

GOVERNMENT OF UTTAR PRADESH

**ANNUAL TECHNICAL INSPECTION REPORT
ON
URBAN LOCAL BODIES**

In terms of the Technical Guidance and Supervision by the
Comptroller and Auditor General of India

FOR THE YEAR ENDED 31 MARCH 2005

**Office of the Principal Accountant General (Civil Audit)
Uttar Pradesh**

TABLE OF CONTENTS

Contents	Paragraph Number	Page Number
Preface		v
CHAPTER-I		
An Overview of the Urban Local Bodies		
Introduction	1.1	1
Organizational setup	1.2	2
Sources of funds	1.3	3
Allocation of funds	1.4	3
Release of funds	1.5	4
Functioning of the ULBs	1.6	4
Audit Arrangement	1.7	4
Audit Coverage	1.8	5
Comments on accounts	1.9	5
Non maintenance of Balance Sheet	1.9.1	5
Non-reconciliation of balances	1.9.2	5
Non maintenance of Assets Register	1.9.3	6
Non maintenance of Register for Advances	1.9.4	6
Unpaid liabilities	1.9.5	6
Unutilized balances	1.9.6	7
Amount withdrawn not shown in cash book	1.9.7	7
Certification of Accounts	1.9.8	8
Recommendations	1.9.9	8
CHAPTER-II		
Results of Audit		
Nagar Nigams		
Non recovery of advances from individuals	2.1	9
Non realization of Taxes, Rent and License Fee	2.2	10
Loss of revenue due to non recovery of road cutting charges	2.3	10-11

Non realization of revenue due to non disposal of Octroi buildings(Chungi Chauki)	2.4	11
Loss of revenue due to non deduction of Trade Tax	2.5	11
Non realization of fund from sale of plots	2.6	11
Nagar Palika Parishads		
Non-realization of Rent, Rates and Taxes	2.7	12
Non utilization of grants/funds	2.8	12
Loss of revenue due to non recovery of fees for use of land	2.9	12-13
Loss of revenue due to non recovery of auction money	2.10	13
Non recovery of road cutting charges	2.11	13
Non receipt of Deed Fee (Vilekh Shulk)	2.12	13-14
Non deposition of statutory recoveries	2.13	14
Excess expenditure over budget	2.14	15
Non deposit/short deduction of trade tax/ Income Tax	2.15	15
Non adjustment of advances	2.16	16
Non levy of penalty on contractors for delay in completion of work	2.17	16
Nagar Panchayats		
Non realization of Rent, Rates and Taxes	2.18	17
Idling of Funds	2.19	17
Loss of revenue due to non imposition/short levy of license fee	2.20	18
Loss of revenue due to awarding contracts at lesser value	2.21	18
Loss of revenue due to non levy of stamp duty	2.22	19
Non deduction/short deduction/non deposition of Income Tax and Trade Tax	2.23	19
Recommendations	2.24	20

LIST OF APPENDICES

Number	Particulars	PageNumber
I	List of Nagar Nigams inspected during 2004-05	21
II	List of Nagar Palikas Parishads inspected during the year 2004-05	22
III	List of Nagar Panchayats inspected during 2004-05	23
IV	Non Maintenance of Receipt-Payment Account	24
V	Non- reconciliation of Bank Pass Book with Cash Book in Nagar Palika Parishads	25
VI	Non reconciliation of balances in Nagar Panchyats	26
VII	Non-Maintenance of Asset Register in Nagar Panchayat	27
VIII	Unutilized balances in Nagar Nigams	28
IX	Unutilized funds in Nagar Palika Parishads	29-31
X	Non realization of Rent, Rates and Taxes in Nagar Palika Parishads	32-33
XI	Non Utilization of Funds in Nagar Palika Parishads	34-35
XII	Non Recovery of Auction money in Nagar Palika Parishads	36
XIII	Non adjustment of advances in Nagar Palika Parishads	37
XIV	Non levy of penalty on contractors for delay in completion of work in Nagar Palika Parishads	38

XV(a)	Non realization of House Tax in Nagar Panchyats	39
XV(b)	Non realization of Rent, Rates and Taxes in Nagar Panchyats	40-41
XVI	Idling of Funds in Nagar Panchayats	42
XVII	Loss of revenue due to non imposition of license fee as per Government order in Nagar Panchayats	43
XVIII	Loss of revenue due to non levy of stamp duty in Nagar Panchayats	44
XIX	Non-deduction/deposit of Income Tax and Trade Tax in Nagar Panchayats	45

PREFACE

1. This report has been prepared for submission to the Government of Uttar Pradesh in accordance with the terms of Technical Guidance and Supervision (TGS) of the audit of accounts of Urban Local Bodies (ULBs) by the Comptroller & Auditor General of India as envisaged by the Eleventh Finance Commission.
2. This report has two chapters. CHAPTER I contains a brief introduction of the functioning of various levels of the ULBs in the state with the observations and comments on accounts and CHAPTER II deals with audit comments based on inspection.
3. The cases mentioned in the report are those, which came to notice in the course of test audit/inspection of accounts during the year 2004-05 and earlier years. During the period from April 2004 to March 2005, accounting and other records of 08 Nagar Nigams, 45 Nagar Palika Parishads and 30 Nagar Panchayats were inspected. Test audit of all the 08 Nagar Nigams and 38 Nagar Palika Parishads was conducted under section 14 of C & AG's DPC Act, 1971

CHAPTER I

AN OVERVIEW OF THE URBAN LOCAL BODIES

1.1 Introduction

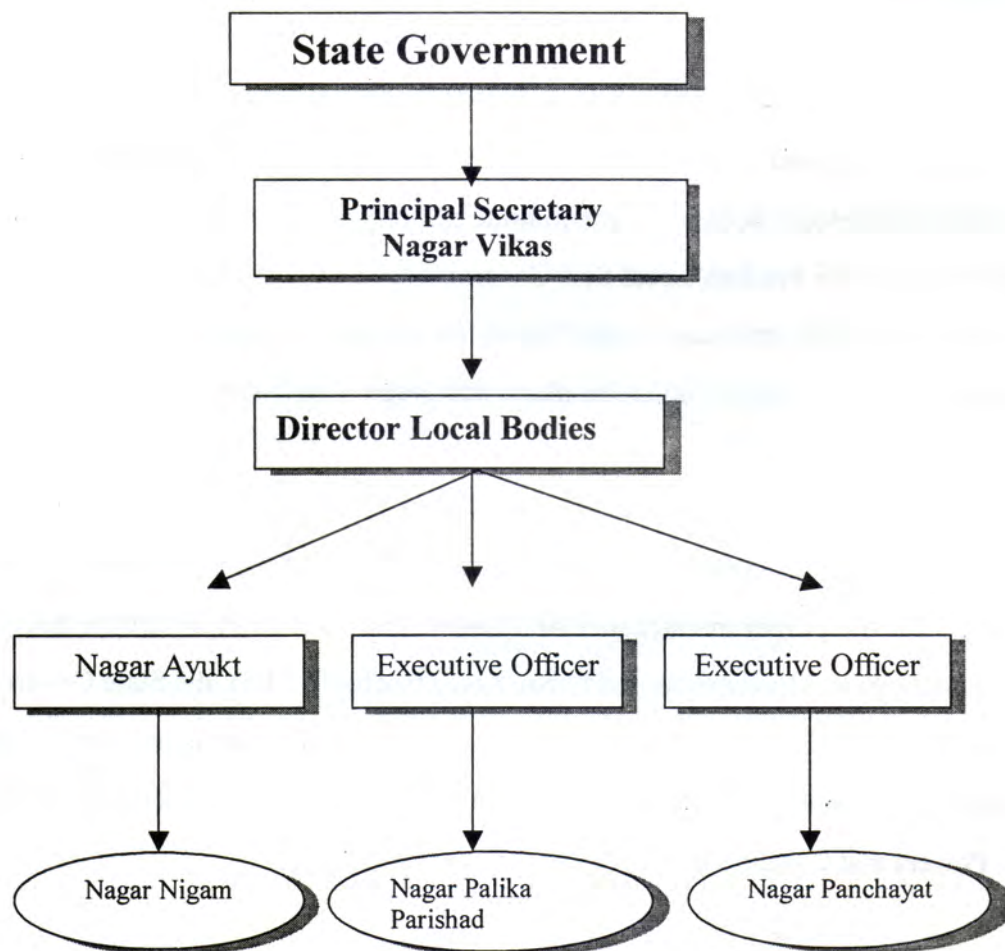
The 74th Constitutional Amendment paved the way for decentralization of powers and transfer of 18 functions as listed in the 12th schedule of the constitution alongwith funds and functionaries to the local bodies. To incorporate the provisions of the 74th Constitutional Amendment, the Uttar Pradesh Local Self Government Laws (Amendment) Act 1994 was enacted. In the three-tier structure, Nagar Nigams are governed by the UP Nagar Nigam Act 1959 whereas both the Nagar Palika Parishads and Nagar Panchayats are governed by the UP Nagar Palika Act 1916.

