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Report of the
Comptroller and Auditor General of India
on Local Bodies

for the year ended 31 March 2016

Government of Chhattisgarh

Report No: 3 of the year 2017

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Comptroller and Auditor General of India
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For the year ended 31 MARCH 2016

GOVERNMENT OF CHHATTISGARH
Report No. 3 of the year 2017

TABLE OF CONTENTS

Description	Reference to	
	Para No.	Page
Preface		v
Overview		vii
PART A		
CHAPTER I		
An Overview of the functioning, accountability mechanism and financial reporting issues of Panchayati Raj Institutions		
Introduction	1.1	1
Organisational setup of PRIs	1.2	2
Functioning of PRIs	1.3	3
Formation of various Committees	1.4	5
Audit arrangement	1.5	6
Response to Audit observations	1.6	7
Ombudsman	1.7	8
Social Audit	1.8	8
Submission of Utilisation Certificates	1.9	8
Internal Audit and Internal Control System of PRIs	1.10	9
Financial Reporting Issues	1.11	9
CHAPTER II		
COMPLIANCE AUDIT		
Financial Management and Implementation of schemes by PRIs in Surguja District	2.1	15
PART B		
CHAPTER III		
An Overview of the functioning, accountability mechanism and financial reporting issues of Urban Local Bodies		
Introduction	3.1	31
Organisational setup of ULBs	3.2	32
Functioning of ULBs	3.3	33
Formation of various Committees	3.4	34
Audit arrangement	3.5	35
Response to Audit observations	3.6	36
Ombudsman	3.7	37
Social Audit	3.8	37
Property Tax Board	3.9	38
Service Level Benchmark	3.10	38
Fire hazard response	3.11	38
Submission of Utilisation Certificates	3.12	39
Internal Audit and Internal Control System of ULBs	3.13	39
Financial Reporting Issues	3.14	39
CHAPTER IV		
PERFORMANCE AUDIT		
Management of own funds by Municipal Bodies including collection of revenue	4.1	45

CHAPTER V		
COMPLIANCE AUDIT		
Failure to comply with rules and regulations	5.1	71
Infructuous expenditure	5.1.1	71
Undue benefit to Shopkeepers and loss of Revenue	5.1.2	73
Failure to adhere with EPF Act	5.1.3	74

Appendices

Appendix No.	Description	Reference to Para No.	Reference to Page
2.1.1	Statement showing budget allotment and expenditure	2.1.2	77
2.1.2	Statement showing delay in submission of Budget estimates	2.1.2.1	78
2.1.3	Statement showing Finalisation of Budget Estimate by ZP without inclusion of BEs of JPs	2.1.2.1	78
2.1.4	Statement showing the details of Outstanding Advances	2.1.2.1	79
2.1.5	Statement showing amount recoverable from Sarpanches	2.1.2.1	80
2.1.6	Statement showing outstanding interest recovery of *Jalashay* lease	2.1.3.3	81
2.1.7	Statement showing recoverable rent of meeting hall	2.1.3.4	82
2.1.8	Statement showing delay in completion of works under BRGF	2.1.4.1	83
2.1.9	Statement showing the blockage of fund due to incomplete works	2.1.4.1	85
2.1.10	Details of works other than approved annual plan works in MGNREGA	2.1.4.2	86
2.1.11	Statement showing details of Delay in Payment of wages under MGNREGA	2.1.4.2	87
2.1.12	Statement of excess expenditure on Administrative Head under MGNREGA	2.1.4.2	90
2.1.13	Statement showing the Payment made to executing agency without Test Report	2.1.4.4	91
2.1.14	Statement showing the payment of pension at lower rate	2.1.4.5	93
2.1.15	Statement showing delay in decision of pension cases (decision in 7+60days)	2.1.4.5	94
4.1.1	Statement showing delay in finalization of Budget in ULBs	4.1.8.1	95
4.1.2	Statement showing difference between budgeted and actual receipt and expenditure in ULBs	4.1.8.2	96
4.1.3	Blocking of Municipal Fund	4.1.8.5	98

Appendix No.	Description	Reference to	
		Para No.	Page
4.1.4	Details of Left out properties	4.1.9.1	98
4.1.5	Houses covered under Property tax and *Samekit kar*	4.1.9.1	99
4.1.6	Short recovery of Property Tax	4.1.9.1	99
4.1.7	Short recovery of *Samekit Kar*	4.1.9.2	100
4.1.8	Shortfall of water connections	4.1.9.3	100
4.1.9	Short recovery of Water Tax	4.1.9.3	101
4.1.10	Failure to levy User Charges	4.1.9.4	102
4.1.11	Short collection of Advertisement Tax	4.1.9.5	102
4.1.12	Short Recovery of Rent and Premium of shops/Markets etc.	4.1.9.6	103
4.1.13	Short deposit by contractors	4.1.9.6	104
4.1.14	Short recovery of installment of houses constructed under *Atal Awas Yojna*	4.1.9.6	105
4.1.15	Recovery of beneficiary contribution under IHSDP *Yojna* not ensured	4.1.9.6	105
4.1.16	Financial unsustainability of ULBs	4.1.9.7	106
4.1.17	Shortage of Staff	4.1.9.8	106
4.1.18	Outstanding liabilities of selected ULBs	4.1.10.2	107
4.1.19	Excess payment of EPF contribution to placement Staff	4.1.10.3	108
4.1.20	Avoidable payment of surcharge on Electricity bills	4.1.10.3	109
4.1.21	Avoidable payment on Energy Development Cess	4.1.10.3	109
4.1.22	Temporary Advances not adjusted	4.1.10.3	110
4.1.23	Short deposit in *Sanchit Nidhi*	4.1.10.4	110
4.1.24	Loss of interest	4.1.10.4	111
5.1.1	Statement showing the dues of rent and Shop premium	5.1.2	112
5.1.2	Details of Employees and Employers Contribution	5.1.3	115

Preface

This Report for the year ended March 2016 has been prepared for submission to the Governor of Chhattisgarh under the CAG's DPC Act, 1971.

The Report contains significant results of the audit of the 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 within the previous Reports have also been included, wherever necessary.

