February 2009 service tax rate was 12.36 per cent and from 24th February 2009 to 31 March 2012 service tax rate was 10.30 per cent.

Appendix 17

(Reference: Paragraph 4.6; Page 30)

Statement showing municipality-wise excess payment of EPF paid

MC Hansi from May to December 2013 i.e. for 8 months (amount in ₹)					
Particulars (1)	Rate claimed/paid (2)	Amount (3)	Rate payable (4)	Amount payable (5)	Excess EPF Paid (6) = (3-5)
120 Safai Karamchari	7,260	69,69,600	6,500	62,40,000	-
EPF	13.61%	9,48,563	13.61%	8,49,264	99,299
MC Hansi from January to April 2014 i.e. for 4 months					
120 Safai Karamchari	8,100	38,88,000	6,500	31,20,000	-
EPF	13.61%	5,29,157	13.61%	4,24,632	1,04,525
Total (A)					2,03,824
MC Hisar from April 2013 to March 2014 i.e. for 12 months (amount in ₹)					
Particulars (1)	Rate claimed/paid (2)	Amount (3)	Rate payable (4)	Amount payable (5)	Excess EPF Paid (6) = (3-5)
450 Safai Karamchari	7,260	3,92,04,000	6,500	3,51,00,000	
10 Supervisor	9,064	10,87,680	6,500	7,80,000	
EPF	13.61%	54,83,698	13.61%	48,83,268	6,00,430
MC Hisar from April 2014 to June 2014 i.e. for 3 months					
450 Safai Karamchari	8,100	1,09,35,000	6,500	87,75,000	
10 Supervisor	9,064	2,71,920	6,500	1,95,000	
EPF	13.61%	15,25,262	13.61%	12,20,817	3,04,445
Total (B)					9,04,875
Grand total (A+B)					11,08,699

Appendix 18

(Reference: Paragraph 4.8; Page 32)

Statement showing doubtful payment on bogus muster rolls

Sl. No.	Name of work	Voucher Number/ date of payment	Wages Paid (in ₹)
1.	Construction of Kumharan Choupal in Saura Mohala, Rohtak	77/25.10.2010	18,207
2.	Construction of Kabir Dharamshala near Old Sadar Thana, Rohtak	82/09.11.2010	67,274
3.	P/F Interlocking tiles in Tej Colony From Dharamvir Hair Dresser to shop of Chandan Ward No. 7, Rohtak	85/15.11.2010	17,076
4.	Construction of CC Road Anil motor to KS Dahiya wali gali Subhash Road Rohtak Bhagwati Chowk to Kauheli Road Old Housing Board, Rohtak	89/25.11.2010	3,910
5.	Construction of CC Road Bhagwati Chowk to Kauheli Road Old Housing Board, Rohtak	93/25.11.2010	1,365
6.	P/F Interlocking tiles from H/O Rohtash to Kadian in Tau Nagar, Rohtak	97/01.12.2010	31,320
7.	Development of Rangshala/amusement at Rohtak	114/23.01.2011	46,280
8.	Development of Rangshala/amusement at Rohtak	115/23.01.2011	24,600
9.	Construction of kitchen shed in GPS Medical College, Rohtak	127/22.03.2011	26,170
10.	Construction of kitchen shed in GPS Medical College, Rohtak	139/23.3.2011	26,185
11.	Construction of Rajput Dharamshala near Jind bye Rohtak	143/24.03.2011	34,506
12.	Construction of IInd type drain Gali no. 15 in Prem Nagar, Rohtak	145/24.03.2011	8,535
13.	Boundary wall with development of play ground at GHS Shakpura, Rohtak	54/31.03.2011	19,698
Total amount			3,25,126

Appendix 19**(Reference: Paragraph 4.9; Page 33)****Statement showing diversion of grants-in-aid funds**

Sl. No.	Municipality	Name of scheme	Item of expenditure	Amount of diversion (₹ in lakh)
1.	Municipal Corporation Faridabad	CFC	Salaries, wages	700.33
2.	Municipal Corporation Hisar	CFC	Salaries , allowances, Gratuity	91.93
3.	Municipal Council Mandi Dabwali	VAT & CFC	Salaries, allowances , Audit fee , Leave encashment financial assistance and Insurance	152.56
4.	Municipal Committee Nuh	VAT	Salaries, PF, Arrears, Leave salary, Pension, Medical claims.	80.13
5.	Municipal Committee Siwani	VAT	Salaries, allowances, Pension, gratuity, compensatory financial assistance, Medical Bills	31.27
6.	Municipal Committee Bhuna	SFC	Wages of sanitation staff	09.66
7.	Municipal Committee Bawani Khera	VAT	Audit fee ,Salaries	94.39
		CFC	Salaries, Arrears, GPF and Wheat advance.	25.08
		SFC	Salaries	01.20
Total:				1,186.55