In pursuance of the Eleventh Finance Commission (EFC) recommendations that the Comptroller and Auditor General of India shall be responsible for exercising control and supervision over the proper maintenance of accounts and their audit for all the three tiers/ levels of Panchyati Raj Institutions and Urban Local Bodies (ULBs), the State Government in October,2001 entrusted the work of exercising control and supervision over the proper maintenance of accounts of ULBs and their audit to C&AG under section 20(1) of the C&AG's (Duties, Powers and Conditions of Service) Act 1971.

1.2 Organizational Setup

The reorganized State of Uttar Pradesh consists of 70 districts. There are 12 NNs, 194 NPPs and 422 NPs in the state.

The Organizational set-up of Urban Local Bodies is as under:



While the Mayor heads the Nagar Nigam, the President heads both Nagar

Palika Parishads and Nagar Panchayats.

1.3 Sources of Funds

For execution of various developmental works, the Government of India and State Government provide funds in the form of grants. The following are the sources of funds for ULBs:

- (i) Grants assigned under the recommendations of the Central Finance Commission (CFC).
- (ii) Allocation of 7 per cent of net proceeds of total tax revenue of the State Government under the recommendations of the first State Finance Commission (SFC).
- (iii) Funds remitted by the respective departments of the state government in respect of functions transferred to the ULBs.
- (iv) Revenue earned by the ULBs out of their own resources i.e. taxes, rent, fees, issue of licenses, tehbazari, taxi stands, etc.

1.4 Allocation of Funds

The first State Finance Commission recommended allocation based on the criteria of 80 per cent according to population and 20 per cent according to area for devolution of 7 per cent of net proceeds of total tax revenue of the state government to ULBs and determined their inter-se-percentage share. Accordingly, 3.12 per cent of net proceeds are earmarked each for Nagar Nigams and Nagar Palika Parishads and 0.76 per cent for Nagar Panchayats. These grants are further allocated among the NNs, NPPs and NPs on the basis of percentage of total population, population of SC/ST, social backwardness and revenue earned from their own resources.

1.5 Release of Funds

The State Government (Finance department) release grants on the recommendations of Central Finance Commission and State Finance Commission to the ULBs through allotment orders under intimation to the Director Local Bodies. Withdrawal of the grants from treasury depends upon the current liquidity status of the State. In addition, funds for implementing centrally sponsored schemes and central sector schemes are released to the state administration, which in turn releases the same to various implementing agencies at the district level. During 2003-04 Rs.45.58 crore and Rs.825.00 crore were released under EFC and SFC respectively.

1.6 Functioning of the ULBs

The ULBs execute their function through various committees viz. Planning and Development Committee, Education Committee, Water Management Committee, Works Committee, Health and Welfare Committee, Administrative Committee. They also identify the beneficiaries under various schemes e.g. housing, self-employment etc. based on the income criteria.

1.7 Audit Arrangement

Under section 118 of UP Nagar Nigam Act 1959, *Mukhya Nagar Lekha Parikshak* is the Primary Auditor of the accounts of Nagar Nigam. There is no provision for primary auditors in UP Nagar Palika Act 1916 to conduct audit of Nagar Palika Parishads and Nagar Panchayats. The Director Local Funds Audit (*DLFA*) acts as statutory auditor of all the three tiers of ULBs. The C&AG of India also conducts test audit under Section 14 of the DPC Act as well as provides Technical Guidance and Supervision under section 20(1) *ibid.*

1.8 Audit Coverage

The test audit of 8 Nagar Nigams (Appendix-I), 45 Nagar Palika Parishads (Appendix-II) and 30 Nagar Panchayats (Appendix-III) was conducted during 2004-05. The audit included transaction audit and financial audit, comprising comments on accounts. The important audit findings are cited in the succeeding paragraphs.

1.9 Comments on Accounts

1.9.1 Non maintenance of Balance Sheet

Nagar Nigam, (Ghaziabad) and the test checked NPPs and NPs did not prepare the balance sheet. Besides, 2NPPs (Chitrakoot Dham, Karvi and Mahmoodabad, Sitapur) and 19 NPs (**Appendix-IV**) test checked did not maintain even receipts and payments accounts. Due to non preparation of balance sheet and receipt and payment account true and fair picture of financial position of these units could not be ascertained.

1.9.2 Non reconciliation of balances

In Jhansi Nagar Nigam and in 3 NPPs¹ (**Appendix- V**), a difference between the Cash book and Pass book amounting to Rs.1.70 Crore and Rs.6.73 lakh respectively existed as on 31 March 2004. 3 NNs (Ghaziabad, Agra, Lucknow), 3 NPPs {Mauranipur(Jhansi), Kairana (MuzaffarNagar), Kandla, (MuzaffarNagar) } and 28 NPs (**Appendix –VI**) test checked, did not reconcile balances as per cash book with treasury/bank pass book. Un-reconciled balances reflect incorrect financial status of the Local Bodies and consequently, the risk of fraud/embezzlement, and misappropriation of funds can also not be ruled out.

¹ Kairana (Muzaffar Nagar), Kandla (Muzaffar Nagar) and Mauranipur (Jhansi)

1.9.3 Non- maintenance of Assets Register

Asset register was not maintained in 2 NPPs [Shyohara(Bijnore) and Etawah] and 9 NPs (Appendix-VII) test checked.

1.9.4 Non- maintenance of Register for Advances

Register for Advances was not maintained in 3 NPs test checked {Manikpur, (Chitrakoot), Shankargarh, (Allahabad), Purkazi, (Muzaffar Nagar).

1.9.5 Unpaid liabilities

During 2003-04, in 3 NNs, an amount of Rs. 13.31Crore as detailed below remained as unpaid liabilities. The liabilities could not be discharged by the NNs although provision had been made for this in their budget

(Rs in Lakh)

Sl No	Name of Nagar Nigam	Period	Amount
1.	Gorakhpur	2003-04	127.57
2.	Lucknow	2003-04	603.63
3.	Bareilly	2003-04	599.79
		Total	1330.99

1.9.6 Unutilized balances

Test Check in 4NNs and 16 NPPs for the years 2001-02, 2002-03 and 2003-04 revealed huge closing balances as detailed below.

(Rs in lakh)

Sl.No.	Year	Closing balances held by 4 NNs#	Closing balances held by 16 NPPs#
1	2001-02	5428.38	735.35
2	2002-03	9697.78	1487.07
3	2003-04	10138.41	2099.87

(# NN and NPP wise balances are given in Appendix VIII and IX)

Expenditure did not therefore keep pace with the release of funds/grants, indicating poor absorption capacity of funds by the NNs and NPPs requiring improved planning and better financial management.

1.9.7 Amount withdrawn not shown in cash book

In NPP Faridpur, Bareilly though a sum of Rs.25.47 lakh (Rs.22.44 Lakh from PLA and Rs.3.03 Lakh from Gramin Bank) was withdrawn between October 2002 to December 2002, the same was not entered in the cash-book. Out of this, Rs.2.20 Lakh was shown in Pay Register as payment of pay and allowances for the month of September 2002 of Safai employees while no details were available for the remaining Rs.23.27 lakh. In the absence of account details of expenditure possibilities of embezzlement and misuse of fund could not be ruled out. This calls for the investigation by the concerned authorities.

1.9.8 Certification of Accounts

With no specific provisions in the State Act/ Rules, certification of accounts by the director Local Funds Audit (DLFA) was not in vogue in any of the NNs, NPPs and NPs test checked. In the absence of certification, the authenticity of the final accounts cannot be vouchsafed and no opinion on the true and fair view of the accounts of these bodies could be given in audit.

1.9.9 Recommendations

In view of the above audit findings, the following recommendations are made for consideration of the State Government:

Internal control mechanisms at the level of Department of Nagar Vikas and Director Local Bodies as well as the level of individual Urban Local Body management should be strengthened to ensure the following :

- * Proper maintenance of accounts-balance sheet, receipts and payments accounts, cash books and other basic records,
- * Reconciliation of Bank Accounts with Cash Books.

CHAPTER II

RESULTS OF AUDIT

NAGAR NIGAMS

2.1 Non-recovery of Advances from Individuals

Non-recovery of advances of Rs. 14.56 Crore

Temporary advances are paid to staff/individuals for making petty payments on muster rolls or other vouchers already passed for payment. The accounts of the same should be closed as soon as possible and unutilized cash balances refunded/recovered.