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

Overview

OVERVIEW

This Report contains five chapters. Chapter I and III contains an overview of the functioning, accountability mechanism and financial reporting issues of the *Panchayati Raj* Institutions (PRIs) and Urban Local Bodies (ULBs) respectively. Compliance Audit observations on 'Financial Management and Implementation of schemes by PRIs in Surguja district' relating to PRIs and three Audit paragraphs relating to ULBs are presented in Chapters II and V respectively. Chapter IV contains Performance Audit Report on 'Management of own funds by Municipal Bodies including collection of revenue' relating to ULBs. The audit findings included in the Performance Audit and Compliance Audit paragraphs in this report have total money value of ₹ 187.27 crore.

The audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department. Audit samples have been drawn on statistical sampling as well as risk based judgemental sampling. The specific audit methodology adopted has been mentioned in the Performance Audit. The audit conclusions have been drawn and recommendations have been made taking into consideration the views of the Government. A summary of main audit findings is presented in this overview.

1. An Overview of the functioning, accountability mechanism and financial reporting issues of Panchayati Raj Institutions

Accountant General (Audit) had audited 450 units of PRIs during 2011-16 and 2868 observations were issued of which 2835 (99 *per cent*) observations were outstanding. The Panchayati Raj Department was not taking adequate steps for settlement of audit observations issued by the Accountant General (AG). Therefore, there was an increasing trend of outstanding audit paragraphs.

The Audit Report of the CAG on Local Bodies for the year ending March 2015 has been placed in State Legislature. However, the Committee for discussion of Audit Report has not been constituted as of February 2017.

Since, *Panchayati Raj* Department has not compiled the data of own revenue collection of PRIs, the Department was not aware of own revenue receipts of PRIs.

All the obligatory/optional taxes/fees were not being levied in the test checked 119 Gram Panchayats.

Savings from allocated funds were 36 *per cent* and 62 *per cent* during 2013-14 and 2014-15 respectively under the Thirteenth Finance Commission Grant.

(Paragraphs 1.1 to 1.11.6)

2. Compliance Audit - PRIs

2.1 Financial Management and Implementation of schemes by PRIs in Surguja District

Audit of 'Financial Management and Implementation of schemes by PRIs in Surguja district' of Chhattisgarh was conducted between May 2016 and September 2016 covering the period 2011-16 by test check of records of Zila

Panchayat (ZP) Surguja, five[1] Janpad Panchayat (JPs) and 10 Gram Panchayat (GPs). Major audit findings are discussed below:

Management of finances by PRIs were faulty as three test checked GPs did not levy property tax during 2011-16 and four GPs did not levy lighting tax. Three JPs did not recover lease money from seven lessee during 2011-12 to 2015-16 while during the same period ZP Surguja did not recover rent money. Further, the sampled PRIs underutilised the available resources as the expenditure on the selected seven schemes ranged between five to 96 *per cent* only.

The sampled PRIs could not implement the schemes effectively as there was excess expenditure of ₹ 9.11 crore in administrative head under Mahatma Gandhi National Rural Employment Guarantee Act, diversion of funds of ₹ 24.99 lakh and failure to obtain Utilisation Certificates valued ₹ 2.07 crore from implementing agencies under Backward Region Grant Fund, blockage of funds worth ₹ 5.50 crore besides irregular payment of ₹ 74.76 lakh in *Chhattisgarh Gramin Nirman Yojna,* deduction of ₹ 78.56 lakh by Government of India from the State and blockage of ₹ 54.19 lakh under Indira Awas Yojna.

Lack of proper monitoring of the selected schemes undertaken by the sampled PRIs led to failure to recover outstanding advances valued ₹ 3.11 crore from Sarpanches/employees of PRIs and fraudulent drawals of scheme funds by Non-Government Organisations worth ₹ 37.05 lakh.

(Paragraph 2.1)

3. An Overview of the functioning, accountability mechanism and financial reporting issues of Urban Local Bodies

AG had audited 66 units of ULBs since 2012-13 and 785 observations were issued of which 781 (99 *per cent*) observations were outstanding. The Urban Administration and Development Department was not taking adequate steps for settlement of audit observations issued by the AG. Therefore, there was an increasing trend of outstanding audit paragraphs.

The Audit Report of the CAG on Local Bodies for the year ending March 2015 has been placed in State Legislature. However, the Committee for discussion of Audit Report has not been constituted as of February 2017.

Social Audit of the programmes/schemes of ULBs has not been taken up by the Social Audit Unit of Chhattisgarh.

Out of 415 Utilisation Certificates (UCs) due in respect of grants amounting to ₹ 1,925.88 crore paid during 2011-16, 403 UCs amounting to ₹ 1,807.27 crore were outstanding as of December 2016.

During 2011-16, the savings of allocated funds by ULBs were 16 *per cent* to 42 *per cent*.

(Paragraphs 3.1 to 3.14.8)

[1] JP Sitapur- GP Pratapgarh and Shivnathpur, JP Mainpaat-GP Katkalo and Ropakhar, JP Batauli_GP Batauli and Sarmana, JP Udaipur- GP Karoundi and Sontarai, JP Lakhanpur-GP Amdala and Chodiya

4. Performance Audit -ULBs

4.1 Management of own funds by Municipal Bodies including collection of revenue

Chhattisgarh Municipal Corporation Act, 1956 and Chhattisgarh Municipality Act, 1961 empowers the Urban Local Bodies (ULBs) to levy and collect taxes, fees and charges etc. to augment their resources and to deliver their mandated services. A Performance Audit on 'Management of own funds by Municipal Bodies including collection of revenue' covering the period 2011-16 was conducted in 20 test checked ULBs between March 2016 and September 2016. Major audit findings are:

Management of fund by the ULBs were not efficient as 17 out of 20 test checked ULBs could not meet their expenses from their own revenue. Of this, 13 ULBs could not even meet their salary and wages from own revenue as cost of realisation of revenue by these ULBs was unsustainable (₹ one realised at a cost of ₹ 1.56). As a result, these ULBs had to depend on the assigned revenue and Grant from State Government to meet their expenses and delivery of their mandated services. This defeated their mandate to function as institutions of self-Government.