In 3 NNs, a sum of Rs.14.56 crore paid to officials/staff for various purchases/payments was outstanding against them for the last one to 30 years as per details below:-

(Rs. in lakh)

Sl.No.	Name of Nagar Nigam	Period	Purpose	Given to	Outstanding amount of advance
1	Agra	As on 31-03-2004	Purchase of material	Staff	801.50
2	Gorakhpur	1975 to 1986	—do—	Staff	556.39
3	Bareilly	1975 to 2003-04	— do —	Staff	97.94
Total					1455.83

Action to recover/adjust/write off the advances needs to be initiated and the monitoring mechanism strengthened to ensure speedy and timely adjustment/recovery. Unrecoverable amounts, if any, need to be written off by the State Govt.

2.2 Non-realization of Taxes, Rent and License fee

ULBs earn revenue out of their own resources through taxes, rent, fees, issue of licenses, tehbazari, taxi stand etc.

In 3 NNs, demand for Rs.19.05 crore was raised for 2003-04 out of which only a sum of Rs.8.82 crore was recovered during the year. A sum of Rs. 10.23 crore was outstanding against the tenants, licensees and contractors on accounts of rents, license fees and taxes etc. for more than one year as detailed below:-

(Rs. in lakh)

Sl.No.	Name of Nagar Nigam	Type	Demand for 2003-04	Recovery during 2003-04	Outstanding Balances as on 31.03.2004
1	Agra	Sampati & Vibhav kar ¹	800.20	333.94	466.26
2	Ghaziabad	Banner & Wall Paintings	10.01	5.00	5.01
		Tehbazari ²	3.93	-	3.93
3	Bareilly	Water Tax	287.40	132.10	155.30
		Water Charges	130.70	9.76	120.94
		House tax	252.14	99.28	152.86
		Sewer Tax	69.02	22.88	46.14
		Misc.	352.14	279.45	72.69
Grand Total			1905.54	882.41	1023.13

Lack of action for recovery of outstanding dues by the NNs in terms of the UP Municipalities Act, 1916 implied that the NNs were deprived of revenue to the extent.

2.3 Loss of revenue due to non-recovery of road cutting charges

Bharat Sanchar Nigam Ltd.(BSNL) dug roads to lay under ground cables in NN Ghaziabad during 1988-89 to 1996-97 and 1999-2000 to 2003-04 and in NN Bareilly during 1999-2000 to 2003-04. Though bills were issued to BSNL for recovery of road cutting charges, a sum of Rs.3.81 Crore (Rs. 2.79 Crore at NN Ghaziabad and Rs. 1.02 Crore at NN Bareilly) was outstanding up to 31March 2004.

¹Circumstances and property tax.

²Tax on trades and callings carried on within the municipal limits

Long period of delay in recovery of such a huge amount badly affects the financial position of NN besides adversely effecting public amenities to be provided.

2.4 Non-realization of revenue due to non-disposal of

Octroi buildings(Chungi Chauki)

Government of Uttar Pradesh directed (August 2001) all the Nagar Nigams to dispose off the buildings of octroi buildings (chungi chauki) which were not in use due to abolition of octroi in the state since 1989.

Based on a survey, NN Lucknow identified 17 such buildings for disposal at an estimated cost of Rs.1.59 crore. The disposal of these buildings was still pending (May 2005).

2.5 Loss of revenue due to non deduction of Trade Tax

Nagar Nigam Kanpur got works valuing Rs.13.95 crore executed through contractors between May1987 to June1988. However, no Trade Tax was deducted from the contractors' bills in terms of the UP Trade Tax Act 1948. On receipt of notice from the Trade Tax Dept. the Nagar Nigam paid Rs.55.78 Lakh between 1991 to March 2003 from its own fund instead of recovering the amount from the concerned contractors. Besides, a sum of Rs 0.42 crore was paid to the Trade Tax Department as penalty for delayed deposit of Trade Tax.

2.6 Non realization of Revenue from sale of plots – Rs.87.12 lakh

Nagar Nigam, Gorakhpur developed (1999-2000) 83 commercial plots of 72 square meters each @ Rs 2750.00 per square meter in Netaji Subhash Chandra Bose colony. As only 9 plots were sold at the above rate, it was decided by the board in October 2001 to offer the remaining plots at a discount of 25 per cent. Despite this, only 30 plots were allotted/sold as of May,2004 on discount basis.It was stated by the NN that the remaining 44 plots could not be sold due to their distance from the main road and proximity to high tension wires which is indication of faulty planning.

Thus due to lack of proper planning in selection of sites, the Nigam was deprived of the revenue of Rs.87.12 lakh (44x72x2750).

NAGAR PALIKA PARISHAD**2.7 Non-realization of Rent, Rates and Taxes**

Rents, license fees and taxes under the UP Municipalities Act 1916 are a major source of funding for the NPPs. In 14 NPPs, realization of water tax, House Tax, Tehbazari, Carcass, Sewerage charges, Meter charges and Rent of shops etc. amounting to Rs. 8.61 crore were outstanding as on 31 March 2004. (Appendix-X)

Poor revenue collection reduced revenue generation from own resources, thereby reducing the overall availability of funds.

2.8 Non-utilization of grants/fund

In 13 NPPs test checked, grants/funds amounting to Rs 7.37 crore were received upto 2003-04 by the NPPs from various sources for construction of road/drainage, slaughterhouse, school buildings etc. Out of this Rs.4.45 crore was not utilized up to 2003-04. (Appendix-XI) Non-utilization of amounts deprived the citizens from various civic amenities envisaged to have been set up/strengthened using these grants.

2.9 Loss of revenue due to non- recovery of fees for use of land

The Electricity Department had to pay fees at prescribed rates to the Parishad for using land for various purposes.

In NPP Fatehpur, although notice of demand was issued, the Electricity Department did not pay a sum of Rs. 2.12 crore which was due for use of land as per details below:-

Sl.No.	Purpose of use of NPP land by Elect.Depptt.	Area of land /utilization of land	Period	Rate Rs.	Amount (Rs. in lakh)
1	Electric Cell & tools	6770 Sqm	1981-82 to 2003-04	10 per sq.m.per month	178.73
2	Transformers (86 Nos)	535 Sq.m.	1997-98 to 2003-04	-do-	3.85
3	Electric Poles poles	3500 Nos.	1997-98 to 2003-04	Rs. 10 per pole per month	29.40
Total					211.98

Non-recovery of Rs.2.12 crore deprived the NPP from funds to finance various civic amenities.

2.10 Loss of Revenue due to non-recovery of auction money

With a view to earning revenue through its own resources, auctions were conducted by the NPPs for the use of its land for various purposes (Tanga stand, Sabjimandi, Parking, Mela, Slaughter house etc.) and contracts awarded.

In 2 Nagar Palika Parishads test checked, a sum of Rs.9.47 lakh was outstanding against the contractors due to non recovery of contract money from them [Rs. 7.45 lakh in NPP Badaun from 1994-95 to 2001-02 and Rs.2.02 lakh in NPP Kairana(Muzaffar Nagar)] from 1987-88 to 2002-03. The laxity in recovery of auction money implied that the NPPs lost out on sources of revenue to finance various civic activities.(Appendix-XII)

2.11 Non-recovery of road-cutting charges

Nagar Palika Parishads are empowered to recover compensation and to impose penalty for any damage to roads, drainage or brick works under its jurisdiction.

In NPP Bindaki (Fatehpur), an amount of Rs. 4.91 lakh remained to be recovered since 2001-02 from the telephone department on account of road cutting charges, penalty for damage to new water pipe lines and compensation for damage of drainage till September 2004 which could have been utilized to repair the damages caused to roads.

2.12 Non-receipt of Deed fees (Vilekh Shulk)

According to the Uttar Pradesh Nagar Palika Act 1916 and sub section (1) of section 128 of the Indian Stamp Act 1899, Nagar Palika Parishads may impose a tax on deeds of transfer of immovable property situated within the limits of the Nagar Palika Parishad for which stamp duty may be increased by two percent on the amount or value of the consideration with reference to which the duty is calculated under the said Act. All collection resulting from such increase after deduction of incidental charges were to be paid to the NPP.

In NPP Kannauj, from the year 1998-99 to 2002-03, a sum of Rs 48.28 lakh pertaining to the deed fees was not received from the Registration Department as per details given below despite reminders from the NPP.

Year	Amount(Rs)	Remarks
1998-99	655445.00	Excluding March 1999
1999-00	978259.00	
2000-01	1013256.00	
2001-02	1238171.00	
2002-03	943275.00	Up to September-2003
Total	4828406.00	

Non receipt of such a huge amount deprived NPP from financial resources critical for various civic activities.

2.13 Statutory recoveries not deposited

(i) According to the Uttar Pradesh Nagar Palika (Centralized) Service Retirement Benefits Rule 1981, the amount of pension contribution paid by a Nagar Palika under rule 11 is to be deposited in the pension fund account under the control of Director, Local Bodies.