Despite resource crunch, 15 ULBs did not include 88,553 properties (23.30 *per cent*) under the property tax network and suffered loss of revenue worth ₹ 13.30 crore during 2011-16. Besides, the sampled ULBs also could not recover property tax of ₹ 8.37 crore, *Samekit kar* of ₹ 10.53 crore, water tax of ₹ 17.03 crore, rent/premium of shops/markets worth ₹ 27.54 crore, advertisement tax of ₹ 3.79 crore mainly due to lack of proper survey, engagement of staff in other works like census, preparation of ration cards and voter lists etc. At the same time loans (including interest) of ₹ 125.49 crore was not repaid by the test checked ULBs while liabilities worth ₹ 29.34 crore were not cleared by 15 ULBs.

Besides, eight ULBs did not deposit five *per cent* of annual income from own funds amounting to ₹ 27.84 crore in *Sanchit Nidhi* though mandated. Instances of excess payment of ₹ 1.36 crore, avoidable payment of ₹ 2.78 crore and unadjusted temporary advances worth ₹ 3.59 crore were also noticed in the sampled ULBs.

(Paragraph 4.1)

5 Compliance Audit - ULBs

Compliance audit of ULBs brought out the deficiencies relating to failure to comply with rules and regulations which have been presented in the succeeding paragraphs under the broad objective heads.

Failure to complete the construction of shops in more than 11 years resulted in infructuous expenditure of ₹ 40.81 lakh on the idle shops besides failure to recover revenue of ₹ 1.12 crore from the allottees of shops.

(Paragraph 5.1.1)

Inaction of Municipal Corporation Raigarh resulted in unrecovered rent of ₹ 23.49 lakh during January 2013 to February 2017 besides undue benefit of ₹ 85.32 lakh to shopkeepers.

(Paragraph 5.1.2)

Failure to adhere to Employees Provident Fund Act 1952 resulted in loss of ₹ 71.48 lakh to Municipal Corporation Bilaspur and liability of ₹ 40.08 lakh to Municipal Council Jashpur.

(Paragraph 5.1.3)

PART - A

Chapter I

An Overview of the Functioning, Accountability Mechanism and Financial Reporting Issues of Panchayati Raj Institutions

PART - A

CHAPTER I

AN OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING ISSUES OF PANCHAYATI RAJ INSTITUTIONS

An Overview of the functioning of the Panchayati Raj Institutions (PRIs) in Chhattisgarh

1.1 Introduction

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

A three-tier system of Panchayati Raj Institutions (PRIs) had been established in the State by Madhya Pradesh *Panchayati Raj Aivam Gram Swaraj Adhiniyam* Act, 1993 which came into force from January 1994 and adopted by Chhattisgarh State as Chhattisgarh Panchayat Raj Adhiniyam (henceforth the Act) 1993 on 7 June 2001 after creation of the State of Chhattisgarh.

1.1.1 Classification of the Panchayati Raj Institutions (PRIs)

The PRIs are classified into three tiers viz. Zila Panchayats (ZP) at district level, Janpad Panchayats (JP) at block level and Gram Panchayats (GP) at village level. After the formation of the newly created State of Chhattisgarh, the number of districts had been increased from 16 to 18 in the year 2007. Further, nine districts were formed in the year 2011. Of the 27 districts only 18 ZPs were functioning till March 2014. However, during the period 2014-15, nine more ZPs had also started functioning.

As per section 10 of the Act, there shall be a Zila Panchayat for every District and a Janpad Panchayat for every block of the district. Further, as per Section 3 read with Section 10 of the Act, the Governor shall notify that there shall be a Gram Panchayat for every specified village. At present, there are 27 ZPs, 146 JPs and 10971 GPs in the State.

The basic information about the State of Chhattisgarh is given in the **Table 1.1** below:

Table 1.1: Basic information about the State

Particulars	Unit	State figure	All India figure
Population	Crore	2.55	121.08
Share in country's population	*per cent*	2.11	100
Rural population	Crore	1.96	83.37
Share of Rural population	*per cent*	76.86	68.86
Literacy rate	*per cent*	70.3	73
Rural Literacy rate	*per cent*	66	67.8
Sex ratio (female per thousand males)	Ratio	991/1000	943/1000
Rural Sex ratio (female per thousand males)	Ratio	1001/1000	949/1000
Zila Panchayats	Number	27	543
Janpad Panchayats	Number	146	6087
Gram Panchayats	Number	10971	239432

(*Source: Census 2011 final figures, 13th Finance Commission Report and information provided by Panchayat Directorate Raipur*)

The last general election for the GPs, JPs and ZPs was held during January and February 2015. As per 2011 census, total population of the State was about 2.55 crore with 1.96 crore people residing in rural area constituting 76.86 *per cent* of the total population. The population-wise classification of GPs is given in the **Table 1.2** below:

Table 1.2: Population-wise classification of Gram Panchayats

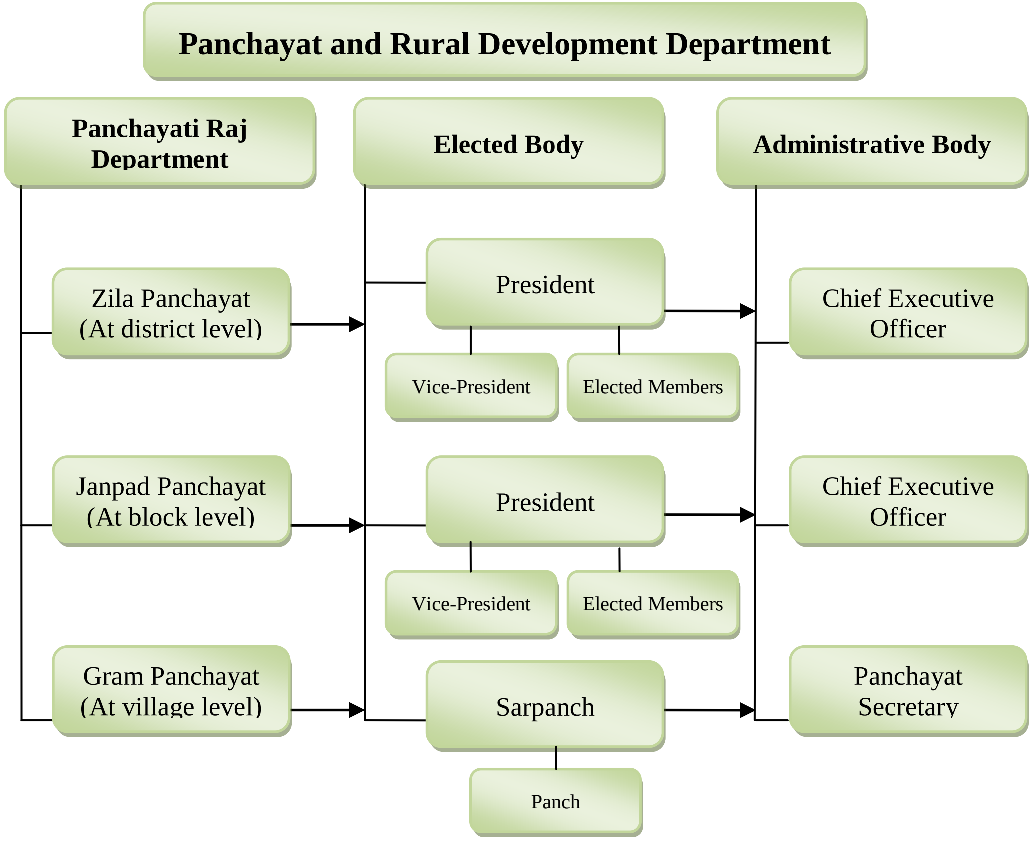
S. No.	Population	No. of Gram Panchayats
1	Upto 1,000	459
2	1,001 to 2,000	7616
3	2,001 to 3,000	2114
4	3,001 to 4,000	496
5	Above 4,000	286
Total		**10971**