In NPP Etawah, an amount of Rs.1.00 crore of pension contribution due from April 1985 to March 2003 was not deposited in the account due to non receipt of funds from the State Government. Payment of pension to 10 employees retired from September 1999 to December 2003 was also not made till June 2004 due to non availability of funds under the relevant head.

(ii) Under the provisions of the Provident Fund Rules, the amount of P.F. deducted from the pay of the employees viz. 10 per cent of the basic pay must be deposited in employees account opened in bank for this purposes.

In 2 NPPs test checked, it was noticed that an amount of Rs 1.34 crore (Rs.0.98 crore in Etawah and Rs.0.36 crore in Fatehpur) was not deposited in the employees bank account (March 2003) though deduction was made from salaries of the employees and spent elsewhere which resulted in hardship to the retiring employees.

2.14 Excess expenditure over budget

As per the provision laid down in the Financial Rules and section 103 of UP Nagar Palika Act 1916, expenditure in excess of budget is prohibited. Where the budget has been passed, NPPs cannot incur expenditure in excess of the amount passed under the head without making provision by adopting the prescribed procedure for regularizing such excess.

In 2 NPPs, excess expenditure of Rs.14.81 lakh was incurred over the budget provision under certain heads without making provisions for such excess and regularising the same during 2002-04 as indicated below:

(Rupees in lakh)

Sl. No.	Name of NPP	Year	Description	Budget provision	Actual expenditure	Excess expenditure
1	Saharanpur	2003-04	(i)General Administration	36.00	39.79	3.79
			(ii)Additional establishment	1.50	3.83	2.33
2	Bilaspur (Rampur)	2002-03	Sanitation	31.20	32.33	1.13
		2003-04	Sanitation	30.00	37.56	7.56
Total						14.81

Expenditure in excess of budget provisions and lack of adoption of prescribed procedures indicate weaknesses in the budgetary control.

2.15 Non deposit/short deduction of Trade Tax/Income Tax

In NPP Bindaki (Fatehpur), Trade Tax amounting to Rs.4.01 lakh was deducted from the contractors' bills during the period 2001-04. However, the same was not deposited in the Govt. Account till August 2004 violating the provisions laid down in the Trade Tax Act 1948 and depriving the Government of the revenue.

In the same NPP, a sum of Rs.0.86 lakh was recovered from the contractor's bills towards deduction of Income Tax at source during the year 2003-04 but was not deposited into Govt. Account till August 2004. Similarly in NPP Ghanaura (JP Nagar), expenditure of Rs.8.77 lakh was incurred for construction works done by contractors. Though a sum of Rs.0.20 lakh was to be deducted towards I.T., only Rs.0.18 lakh was deducted resulting in short recovery of Rs.0.02 lakh.

2.16 Non adjustment of advances

Advances given to employees for various purposes should be adjusted before the end of the year in which advances were given and new advances can be given only after the adjustment of the previous advance.

In Nagar Palika Parishad Mungra Badshahpur (Jaunpur), advance of Rs.2 lakh given to eight employees for purchase of material and various repair work etc. from 1986-87 to 2003-04 remained unadjusted till August 2004. **(Appendix-XIII)**

This shows the lack of internal controls in the NPP.

2.17 Non-levy of penalty on contractors for delay in completion of work

In NPP Palia Kala (Lakhimpur Kheri) agreements were made during October 2001 to January 2002 with contractors for execution of work. A penalty clause was introduced for delay in execution of work according to which a sum of Rs.50 per day was to be recovered from the contractor for each day of delay. Penalty amounting to Rs.0.37 lakh on account of delay in execution of work by contractors was not recovered till August 2004. **(Appendix-XIV)**

Nagar Panchayats

2.18 Non-realization of Rent, Rates and Taxes

(i) Against the demands of Rs.104.81 lakh for house tax raised by 18 NPs, Rs 79.53 lakh was lying unrecovered as on 31 March 2004 thus depriving the NPs of valuable revenue required for development and upkeep of various civic amenities. [Appendix XV(a)]

In 4 NPs {Gopamau (Hardoi), Mehnagar (Azamgarh), Katghar Lal Ganj (Azamgarh) and Kerakat (Jaunpur)} details of demand and collection for the year 2003-04 could not be ascertained in audit since no information was furnished in this regard.

(ii) In 20 NPs, miscellaneous dues of Rs. 65.37 lakh were outstanding against the tenants, licensees, contractors etc. as on 31 March 2004.

Outstanding dues deprived the NPs of resources required for carrying out its civic activities.

[Appendix XV (b)]

2.19 Idling of Fund

Out of the grants for Rs.109.95 Lakh released for various purposes to 6 NPs from the various sources viz EFC, SFC and Revolving Fund, Rs.42.98 was kept idle (as detailed below). This resulted in idling of funds and deprived the public from intended benefits.

(Rs in Lakh)

Source of fund	Amount released	Amount utilized	Amount kept idle
EFC	7.61	2.78	4.83
SFC	81.84	52.55	29.29
RevolvingFund	20.50	11.64	8.86
Total	109.95	66.97	42.98

(NP wise details of amounts kept idle is shown in Appendix –XVI)

2.20 Loss of revenue due to non-imposition/short levy of license fee

U.P. Govt. vide order dated 27 October 1994 and dated 16 December 1997 circulated the enhanced rates of licence fees on various activities (shops, hotels, nursing homes, transportation etc.) which were applicable to NPs from 31 March 1999.

In 3 NPs test checked in audit, loss of revenue of Rs.11.63 lakh was noticed due to non-imposition/short levy of license fee up to August 04 resulting in availability of lesser resources for carrying on various activities by the NPs. (Appendix-XVII)

2.21 Loss of revenue due to awarding contracts at lesser value**Loss of revenue amounting Rs. 8.28 lakh due to awarding contracts at lesser value**

Loss of revenue of Rs. 8.28 lakh was noticed in Nagar Panchayat Sasni, Mahamaya Nagar due to awarding contracts of Tehbazari, Painth Maveshi and Tanga Stand etc. at lesser value as against the value fixed by the Nagar Panchayat Board as detailed below:-

(Rupees in lakh)

Sl. No	Particular	2002-03			2003-04		
		Rate fixed	Auction Rate	Difference	Rate fixed	Auction rate	Difference
1	Tehbazari	3.0	2.22	0.78	4.00	2.50	1.50
2	Painth Maveshi	1.00	0.40	0.60	1.00	0.41	0.59
3	Tanga Stand Aligarh Gate	4.00	2.90	1.10	6.00	4.60	1.40
4	Tanga Stand Hathras Gate	5.00	4.20	0.80	6.00	5.42	0.58
5	Tanga Stand Vijaygarh Gate	2.00	1.28	0.72	2.00	1.79	0.21
	Total			4.00			4.28

2.22 Loss of revenue due to non levy of stamp duty

Loss of revenue amounting Rs. 5.09 lakh due to non levy of stamp duty

As per the Indian Stamp Act 1899 (as amended), Stamp Duty should be levied on agreement for contracts.

In 7 NPs test checked, though contracts were awarded for various purposes, agreements were not made on Stamp paper resulting in the loss of revenue amounting to Rs.5.09 lakh due to non levy of stamp duty. **(Appendix- XVIII)**

2.23 Non-deduction/short deduction/non deposit of Income Tax and Trade Tax

Non-deduction/short deduction/non deposit of Income Tax and Trade Tax amounting Rs.1.33 lakh

Out of 7 NPs test checked during the period 2003-04:

(i) In 2 NPs³, Trade Tax of Rs. 0.34 lakh and Income Tax of Rs. 0.20 lakh deducted from contractor's bill were not deposited in Govt. accounts. **(ii)** In 4 NPs⁴ Trade Tax of Rs. 0.48 lakh and Income Tax of Rs. 0.26 lakh was not deducted from contractor's bill while making payment. **(iii)** In 2 NPs⁵ there was a short deduction of Income Tax of Rs. 0.02 lakh and **(iv)** In 1 NP⁶ there was a short deduction of Trade Tax of Rs. 0.03 lakh from the contractor's bill. **(Appendix- XIX)**. Besides extending undue benefit to the contractors this also violated provisions of the existing acts and deprived Governments of their revenue.

³ Shankar Garh (Allahabad) and Sasni (Mahamayanagar)

⁴ Sarainmeer (Azamgarh), Meehnagar (Azamgarh), Katghar Lal Ganj (Azamgarh) and (Mahamayanagar)

⁵ Jhalu (Bijnore) and Kerakat (Jaunpur)

⁶ Kerakat (Jaunpur)

2.24 Recommendations

In view of the above audit findings, the following recommendations are made for consideration of the State Government:

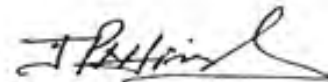
1. Internal control mechanisms at the level of Department of Nagar Vikas and Director Local Bodies as well as the level of individual Urban Local Body management should be strengthened to ensure the following :

- * Accountability of irregular expenditure
- * Prompt recovery/adjustment/write off of outstanding advances etc.
- * Improving collection/realization of revenues;
- * Preventing leakage/loss of revenue;
- * Efficient and timely utilization of grants;
- * Timely deduction and remittance of statutory taxes to Govt. Account.