(*Source: Data provided by Panchayat Directorate, Raipur*)

1.2 Organisational setup of PRIs

The PRIs are under the administrative control of the Panchayat and Rural Development Department, Government of Chhattisgarh. The Act and Rules/byelaws made thereunder provide for Executive/Administrative as well as elected bodies to discharge their duties for the purpose of carrying out the administration of PRIs. The organisational structure of Governance at State, District, Block and Village level is given below:

Organisational Chart of PRIs



1.3 Functioning of PRIs

1.3.1 Powers and Functions of PRIs

With the objective of entrusting activities related to economic development of PRIs and ensuring social justice, the functions of the ZPs, JPs and GPs have been defined by the State Government under section 52, 50 and 49 of the Chhattisgarh Panchayat Raj Adhiniyam (CGPRA) 1993 (Act). Further, the powers of the PRIs have been stated under section 54 to 68 of the Act. These are summarised in the following paragraphs.

1.3.1.1 Zila Panchayats (ZPs) are the first tier of Panchayat at the district level. As per section 29 of the Act, every Zila Panchayat (ZP) shall consist of members elected from the constituencies, who are empowered (section 32) to elect a President and a Vice-President. The president shall be responsible for carrying out the activities of resolution of the ZP, all directions issued by the State Government and all functions assigned to the ZP under section 52 of the Act. He would be responsible to ensure proper maintenance of records and registers, authorise payments, issue of cheque and refunds etc.

Further, section 69 (3) states that the State Government shall appoint for every ZP a Chief Executive Officer (CEO) and may also appoint one or more Additional Chief Executive Officers, who shall discharge such functions and perform such duties as may be assigned to them by the CEO. The CEO is the administrative head and assisted by Departments like Public Health, Public Works, Rural Engineering etc. CEO ZP, is responsible to take action for resolution of ZP, supervise and control the execution of all activities of ZP. He is authorized to draw and disburse money out of the ZP fund as per the financial rules in this regard.

The CEO, ZP is responsible for preparing the budget for the planned development of the district and utilisation of the resources, drawing up annual plans for the economic development of the district and social justice and ensuring their implementation. CEO, ZP is also responsible for co-ordination, evaluation and monitoring of the activities of JPs and GPs, ensuring implementation of any schemes entrusted by the Central or State Governments, appropriation of the grants received from the Central or State Governments to the JPs and GPs in accordance with the specified criteria.

1.3.1.2 Janpad Panchayats (JPs) are the intermediate tier of PRIs at the Block level. As per section 22 of the Act, every Janpad Panchayat (JP) shall consist of members elected from the constituencies, who are empowered (section 25) to elect a President and a Vice-President. The president shall be responsible for carrying out the activities of resolution of the JP, all directions issued by the State Government and all functions assigned to the JP under section 50 of the Act. He would be responsible to ensure proper maintenance of records and registers, authorise payments, issue of cheque and refunds etc.

Further, section 69 (2) states that the State Government shall appoint for every JP a Chief Executive Officer (CEO) as the administrative head and may also appoint one or more Additional Chief Executive Officers, who shall discharge such functions and perform such duties as may be assigned to them by the CEO. The CEO, JP shall be assisted by Block Extension Officer, Accounts Officer, technical staffs like Assistant Engineers and other administrative staff. CEO JP shall be responsible to take action for implementation of resolutions of JP, supervise and control the execution of all activities of JP. He is authorized to draw and disburse money out the JP fund as per the financial rules in this regard.

The JPs have least source of their own revenue and are mostly dependent on the Block Grants received from ZPs. The JPs undertake development works. The elected members of the JP are responsible for making suitable arrangements for rural development, agriculture, social forestry, animal husbandry and pisciculture, health and hygiene, adult education, cooperative work etc.

1.3.1.3 Gram Panchayats (GPs) are the last tier of PRIs at the grass root level. As per section 13 of the Act, every Gram Panchayat shall consist of elected Panches and a Sarpanch. The Sarpanch is elected as per the provisions envisaged in section 17 of Act. The Sarpanch shall be responsible for carrying out the activities of resolutions of the GP, all directions issued by the State Government and all functions assigned to the GP under section 49 of the Act. He would be responsible to ensure proper maintenance of records and registers, authorise payments, issue of cheque and refunds etc.

Further section 69 of the Act, provides that the State Government or the prescribed authority may appoint a Secretary for a Gram Panchayat or group of two or more Gram Panchayats. As per Gram Panchayat (Powers and functions of the Secretary) Rules, 1990 it is the duty of the Secretary of the GP to convene and record the proceedings of Gram Sabha and meetings of GP, regulate the functioning of GP, maintain all the official records in GP, prepare annual plan of GP, prepare estimates of revenue and expenditure, recover taxes, fees and other dues of GP etc.