2. The State Government should suitably amend the relevant Acts/Rules to incorporate the provisions for Annual Certification of Accounts of Urban Local Bodies by the statutory auditors.

ALLAHABAD

The 25th day of August 2006



Sr. Deputy Accountant General

(Local Bodies)

Appendix – I**(Reference: Para 1.8 ; Page 5)****List of Nagar Nigam inspected during 2004-05**

SI No	Name of Nagar Nigam	Section of CAGs(DPC) Act 1971 under which audited
1	Ghaziabad	14
2	Agra	14
3	Lucknow	14
4	Bareilly	14
5	Jhansi	14
6	Meerut	14
7	Gorakhpur	14
8	Kanpur	14

Appendix – II

(Reference: Para 1.8; Page 5)

List of Nagar Palika Parishads Inspected during the year 2004-05

Sl No.	Name of Nagar Palika Parishad	Section of CAG's(DPC) Act-1971 under which NPP Audited
1.	Atarra, Banda	14
2.	Auraiya	14
3.	Ayodhya, Faizabad	14
4.	Badaun	14
5.	Banda	14
6.	Bhadohi	14
7.	Bharthana, Etawah	14
8.	Bilaspur, Rampur	14
9.	Bindaki, Fatehpur	14
10.	Bulandshahar	14
11.	Etawah	14
12.	Faridpur, Bareilly	14
13.	Farrukhabad	14
14.	Fatehpur	14
15.	Firozabad	14
16.	Ghanaura, Jyotiba Phule Nagar	14
17.	Hamirpur	14
18.	Hapur	14
19.	Hardoi	14
20.	Hasanpur, Jyotiba Phule Nagar	14
21.	Jalesar, Etah	14
22.	Kairana, MuzaffarNagar	14
23.	Kalpi, Jalaun	14
24.	Kannauj	14
25.	Kasganj, Etah	14
26.	Kayamganj, Farrukhabad	14
27.	Lalitpur	14
28.	Mahoba	14
29.	Mauranipur, Jhansi	14
30.	Modi Nagar, Ghaziabad	14
31.	Muzaffar Nagar	14
32.	Pratapgarh	14
33.	Ram Nagar, Varanasi	14
34.	Saharanpur	14
35.	Shahjahanpur	14
36.	Shamli, Muzaffar Nagar	14
37.	Shikohabad	14
38.	Sitapur	14
39.	Chitrkoot Dham, Karvi	20(1)
40.	Kandla, Muzaffar Nagar	20(1)
41.	Mallawa, Hardoi	20(1)
42.	Mungra Badshahpur, Jaunpur	20(1)
43.	Palliakala, Lakhimpur Kheeri	20(1)
44.	Sarsawa, Saharanpur	20(1)
45.	Shyohara Bijnore	20(1)

Appendix – III

(Reference: Para 1.8; Page 5)

List of Nagar Panchayat inspected during 2004-05

Sl No	Name of Nagar Panchayat	Section of CAG's(DPC) Act 1971 under which audited
1	Ambehara (Saharanpur)	20(1)
2	Badapur (Bijnore)	20(1)
3	Beniganj (Hardoi)	20(1)
4	Gopamau (Hardoi)	20(1)
5	Hargoan (Sitapur)	20(1)
6	Jalalabad (Muzaffarnagar)	20(1)
7	Jhalu (Bijnore)	20(1)
8	Kanth (Moradabad)	20(1)
9	Katghar Lal Ganj (Azamgarh)	20(1)
10	Kerakat (Jaunpur)	20(1)
11	Kheri (Lakhimpur)	20(1)
12	Machhli Shahar (Jaunpur)	20(1)
13	Madiyahun (Jaunpur)	20(1)
14	Maholi (Sitapur)	20(1)
15	Manikpur (Chitrakut)	20(1)
16	Meh Nagar (Azamgarh)	20(1)
17	Naugawa Sadat (J.P.Nagar)	20(1)
18	Oyal Dhakwa Lakhimpur (Lakhimpur)	20(1)
19	Pali (Hardoi)	20(1)
20	Purkazi (Muzaffar Nagar)	20(1)
21	Rampur Manihari (Saharanpur)	20(1)
22	Sahaspur (Bijnore)	20(1)
23	Saraimeer (Azamgarh)	20(1)
24	Sasni (Mahamaya Nagar)	20(1)
25	Shankar Garh (Allahabad)	20(1)
26	Sigai Bhindaura (Lakhimpur Kheeri)	20(1)
27	Singhali (Sitapur)	20(1)
28	Titaro (Saharanpur)	20(1)
29	Thana Bhawan (Muzaffarnagar)	20(1)
30	Ujhari (J.P.Nagar)	20(1)

Appendix – IV
(Reference: Para 1.9.1 ; Page 5)
Non-Maintenance of Balance Sheet
(Non-Maintenance of Receipts & Payments Accounts)

Sl. No.	Name of Nagar Panchayats
1	Sasni, Mahamaya Nagar
2	Manikpur, Chitrakoot
3	Saraimeer, Azamgarh
4	Kerakat, Jaunpur
5	Shankargarh, Allahabad
6	Sigai Bhindaura, Lakheempur
7	Beniganj, Hardoi
8	Jalalabad, Muzaffar Nagar
9	Thana Bhawan, Muzaffar Nagar
10	Maholi, Sitapur
11	Sidhauri, Sitapur
12	Sahaspur, Bijnore
13	Purkaji, Muzaffar Nagar
14	Hargawan, Sitapur
15	Katghar Lalganj, Azamgarh
16	Gopamau, Hardoi
17	Pali, Hardoi
18	Jhalu, Bijnore
19	Machhali Shahar, Jaunpur

Appendix – V

(Reference: Para 1.9.2; Page 5)

Non reconciliation of Bank Pass Book with Cash Book in NPPs

(Rs. in Lakh)

Sl.No.	Name of Nagar Palika Parishad	Period (as on)	Balance as per Cash Book	Balance as per Pass Book	Difference
1	Mauranipur(Jhansi)	31-03-04	20.20	9.00	11.20
2	Kairana (Muzaffar Nagar)	-do-	46.53	46.78	-0.25
3	Kandla (Muzaffarnagar)	-do-	63.36	67.58	-4.22
				Total	6.73

Appendix-VI
(Reference: Para 1.9.2 ; Page 5)
Non reconciliation of balances

Sl.No.	Name of Nagar Panchayats
1	Katghar Lal Ganj (Azamgarh)
2	Kerakat (Jaunpur)
3	Madiyahun (Jaunpur)
4	Jalalabad (Muzaffar Nagar)
5	Thana Bhawan (Muzaffar Nagar)
6	Shankar Garh (Allahabad)
7	Manikpur (Chittrakoot)
8	Kheri (Lakhimpur)
9	Sahaspur (Bijnore)
10	Naugawa Sadat (J.P.Nagar)
11	Singhauri (Sitapur)
12	Ambehara (Saharanpur)
13	Maholi (Sitapur)
14	Badapur (Bijnore)
15	Purkazi (Muzaffar Nagar)
16	Hargoan (Sitapur)
17	Kanth (J P Nagar)
18	Sasni (Mahamaya Nagar)
19	Gopamau (Hardoi)
20	Beniganj (Hardoi)
21	Pali (Hardoi)
22	Ujhari (J.P.Nagar)
23	Jhalu (Bijnore)
24	Titro (Saharanpur)
25	Saraimaer (Azamgarh)
26	Meh Nagar (Azamgarh)
27	Oyal Dhakva Lakhimpur (Lakhimpur)
28	Machhali Shahar, (Jaunpur)

Appendix-VII
(Reference: Para 1.9.3; Page 6
Non maintenance of Asset Register

Sl.No.	Name of Nagar Panchayats
1	Manikpur, Chitrakut
2	Shankar Garh, Allahabad
3	Beniganj, Hardoi
4	Maholi, Sitapur
5	Sidhauri, Sitapur
6	Budhapur, Bijnore
7	Hargawan, Sitapur
8	Gopamau, Hardoi
9	Jhalu, Bijnore

Appendix – VIII
(Reference : Para 1.9.6 ; Page 7)
Unutilized Balances of NN (2004-05)

2001-02

(Rs. in lakh)