Secretary of the GP is responsible for maintaining cleanliness and hygiene, maintenance and upkeep of water resources, lighting and construction of village roads, promotion of youth welfare, family welfare and sports activities, implementing programmes for social welfare and any other activities entrusted by the State Government, ZP or JP.

Scrutiny of records of ZP Surguja and test checked JPs revealed that the submission of Budget Estimates (BEs) by JPs to ZP and that of the ZP to PRD was delayed and the delays ranged from 10 to 255 days during the period 2011-16. It was also noticed that ZP had finalised the BE even before receiving the BEs from JPs during 2012-14 and 2015-16, which clearly indicated that preparation of BEs by ZP was not on the basis of actual estimation.

The observation on delayed submission of BEs is included in this report under Audit on "Financial Management and Implementation of schemes by PRIs in Surguja District" (Chapter II, Paragraph No. 2.1.2.1).

1.3.2 Devolution of Funds, Functions and Functionaries to PRIs

The 73rd Constitutional Amendment Act, 1992 envisages transfer of 29 functions listed in the Eleventh Schedule of the Constitution to PRIs. Further, funds and functionaries required for implementation of activities were to be devolved along with the transfer of functions to make them fiscally capable and autonomous. The minutes of meeting (December 2016) of inter-departmental Committee for transfer of functions to PRIs revealed that the devolution of funds, functions and functionaries to PRIs by the departments has been decided in 1998. The inter department Committee also decided that the concerned departments would issue notification for devolution of funds, functions and functionaries to PRIs by February 2017 and shall intimate the same to PRD. However, status of notification issued by the concerned departments were not intimated to audit (7 March 2017).

1.4 Formation of various Committees

In pursuance of the Article 243 ZD of the Constitution of India, State Government was empowered to constitute a District Planning Committee (DPC) at district level. Subsequently, State Government enacted (May 1995) Chhattisgarh Zila Yojana Samiti Adhiniyam, 1995 in this behalf for DPC with objective to consolidate the plans prepared by the Panchayats and Municipalities in the district and to prepare a draft development plan for the district as a whole. District Collector is a member of the DPC.

As per the section 46 of the Act, there shall be functional committees in GPs constituted with Panches of the GP for General Administration, Construction and development, education, health and social welfare. The Sarpanch and Deputy Sarpanch shall be the ex-officio member of these committees. As per the section 47 of the Act, five[1] standing committees are to be constituted to monitor the progress of implementation of works and schemes related to subjects assigned to them in every ZP and JP.

As per information received (November 2016) from Panchayat Directorate, the standing committees has been constituted in Panchayats and all the committees are functioning as per the provision of the Act.

1.5 Audit arrangement

1.5.1 Primary Auditor

Director of Local Fund Audit (DLFA) is the primary auditor (Statutory Auditor) of accounts of Local Bodies. Chhattisgarh *Sthaniya Sampriksha Adhiniyam*, 1973 was enacted to make provision for, and to regulate audit of local funds under the management or control of local authorities in the State.

The total number of outstanding audit observations of PRIs included in the Inspection Reports of DLFA was 1.73 lakh as of March 2016. Details of outstanding observations of DLFA are given in the **Table 1.3** below:

Table 1.3: Outstanding audit observations of DLFA

S. No.	Financial Year	No. of Unit Audited	Total No. of outstanding audit observations	Observations taken during the year	No. of observations settled	No. of observations Outstanding
1	2011-12	616	125677	9473	203	134947
2	2012-13	618	134947	6318	92	141173
3	2013-14	587	141173	8095	1671	147597
4	2014-15	824	147597	18569	3060	163106
5	2015-16	360	163106	29172	19023	173255

(*Source: Information provided by Director, Local Fund Audit*)

On being pointed out, Director, Panchayat Directorate stated (December 2016) that monthly review is being done for disposal of observations in District Auditors meeting by the Panchayat Directorate. Further, it was stated that directions have been made to strictly adhere to the instruction regarding organizing two camps every month for clearing the pendency of outstanding objections with the coordination of Local Fund Audit.

1.5.2 Audit by Comptroller and Auditor General of India

The Eleventh Finance Commission had recommended that the Comptroller and Auditor General (CAG) of India should be entrusted with the responsibility of exercising control and supervision over the proper maintenance of accounts and audit for all tiers of panchayats. The report of the CAG relating to audit of accounts of the panchayats and the municipalities should be placed before a Committee of the State Legislature constituted on the same lines as the Public Account Committee. The Thirteenth Finance Commission had also recommended that the CAG must be entrusted with Technical Guidance and Supervision (TGS) over the audit of all the Local Bodies (LBs) at every tier and his Annual Technical Inspection Report as well as Annual Report of DLFA must be placed before the State Legislature. Fourteenth Finance Commission had also recommended that the initiatives

[1] (i) General Administration, (ii) Agriculture, (iii) Education, (iv) Communications and Works, and (v) Cooperative and Industry

made by the previous Finance Commissions regarding improvement in maintenance of accounts of LBs and their audit and TGS arrangement by the CAG should be continued.

The CAG was entrusted (October 2011) the audit of LBs by the Government of Chhattisgarh under sub-section (1) of section 20 of the CAG's (Duties, Powers and Conditions of Service) Act 1971. The entrustment read with Regulation 152 of the Regulations on Audit and Accounts, 2007 provides for suitable Technical Guidance and Supervision to the Primary Auditor of LBs viz. the DLFA for the purpose of strengthening Public Finance Management and Accountability in LBs.

The DLFA shall prepare an annual Audit Plan, follow the audit methodology and procedure as per the statutes, forward the copies of Inspection Reports (IRs) to AG (Audit) and follow other conditions as prescribed in Regulation 152 of Regulations on Audit and Accounts, 2007.

The Office of the AG (Audit), Chhattisgarh had been organizing training programmes on efficacy of TGS for conducting of audit of PRIs and ULBs, preparation of Audit Plan and audit methodology for the staff of the DLFA. DLFA had started forwarding copies of Inspection Reports (IRs) to AG (Audit) from June 2014. AG (Audit) has received 1174 IRs till March 2016. Further, a joint meeting between DLFA and AG (Audit) was held (June 2016) to discuss various issues under TGS.

The Audit Report of the DLFA for the period 2011-13 and the CAG for the year ending March 2015 have been placed in the State Legislature in December 2015 and March 2016 respectively. The Secretariat of Chhattisgarh State legislature informed that the process for creation of committee for discussion of Audit Reports on Local Bodies is underway.

1.6 Response to Audit observations

According to TGS arrangement, the DLFA would pursue settlement/action taken on the audit observations raised by the AG in the same manner as he would pursue his own reports/audit observations.

The number of outstanding observations of AG's IRs was 2835 as of March 2016 pertaining to the period from 2011-12 to 2015-16. Details of outstanding audit observations of AG's IRs are shown in the **Table 1.4** below:

Table 1.4: Outstanding audit observations of AG's Inspection Reports

S. No.	Financial Year	Total No. of Units audited during the year	Observation taken during the year	No. of observations settled	No. of observations Outstanding
1	2011-12	09	84	16	68
2	2012-13	71	434	16	418
3	2013-14	103	624	01	623
4	2014-15	121	626	00	626
5	2015-16	146	1100	00	1100
Total		**450**	**2868**	**33**	**2835**

It is evident from the above table that the Department was not taking appropriate steps for the settlement of audit observations made by the AG. During the last five years (2011-16), a total of 2868 observations reflected during the audit of 450 PRIs, whereas only 33 objections had been settled by the department, which indicates the poor monitoring and lack of supervision by the Department in settling the outstanding audit observations.

Accountability Mechanism and Financial Reporting issues

Accountability Mechanism

1.7 Ombudsman

Para 10.66 of the Thirteenth Finance Commission provides for constituting a separate ombudsman for local bodies by amending the respective State Panchayat and Municipal Acts.

Governor of Chhattisgarh promulgated an ordinance 'Chhattisgarh *Lok Aayog Adhyadesh*, 2002' to make provisions for appointment and functions of certain authorities for the inquiry into the allegations against Ministers, Parliamentary Secretaries, Public servants etc. and for the matters connected therewith. A Gazette notification in this regard was published in November 2002.

The local bodies have also been brought under the ambit of 'Lok Aayog'.

1.8 Social Audit

Chhattisgarh Social Audit Unit (SAU) was constituted (September 2013) as an independent agency to work towards strengthening the Social Audit process in Chhattisgarh.

Currently Chhattisgarh Social Audit unit is responsible for the Social Audit of the schemes of Mahatma Gandhi National Employment Guarantee Scheme and Indira Awas Yojna.

According to Section 3(1) of 'Audit of Scheme Rules, 2011' the State Government shall facilitate conduct of Social Audits (SAs) of the works taken up under the Act in every Gram Panchyats (GPs) at least once in six months in the manner prescribed under the rules.

Accordingly, 21942 SAs were to be conducted in the year 2015-16 against the existing 10971 GPs, however social audit was conducted in 4675 GPs which accounted for 21 *per cent* of the required coverage. SAU Chhattisgarh informed that they had targeted conduct of SA of 5000 GPs for the year 2015-16. Hence even the target set by SAU was only 23 *per cent* of the required coverage.

1.9 Submission of Utilisation Certificates

As per Rule 182 of the Chhattisgarh Financial Code Vol-I, in case of an annual or a non-recurring conditional grant, the Departmental officer on whose signature or counter-signature Grant-in-aid bill is drawn, shall furnish the Utilisation Certificates (UCs) to the Accountant General on or before 30 September of the year following that to which the grant is related.

Information received (January 2017) from the Office of the AG (A&E), Chhattisgarh revealed that total number of 3808 UCs due in respect of grants amounting to ₹ 3,050.93 crore paid during 2011-12 to 2015-16 under Major Head 2515 (Other Rural Development Programme), and all the UCs were received in the Office of the AG (A&E) as of December 2016.

Further, it is to be stated that Finance Department, Government of Chhattisgarh and Office of the AG (A&E) Chhattisgarh mutually consented

(August 2014) that Grant-in-Aids (GIA) vouchers wherein it was not clearly mentioned that the UCs shall be sent to Accountant General, the UCs shall not be shown pending. Hence, the UCs of GIA vouchers where it is specifically mentioned that the UCs should be sent to the Accountant General are only being compiled by AG (A&E).

1.10 Internal Audit and Internal Control System of PRIs

In exercise of powers conferred by Section 95 read with Section 84 of the Act, State Government framed Chhattisgarh Panchayat (Inspection of Proceedings) Rules, 1995 to inspect the working of Panchayats. Rule 3 of the said rule envisaged that the inspection of works and the working of Panchayats could be done by the officers authorized from time to time by State Government under Clause (1) of Section 84 of the Act. Further, Sub-Divisional Officer in respect of GP, Commissioner, Director (Panchayat) or Collector in respect of GP and JP, and Commissioner or Director (Panchayat) in respect of ZP shall be authorized as Inspecting Officers for overseeing the operations.

In this context, Director, Panchayat Directorate intimated (November 2016) that internal audit of all tiers of Panchayat are conducted every year and the observation taken in inspection reports are disposed through Deputy Director (Panchayat) deployed in the districts.

1.11 Financial Reporting Issues

1.11.1 Sources of revenue

There are mainly two sources of funds for PRIs viz. Government grants and own revenues. Government grants comprise funds released by the State Government and GoI based on the recommendation of the State Finance Commission (SFC)/Central Finance Commission and GoI and State share transfered for various Centrally sponsored/Central and State sector schemes. Own revenue resources of PRIs comprise tax and non-tax revenues realised by them. We noticed that the Department at the State level did not compile any information of own revenue of the PRIs. Thus, the Department was not aware of own revenue receipts of the PRIs.

Lack of maintenance of revenue realisation of Panchayats at the State level was discussed (February 2015) in the Performance Audit of 'Receipts of Panchayats' (ATIR 2013-14) wherein it was assured that necessary steps would be taken for collection of data at the State level. However, the issue remains unaddressed even after lapse of more than 22 months from the date of discussion of the issue.

Revenue of Gram Panchayats

CGPRA classifies taxes/fees on six items[2] as obligatory taxes assigned to GPs. Besides, some optional taxes/fees may also be levied by GPs. According to Rule 3 of the Chhattisgarh Gram Panchayat Obligatory Taxes and Fees (Conditions and Exceptions) Rules 1996, every GP shall impose any obligatory tax or fee after passing a resolution regarding the rate at which the

[2] Property tax, tax on cleaning of private latrin, Light tax, tax on persons carrying out any profession/trade, Market fees and fees on registration of animal sold in any market

tax or fee is to be imposed. The statutes further prescribes a minimum in addition to maximum rate for Property tax on land and buildings, tax on person following any profession or trade, Market fees and registration of animals sold in any market.