SI No	Name of Nagar Nigam	Period	Opening Balance	Receipt	Total	Expenditure	Closing Balance
1	Ghaziabad	2001-02	737.00	4681.73	5418.73	4573.41	845.33
2	Gorakhpur	2001-02	562.17	2781.85	3344.02	2369.06	974.96
3	Agra	2001-02	245.04	5176.89	5421.93	4639.99	781.94
4	Lucknow	2001-02	1775.75	10347.33	12123.08	9296.93	2826.15
Total							5428.38

2002-03

(Rs. in lakh)

SI No	Name of Nagar Nigam	Period	Opening Balance	Receipt	Total	Expenditure	Closing Balance
1	Ghaziabad	2002-03	845.33	5831.98	6677.31	5155.88	1521.43
2	Gorakhpur	2002-03	974.96	3701.40	4676.36	2960.50	1715.86
3	Agra	2002-03	781.94	4689.59	5471.52	4481.35	990.17
4	Lucknow	2002-03	2826.15	17252.56	20078.71	14608.39	5470.32
Total							9697.78

2003-04

(Rs. in lakh)

SI No	Name of Nagar Nigam	Period	Opening Balance	Receipt	Total	Expenditure	Closing Balance
1	Ghaziabad	2003-04	1521.43	5314.98	6836.41	5208.07	1628.34
2	Gorakhpur	2003-04	1715.86	3614.01	5329.87	4281.40	1048.47
3	Agra	2003-04	990.17	4078.27	5068.44	3905.75	1162.69
4	Lucknow	2003-04	5470.32	11782.70	17253.02	10954.11	6298.91
Total							10138.41

Appendix – IX
(Reference : Para 1.9.6 ; Page 7)
Unutilized Funds in NPPs(04-05)

1. (Rs. in Lakh)

Sl.No	Name of Nagar Palika Parishad	Year	O.B.	Receipt	Expenditure	Closing Balance
1	Ghanaura * J.B.P.Nagar	2001-02	15.03	71.94	80.76	6.21
2	Hardoi	2001-02	45.80	365.46	372.91	38.35
3	Mallawa Hardoi	2001-02	37.38	105.12	100.62	41.88
4	Shajahanpur**	2001-02	67.10	693.98	693.24	67.84
5	Paliakala Lakhimpur	2001-02	12.19	87.44	99.32	0.31
6	Fatehpur	2001-02	0.81	543.21	520.72	23.30
7	Atarra, Banda	2001-02	12.36	122.80	122.05	13.11
8	Kalpi, Jalaun	2001-02	8.92	177.0	128.35	57.57
9	Sikohabad***	2001-02	5.11	216.93	196.59	25.45
10	Mungra Badsahpur (Jaunpur)	2001-02	10.83	70.53	55.91	25.45
11	Kannauj****	2001-02	7.78	265.49	158.46	114.81
12	Modinagar	2001-02	97.80	373.47	313.28	157.99
13	Kairana (M. Nagar)	2001-02	25.63	184.26	173.38	36.51
14	Kayamganj (Farrukhabad)	2001-02	12.38	98.97	96.94	14.41
15	Lalitpur	2001-02	65.09	283.36	302.75	45.70
16	Banda	2001-02	19.46	297.12	250.12	66.46
Total			443.67	3957.08	3665.40	735.35

2.

Sl.No.	Name of Nagar Palika Parishad	Year	O.B.	Receipt	Expenditure	Closing balance
1.	Ghanaura * J P Nagar	2002-03	6.21	100.07	74.48	31.80
2.	Hardoi	2002-03	38.35	460.09	376.82	121.62
3.	Mallawa, Hardoi	2002-03	41.88	136.23	127.63	50.48
4.	Shajahanpur**	2002-03	67.84	888.53	841.74	114.63
5.	Paliakala, Lakhimpur	2002-03	0.31	115.90	108.71	7.50
6.	Fatehpur	2002-03	23.30	702.70	583.69	142.31
7.	Atarra , Banda	2002-03	13.11	143.24	108.33	48.02
8.	Kalpi, Jalaun	2002-03	57.57	180.67	167.91	70.33
9.	Shikohabad***	2002-03	25.45	304.58	267.41	62.62
10.	Mungra Badshahpur (Jaunpur)	2002-03	25.45	77.78	74.77	28.46
11.	Kannauj****	2002-03	114.81	288.77	243.38	160.20
12.	Modinagar	2002-03	157.99	511.65	430.03	239.61
13.	Kairana (Muzaffar Nagar)	2002-03	36.51	299.63	218.74	117.40
14.	Kayamganj (Farrukhabad)	2002-03	14.41	126.17	111.42	29.16
15.	Lalitpur	2002-03	45.70	387.42	345.64	87.48
16.	Banda	2002-03	66.46	394.11	285.12	175.45
Total			735.35	5117.54	4365.82	1487.07

3.

Sl.No	Name of Nagar palika Parishad	Year	O.B.	Receipt	Expenditure	Closing balance
1	Ghanaura * J.B.P.Nagar	2003-04	31.80	115.40	88.60	58.60
2	Hardoi	2003-04	121.62	604.26	398.10	327.78
3	Mallawa Hardoi	2003-04	50.48	152.87	184.29	19.06
4	Shajahanpur**	2003-04	114.63	728.12	765.48	77.27
5	Paliakala Lakhimpur	2003-04	7.50	108.85	83.43	32.91
6	Fatehpur	2003-04	142.31	507.91	594.11	56.12
7	Atarra , Banda	2003-04	48.02	91.44	74.55	64.91
8	Kalpi, Jalaun	2003-04	70.33	187.84	194.54	63.63
9	Sikohabad***	2003-04	62.62	728.84	229.21	562.25
10	Mungra Badsahpur (Jaunpur)	2003-04	28.46	77.11	67.51	38.06
11	Kannauj****	2003-04	159.39	624.94	408.27	376.06
12	Modinagar	2003-04	239.61	492.38	590.31	141.68
13	Kairana 2003-04 (M. Nagar)	117.40	195.90	208.43	104.87	
14	Kayamganj (Farrukhabad)	2003-04	29.16	106.53	98.96	36.73
15	Lalitpur	2003-04	87.48	299.93	273.26	114.15
16	Banda	2003-04	175.45	295.11	444.77	25.79
Total			1486.26	5317.43	4703.82	2099.87

Note:-

- * During 2003-04 revolving fund received Rs. 35.00 lakh and expenditure was only Rs. 8.77 lakh.
- ** Revolving fund Rs. 80 lakh remained unutilized for two years (2002-03, 2003-04)
- *** Rs. 450 lakh on account of revolving fund received in 2002-04 was to be utilized upto 31-03-2004 lying outstanding till date of audit.
- **** There is difference between C.B. of 2002-03 and O.B. 2003-04 amounting to Rs.0.81 lakh.

Appendix – X

(Reference: Para 2.7 ; Page 12)

Non realization of Rent, Rates and Taxes (NPP 04-05)

(Rs in Lakh)

Sl. No	Name of Nagar Palika Parishad	Type	O.B. 2003-04	Demand during the year	Total demand	Actual balance	Outstanding recovery
1	Ghanaura J P Nagar	Water charges	2.14	1.30	3.44	1.58	1.86
		Tehbazari					
		Shops Rent	1.28	8.90	10.18	7.64	2.54
			1.16	1.02	2.18	1.37	0.81
2	Paliakala Lakhimpurkheri	House Tax	5.38	4.83	10.21	3.48	6.73
		Water Tax	3.74	4.77	8.51	5.25	3.26
		Shops Rent	0.52	1.11	1.63	0.97	0.66
		Tehbazari	1.99	1.50	3.49	1.12	2.37
3	Atarra Banda	House Tax	4.83	2.27	7.10	2.59	4.51
4	Kalpi Jalaun	House Tax	8.56	5.33	13.89	3.89	10.00
		Shops Rent	1.24	1.33	2.57	1.33	1.24
5	Sikohabad	House Tax	48.91	19.43	68.34	15.17	53.17
		Water Tax	36.21	14.38	50.59	9.59	41.00
		Water Charges	64.55	19.20	83.75	6.09	77.66
		Rent	4.50	1.20	5.70	0.12	5.58
6	Kannauj	House Tax	13.18	3.50	16.68	5.41	11.27
		Water Tax	12.51	6.76	19.27	9.11	10.16
		Water Charges	1.93	0.50	2.43	0.31	2.12
7	Kairana, Muzaffar Nagar	House Tax	11.43	7.87	19.30	5.58	13.72
		Water Tax	13.21	7.61	20.82	4.35	16.47
		Show Tax	00	0.64	0.64	0.34	0.30
8	Kandla Muzaffar Nagar	House Tax	2.46	2.90	5.36	0.61	4.75
		Water Tax	1.73	2.45	4.18	0.44	3.74
		Tehbazari	0.16	5.28	5.44	5.21	0.23
		License Fee	0.08	0.31	0.39	0.25	0.14
		Water Charges	1.88	7.50	9.38	2.15	7.23
		Sever Tax	0.52	0.23	0.75	0.06	0.69
		Show Tax	0.52	0.10	0.62	00	0.62
9	Banda	Tehbazari	1.93	31.56	33.49	32.81	0.68
		House Tax	43.17	18.78	61.95	40.72	21.23
10	Hapur	License Fee	1.36	0.37	1.73	00	1.73
11	Mahmoodabad Sitapur	Water Charges	1.94	1.19	3.13	0.76	2.37
		Tehbazari	0.82	0.26	1.08	0.21	0.87
		Caracass	1.15	0.82	1.97	0.55	1.42
		House Tax	2.58	2.88	5.46	0.47	4.99
12	Karvi, Chitrakoot	House Tax	7.08	3.61	10.69	4.03	6.66
		Tehbazari	1.03	1.05	2.08	0.97	1.11
		Shop Rent	2.18	5.91	8.09	5.85	2.24
		Misc.	00	5.36	5.36	4.22	1.14