Scrutiny of records of 119 GPs revealed (September 2015 to March 2016) that 47 GPs were not levying any obligatory/optional taxes/fees and 80 GPs were not levying the Property tax during 2011-12 to 2015-16.

On being pointed out, Secretary of GPs replied (September 2015 to March 2016) that the taxes would be collected in future as per rule.

1.11.2 Budgetary Allocation and Expenditure

Funds (Share of tax revenue of the State, Schemes and grants etc.) allocated to PRIs by the State Government through budget including GoI share of the schemes and grants recommended by Central Finance Commission are shown in the **Table 1.5** below:

Table 1.5: Statement showing allocation and expenditure of funds

(₹ in crore)

S. No.	Year	Budgetary Allocation			Expenditure			Savings (percentage)
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	
1	2011-12	806.15	647.46	1453.61	780.96	617.28	1398.24	55.37 (4)
2	2012-13	1123.04	867.97	1991.01	995.70	782.49	1778.19	212.82 (11)
3	2013-14	1224.97	979.72	2204.69	772.66	798.30	1570.96	633.73 (29)
4	2014-15	1642.73	1071.79	2714.52	1262.84	836.82	2099.66	614.86 (23)
5	2015-16	966.46	1419.90	2386.36	751.43	1310.81	2062.24	324.12 (14)
Total		**5763.35**	**4986.84**	**10750.19**	**4563.59**	**4345.70**	**8909.29**	-

(*Source: Information provided by the Panchayat Directorate, Raipur*)

As against the total allocation of ₹ 10,750 crore during 2011-12 to 2015-16, the expenditure of the PRIs was ₹ 8,909 crore. The maximum savings were 29 *per cent* and 23 *per cent* of allocated funds during 2013-14 and 2014-15 respectively. The reason for savings was not intimated by the Department.

1.11.3 Recommendation of the State Finance Commission (SFC)

As per Article 243-I of the Constitution read with Chhattisgarh State Finance Commission Act 1994, State Government constituted (July 2011) the second SFC to scrutinize the financial positions of local bodies of the State for the period 2012-17. Accordingly, the second SFC submitted (March 2013) its report with a total number of 133 recommendations to the Government. Of which 100 recommendations were accepted either fully or partially, four were pending for inter-departmental consultations and rest 29 recommendations were not accepted by the Finance Department, Government of Chhattisgarh. Out of the accepted recommendations, 34 were to be implemented by PRIs, 41 were to be implemented by ULBs and rest 25 were to be implemented by the other Departments. In this context, Panchayat Directorate informed that five recommendations were not accepted by the Panchayat and Rural Development Department and the proceedings for 13 recommendations have been completed and rest 16 are in progress as of September 2016.

Further, the third SFC has been constituted (January 2016) by Government of Chhattisgarh to scrutinize the financial positions of the local bodies for the period 2017-22.

Devolution of Grants to PRIs

On the recommendations of first State Finance Commission (SFC), the State Government brought out its Action Taken Report (ATR) in July 2009. As per ATR, the Government of Chhattisgarh had agreed to devolve a share of 4.79 *per cent* of State's Own net Tax Revenue (SOTR) for PRIs against the 6.62 *per cent* recommended by the first SFC for the period 2007-12. The Second SFC recommended devolution of 6.15 *per cent* share of SOTR to PRIs for the period 2012-17. The position of grants released to PRIs through State budget during 2011-12 to 2015-16 is given in the **Table 1.6** below:

Table 1.6: State's Own net Tax Revenue and devolution of Grants to PRIs

(₹ in crore)

Year	Amount of own net tax revenue of the State	Amount of share of own tax revenue to be allocated		Amount of share of own tax revenue (SFC grants) released to PRIs	Short fall(-)/ Excess(+) (percentage of Short fall)
		Prescribed Percentage	Amount		
1	2	3	4	5	6
2011-12	9269.29	4.79	444.00	330.00	(-) 114.00 (26)
2012-13	10829.46	6.15	666.01	676.75[3]	(+) 10.74
2013-14	12424.28	6.15	764.09	783.00	(+) 18.91
2014-15	14225.90	6.15	874.89	858.00	(-) 16.89 (2)
2015-16	16288.54	6.15	1001.75	1200.00	(+) 198.25
Total	**63037.47**	**--**	**3750.74**	**3847.75**	**97.01**

(*Source: Information provided by the Panchayat Directorate, Raipur*)

It is evident from the above table that devolution of funds to PRIs from the SOTR as per the recommendations of SFC was beyond the prescribed limits. There was short devolution of ₹ 130.89 crore during the period 2011-12 and 2014-15. However, during the year 2012-14 and 2015-16 there was devolution of additional funds of ₹ 227.90 crore. Thus, there was net excess of ₹ 97.01 crore in devolution of funds to PRIs during 2011-12 to 2015-16.

1.11.4 Recommendation of the Central Finance Commission

Thirteenth Finance Commission Grants

The Government of India (GoI) sanctioned an amount of ₹ 1775.31 crore during 2010-11 to 2014-15 as per recommendations of the Thirteenth Finance Commission (ThFC). Out of ₹ 393.28 crore sanctioned for 2014-15, ₹ 254.99 crore was released during 2015-16 by the State Government. An amount of ₹ 1225.42 crore (69 *per cent*) had been spent as of March 2016. The details of allotment and expenditure of ThFC grant are given in the **Table 1.7** below:

[3] Department intimated (January 2017) that an amount of ₹ 676.75 crore was released to PRIs during 2012-13, which was previously shown as ₹ 666.25 crore due to expenditure of a item was taken as allotment of that item, which was corrected during the checking of the records

Table 1.7: Details of allocation and expenditure of ThFC grant

(₹ in crore)

S. No.	Year	Allocation			Expenditure upto 2014-15	Expenditure during 2015-16	Total Expenditure	Saving (Percentage)
		Basic Grant	Performance Grant	Total				
1	2010-11	170.55	00	170.55	151.82	8.39	160.21	10.34 (06)
2	2011-12	217.96	104.93	322.89	261.55	21.07	282.62	40.27 (12)
3	2012-13	242.60	126.89	369.49	274.55	28.68	303.23	66.26 (18)
4	2013-14	276.63	242.47	519.10	279.47	50.66	330.13	188.97 (36)
5	2014-15	138.29	00	138.29	90.71	58.52	149.23	244.05 (62)
6	2015-16	162.10	92.89	254.99				
Total		**1208.13**	**567.18**	**1775.31**	**1058.10**	**167.32**	**1225.42**	**549.89 (31)**

(*Source: Information provided by Panchayat Directorate, Raipur*)

The above table indicates that the PRIs could not spend the entire ThFC grant. The maximum savings were 36 *per cent* and 62 *per cent* of allocated funds pertaining to 2013-14 and 2014-15 respectively as of March 2016.