13	Saharanpur	House Tax	113.30	136.59	249.89	96.38	153.51
		Water Tax	143.56	163.59	307.15	109.63	197.52
		Sever Tax	22.93	21.91	44.84	14.82	30.02
		Cinema Tax	0.68	3.07	3.75	3.15	0.60
14	Bulandshahar	HouseTax	50.03	62.09	112.12	46.10	66.11
		Water Tax	40.66	55.29	95.95	38.61	57.34
		Show Tax	6.08	4.63	10.71	1.37	9.34
		Water Cost	0.44	8.00	8.44	6.88	1.56
		License Fee	00	0.60	0.60	0.40	0.20
		Shops, Buildin gs, Plots	0.28	7.70	7.98	7.78	0.20
		Tehbazari	17.86	66.15	84.01	67.24	16.77
		Deposit	0.40	0.41	0.81	0.17	0.64
		Misc	00	15.58	15.58	15.57	0.01
			Total	704.08	749.62	1453.70	592.61

Appendix- XI

(Reference : Para 2.8 ; Page 12)

Non Utilization of Funds (NPP 04-05)

(Rs. In Lakh)

Sl. No	Name of the Nagar Palika Parishad	Name of the Scheme	Balance Upto 31-03-2004
1	Ghanaura J.P.Nagar	Revolving Fund 11 th Finance Commission	6.23 1.71
2	Paliakala, Lakhimpurkheri	11 th Finance Commission	14.10
3	Atarra Banda	SFC and EFC Conversion of Dry toilets into flush toilets.	122.57 2.25
4	Mauranipur Jhansi	Avasiya , Yojna, Vanijyik Yojna Crossing repair Yojna and Construction of slaughter house	39.53
5	Mahoba	SFC and TFC For Statue Revolving Fund	69.12 4.50 5.00
6	Sikohabad	Drinking water & sewerage	6.53*
7	Mungra Badshahapur	Revolving Fund	20.00
8	Kairana Muzaffar Nagar	Govt.grant & Parishad contribution	19.18
9	Lalitpur	Road Fund Road Grant M.P.Fund Infectious decease Voter list Local Body MLA Fund CDO	0.99 1.77 0.04 0.36 0.02 0.16 0.95 1.00
10	Hapur	Construction of School Building Street light & cleaning instruments Malin Basti Salary & development Development Construction Works	0.45 2.50 26.00 34.28 2.41 2.51
11	Karbi Banda	CFC	10.85

12	Hamirpur	Construction and repair of Dhobi-Ghat CFC	5.00
13	Ram Nagar Varanasi	On recommendation of SFC	45.41
Total			445.42

Note:- * Amount of Rs. 6.53 lakhs was received on 23-02-2003 was transferred to Ex.En., Jal Nigam, Firozabad (Executing agency) on 25-3-2003 for providing drinking water and cleaning sewerage system but after a laps of more than one year executing agency has not informed about completion of work thus the beneficiaries were deprived their intended benefits.

Appendix- XII
(Reference: Para 2.10 ; Page 13)
Non recovery of auction money

Sl.No.	Name of NPP	Name of Theka	Period	Amount (in Rs.)
1	Badaun	Tanga Stand	1996-97	21000
2		Ghura Thuda	2000-01	1500
3		Loading Unloading	2000-01	36129
4		Sabji Mandi	2000-01	127264
5		Tehbazari	2000-01	100000
6		Theka Parking	2001-02	314000
7		Theka Parking	1998-99	142800
8		Meet Market	1994-95	2000
	Total			744693
1	Kairana, Muzaffar Nagar	Theka Nala,	1988	325
2		Theka Nala	1992	2275
3		Mazaha. a shulk	95-96	1414
4		Mela Chhadiyan	96-97	20000
5		Fasal Bagbahar	2001-02	300
6		Parking	2001-02	101000
7		Parking	2002-03	34810
8		Slaughter House	2001-02	42250
9		Auction of Madhumakkhi Chhatta	-	300
			Total	202674
			Grand total	947367

Appendix-XIII
(Reference: Para 2.16 ; Page 16)

Non-adjustment of advances

Sl.No.	Name of NPP	Name of Employees	Purposes for which advances were given	Date on which advances were given	Amount (in Rs)
1	Mungra Badshapur(Jaunpur)	V.S.Gautam	Repairing of school	8.10.1986	5000.00
2	-do-	Khursheed Ahmad	Repairing of Tractor	27.03.1996	8000.00
3	-do-	Tej Bahadur Lal	-do— do-	17.05.2000 25.05.2000	2000.0 4000.00
4	-do-	Ganga Singh	SpandalRod Repairing of Hand Pump Repairing of Petti Jalkal	28.11.2000 14.05.2001 29.10.2001 5.10.2002	4000.00 5000.00 1200.00 1000.00
5	-do-	R.N.Gupta	Purchase of electric instrument	4.06.1998	7000.00
6	-do-	Arun Kumar Panday	Construction of Pump house -do- -do- -do-	04.07.2003 07.07.2003 15.07.2003 30.07.2003	25000.00 25000.00 25000.00 25000.00
7	-do-	Ganga Singh Fittar	Repairing of leakage Repairing of Trolley Purchase of Pipe clamp etc.	30.07.2003 30.07.2003 11.08.2003	1450.00 6750.00 70000.00
8	-do-	Arun Kumar Panday	For Purchase of doors and window	20.08.2003	6500.00
Total					202400.00

Appendix XIV

(Reference: Para 2.17 ; Page 16)

Non levy of penalty on contractors for delay in completion of work NPP

Sl. No.	Construction of work	Date of work-order	Date of completion of work	Delayed period	Amount work (in Rs)
1	Construction of Nala (Kohli Transport to SBI)	24.12.2001	19.06.02	145 days	7250.00
2	Construction of Nala (Mo. Barsanda Mosque croosing to Pujari Camp)	24.12.2001	18.06.02	144 days	7200.00
3	Soling work and construction of Nala (Sharda Bakery Wala ke Makan Se Mulla ji Parchun Ki Dukan)	24.10.2001	28.04.02	154 days	7700.00
4	Construction of road (Bhel Singh Crossing Ki Pulia to Radha Krishna Mandir Crossing)	18.01.2002	30.12.2002	312 days	15600.00
Total				755 days	37750.00

Appendix-XV (a)

(Reference: Para 2.18(i) ; Page 17)

Non-realization of House Tax in Nagar Panchayats

(Rs. in Lakh)

Sl.No.	Name of NP	Item	Outstanding balance on 31-03-03	Demand for the year 2003-04	Total	Total recovery	Balance as on 31-03-04
1	Jhalu, Bijnore	House tax	6.62	2.13	8.75	1.05	7.70
2	Ujhari, J.P.Nagar	House tax	2.51	0.72	3.23	1.11	2.12
3	Gopamau Hardoi	House Tax	4.75	00	4.75	0.47	4.28
4	Rampur Manihari, Saharanpur	House Tax	0.97	4.59	5.56	4.89	0.67
5	Meh Nagar Azamgarh	House Tax	3.70	00	3.70	1.03	2.67
6	Katghar Lal Ganj Azamgarh	Business/ Building Tax	8.36	00	8.36	2.05	6.31
7	Hargoan Sitapur	House Tax	4.87	1.90	6.77	0.21	6.56
8	Purkaji Muzaffar Nagar	House Tax	5.16	5.34	10.50	3.67	6.83
9	Budhapur Bijnore	House Tax	0.65	5.00	5.65	0.30	5.35
10	Sahaspur Bijnore	House Tax	0.57	1.20	1.77	0.03	1.74
11	Sidhauri Sitapur	House Tax	00	8.64	8.64	0.72	7.92
12	Thana Bhawan Muzaffarnagar	House Tax	3.84	4.20	8.04	3.74	4.30
13	Jalalabad Muzaffar nagar	House Tax	3.08	2.30	5.38	1.60	3.78
14	Manikpur Chitrakut	House Tax	6.88	3.48	10.36	0.94	9.42
15	Kerakat Jaunpur	House Tax	2.10	00	2.10	00	2.10
16	Ambehra Saharanpur	House Tax	0.24	2.84	3.08	2.56	0.52
17	Kheri Lakhimpur	House Tax	0.67	1.18	1.85	0.89	0.96
18	Machli Shahar Jaunpur	House Tax	5.24	1.06	6.30	00	6.30
Total			60.21	44.58	104.79	25.26	79.53

Appendix-XV (b)

(Reference: Para 2.18(ii) ; Page 17)

Non-realization of House Tax in Nagar Panchayats

(Rs. in Lakh)

Sl.No.	Name of NP	Item	Outstanding balance on 31-03-03	Demand for the year 2003-04	Total	Total recovery	Balance as on 31-03-04
1	Jhalu, Bijnore	Cost of water (Tehbazari	3.29	2.86	6.15	1.51	4.64
		Murda Maveshi Slaughter house)	1.31	3.21	4.52	2.84	1.68
2	Ujhari, J.P.Nagar	Cost of water	2.69	1.75	4.44	1.10	3.34
		Slaughter house	5.86	3.77	9.63	3.91	5.72
3	Pali, Hardoi	Rent of Shops	0.94	2.23	3.17	1.98	1.19
		Cost of water	1.15	1.58	2.73	0.62	2.11
4	Kanth J.P.Nagar	Cost of water	0.40	1.74	2.14	1.47	0.67
5	Rampur Manihari, Saharanpur	Water Tax	0.83	3.60	4.43	3.62	0.81
		Cost of Water	0.02	0.62	0.64	0.57	0.07
		Other	0.12	1.91	2.03	1.86	0.17
6	Meh Nagar Azamgarh	Busines Tax	1.85	00	1.85	0.39	1.46
		Cost of Water	1.09	0.50	1.59	0.63	0.96
		Land Transfer fee & other	1.86	1.88	3.74	1.97	0.17
7	Katghar Lal j Ganj Azamgarh	Taxi/Tehbazari	1.45	2.66	4.11	3.51	0.60
8	Hargoan Sitapur	Tahbazari	0.21	0.41	0.62	0.41	0.21
		Taxi stand parking	0.45	0.67	1.12	0.58	0.54
		Carcasses of dead animals	0.36	0.02	0.38	0.01	0.37
9	Purkaji Muzaffarnagar	Tehbazari and Murda Maveshi	1.69	5.43	7.12	5.80	1.32
		Cost of Water	2.16	1.95	4.11	1.41	2.70
		Land Building Rent	0.68	0.37	1.05	0.33	0.72
		Business	0.07	1.45	1.52	1.11	0.41
10	Budhapur Bijnore	Tehbazari	0.97	3.40	4.37	3.41	0.96
		Cost of Water	0.29	2.24	2.53	2.42	0.11

11	Sahaspur Bijnore	Tehbazari Cost of Water	00 00	2.81 3.00	2.81 3.00	0.75 0.90	2.06 2.10
12	Sidhauli Sitapur	Water Cost Shop,Building Plots Pond Other	6.17 1.02 00 0.11	5.35 1.23 0.03 0.01	11.52 2.25 0.03 0.12	4.35 0.97 00 0.01	7.17 1.28 0.03 0.11
13	Thana Bhawan Muzaffarnagar	Water cost Tehbazari Rent of Plots,Buildings/ Shops and Other	2.43 0.60 1.80	3.00 1.12 13.27	5.43 1.72 15.07	2.59 1.53 14.01	2.84 0.19 1.06
14	Jalalabad Muzaffar nagar	Water Cost Tehbazari Murda Mavsi/Other	1.70 0.05 2.19	2.05 0.31 5.05	3.75 0.36 7.24	2.43 0.31 5.89	1.32 0.05 1.35
15	Manikpur Chitrakut	Carcases of Dead animals/other	00	0.32	0.32	0.24	0.08
16	Oyal Dakhwa Lakhimpur	Water Cost	00	2.35	2.35	1.03	1.32
17	Kerakat Jaunpur	Cost of Water	1.85	3.09	4.94	1.43	3.51
18	Ambehra Saharanpur	Water Tax Water Cost Tehbazari Other Taxes	0.20 0.31 0.05 0.16	2.09 2.88 2.50 2.11	2.29 3.19 2.55 2.27	1.86 2.53 2.40 2.07	0.43 0.66 0.15 0.20
19	Kheri Lakhimpur	Cost of Water Rent	0.47 0.03	1.45 0.34	1.92 0.37	1.28 0.35	0.64 0.02
20	Madiyahu Jaunpur	Cinema Hall Cost of Water Rent of Shops and buildings	0.36 3.80 1.39	0.11 1.74 1.57	0.47 5.54 2.96	0.03 1.29 1.38	0.44 4.25 1.58
		Total	54.43	102.03	156.46	91.09	65.37

Appendix-XVI

(Reference : Para 2.19 ; Page 17)

Idling of Fund

(Rs. in Lakh)

Sl.No.	Name of NP	Grant	Year	Purpose	Receipt	Expenditure	Balance
1	Ujhari JP Nagar	EFC	2003-04	Primary Education, Primary Health care, Safe drinking water, Street lighting maintenance, drainage and Sewerage	0.62	Nil	0.62
2	Manikpur Chittrakut	EFC	2002-03	-do-	2.13	1.21	1.92
		EFC	2003-04	-do-	1.07	-	1.07
		SFC	2002-03	-do-	17.62	15.25	2.37
		SFC	2003-04	-do-	14.22	9.53	4.69
3	Shankar Garh Allahabad	EFC	2002-03	—	2.73	0.53	2.20
		EFC	2003-04	—	1.06	1.04	0.02
4	Navagawan Sadat J.P.Nagar	SFC	2003-04	Construction of roads	50.00	27.77	22.23
5	Saraimeer Azamgarh	Revolving Fund	2000-01	Construction of drainage qand roads	8.50	4.78	3.72
6	Mehnnagar Azamgarh	Revolving Fund	2000-01	—do—	2.00	-----	2.00
			2002-03	—do—	10.00	6.86	3.14
Total					109.95	66.97	42.98

Appendix-XVII**(Reference : Para 2.20 ; Page 18)****Loss of Revenue due to non-imposition of License Fee as per Govt. order****(Rs. In Lakh)**

Sl.No.	Name of Nagar Panchayat	Period up to	Licence fee due	Licence fee recovered	Outstanding Amount
1	Beniniganj, Hardoi	2003-04	9.00	Nil	9.00
2	Segai Bhindora, Lakhimpur	2003-04	2.16	0.09	2.07
3	Oyal Dakhva, Lakhimpur	2003-04	0.67	0.11	0.56
Total					11.63

Appendix- XVIII

(Reference: Para 2.22 ; Page 19)

Loss of revenue due to non levy of stamp duty

Sl.No.	Name of NP	Period	Non-levy
1	Saraimeer azamgarh	2003-04	0.10
2	Budhapur Bijnore	2003-04	0.27
3.	Sahaspur Bijnore	2003-04	0.21
4.	Sasni Mahamayanagar	2002-04	2.06
5.	Naugawan Sadat J P Nagar	1989-2004	2.05
6.	Shankargarh Allahabad	2003-04	0.07
7.	Madiyanhu Jaunpur	2003-04	0.33
Total			5.09

Appendix-XIX

(Reference: Para 2.23 ; Page 19)

Non-deduction /deposit of Income Tax and Trade Tax

(Rs. In Lakh)

Sl.no	Name of unit	Contractors payment	Income tax less deducted	Trade tax not deducted	Trade tax less deducted	Trade tax not deducted in Govt. account	Income Tax not deducted	Income tax not deducted in Govt. account	Total
1	Nagar Panchayat Jhalu, Bijnore	6.91	0.01	—	-	-	-	—	0.01
2.	Nagar Panchayat Shankargarh Allahabad	-	-	-	-	0.17	-	0.13	0.30
3.	Nagar Panchayat Saraimeer Azamgarh	3.89	-	0.16	-	-	0.09	-	0.25
4.	Nagar Panchayat Meehnagar Azamgarh	2.95	-	0.12	-	-	0.06	-	0.18
5.	Nagar Panchayat Katghar lal ganj Azamgarh	4.81	-	0.16	-	-	0.09	-	0.25
6.	Nagar Panchayat Sasani Mahamaya Nagar	4.12	-	0.04		0.17	0.02	0.07	0.30
7	Nagar Panchayat Kerakat Jaunpur	0.99	0.01	-	0.03	-	-	-	0.04
Total		23.67	0.02	0.48	0.03	0.34	0.26	0.20	1.33