Fourteenth Finance Commission (FoFC) Grants

FoFC had recommended two types of grant, namely; Basic Grant and Performance Grant, for Gram Panchayats (GPs) and Municipalities. The purpose of the Basic Grant is to provide unconditional support to the GPs and Municipalities for delivering the basic functions assigned to them under their respective statutes, such as water supply, sanitation, sewerage, maintenance of community assets, footpaths and street lighting, burial and cremation grounds etc. In the case of Performance Grant, a detailed procedure for disbursal of the Performance Grant to PRIs based on revenue improvement be designed by the State Government concerned, subject to certain eligibility criteria.

GoI released (July 2015 and December 2015) an amount of ₹ 566.18 crore as Basic Grant during 2015-16 as per recommendations of FoFC, of which no expenditure had been incurred by the Department as of March 2016. However, an amount of ₹ 379.20 crore (67 *per cent*) had been spent as of November 2016.

1.11.5 Adoption of Budget and Accounting formats

Based on the recommendations of the Eleventh Finance Commission, for exercising proper control and securing better accountability, the formats for the preparation of budget and accounts and database on finances of PRIs were prescribed (2002) by the CAG. These formats were further simplified (2007) for easy adoption at grass root level, namely (i) Monthly/Annual Receipts and Payment Accounts; (ii) Format of Consolidated Statement; (iii) Format of Monthly Reconciliation Statement; (iv) Format of Receivable and Payable; (v) Format of Immovable Property; (vi) Format of Movable Property; (vii) Format of Inventory Register; and (viii) Format of Demand, Collection and Balance. In view of this, State had constituted a State Model Accounting System Committee (SMC) for the implementation and initiated (2011-12) the process for database on the finances of PRIs under *PriaSoft*, which was provided by GoI.

Department stated that all 27 ZPs, all 146 JPs and 10244 out of the 10971 GPs had already started feeding the data for the first five formats of *PriaSoft*. However no reply was furnished regarding utilization of these data for any official purpose.

1.11.6 Issues related to AC/DC Bills

As per Rule 313 of the Chhattisgarh Treasury Code (CGTC), every Drawing and Disbursing Officer (DDO) has to certify in each Abstract Contingencies (AC) bill that Detailed Contingencies (DC) bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the concerned Controlling Officers for countersignature and transmission to the Office of the AG (A&E). As per CGTC Subsidiary Rule 327, DDOs should submit monthly DC bills along with necessary certificate to the Controlling Officers within fifth of the following month. The Controlling Officer is required to submit the passed DC bills to Accountant General, so that these may be received in AG's office before 25^{th} of the same month.

Information of AC/DC bills for the period 2011-12 to 2015-16 received (January 2017) from the Office of AG (A&E), Chhattisgarh revealed that as of December 2016 there was no pendency of DC bills.

Chapter II

Compliance Audit - PRIs

2.1 Financial Management and Implementation of schemes by PRIs in Surguja District

CHAPTER II

PANCHAYAT AND RURAL DEVELOPMENT DEPARTMENT

2.1 Financial Management and Implementation of schemes by PRIs in Surguja District

2.1.1 Introduction

The 73rd Constitutional Amendment Act, 1992, entrusted Panchayati Raj Institutions (PRIs) with specific powers, functions and responsibilities with a view to enable them to function as Local Self Government Institutions. Accordingly, a three tier system of PRIs, comprising of Zila Panchayat (ZP) at the district level, Janpad Panchayat (JP) at the block level and Gram Panchayat (GP) at the village level were established in the State with the enactment of the Chhattisgarh Panchayat Raj Adhiniyam, 1993 (CGPRA)[1]. As of March 2016, there were 27 ZPs, 146 JPs and 10971 GPs spread across the State. Main functions of Panchayats are preparation and implementation of plans of economic development and social justice and levy and collection of taxes and fees.

The Panchayat and Rural Development Department (PRD) is headed by the Additional Chief Secretary (ACS) at the Government level who is assisted by Commissioner Cum Director, PRD. The organisational set-up of the Panchayati Raj Institutions (PRIs) is a three-tier structure at the district, block and village level in the form of ZP, JP and GP. ZPs and JPs are headed by the respective Chief Executive Officers (CEO) while Secretary of GP is responsible for maintenances of records at GP level.

Audit of financial management and implementation of schemes by PRIs in Surguja district of Chhattisgarh was conducted between May 2016 and September 2016 covering the period 2011-16 by test check of records of the ZP, five[2] out of seven JPs and 10 GPs (two GPs from each selected JPs) selected on the basis of Simple Random Sampling without Replacement method. Surguja is selected on the basis of expenditure incurred on the schemes. Further, seven out of 18 Schemes implemented by the PRIs in the sampled units were selected on the basis of expenditure. Besides, 10 scheme beneficiaries were also selected for detailed scrutiny in the selected JPs.

An entry conference was held (July 2016) with the Commissioner Cum Director, PRD to discuss the audit objectives, criteria, scope and methodology of audit. An exit conference was held (2 March 2017) with the Commissioner Cum Director, PRD to discuss the audit findings. The replies given by the Commissioner Cum Director, PRD have been suitably incorporated in the Report.

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1 Chhattisgarh adopted Madhya Pradesh Panchayat Raj Adhiniyam 1993 on 07 June 2001 after creation of the State of Chhattisgarh

2 JP Batauli_GP Batauli and Sarmana, JP Lakhanpur-GP Amdala and Chodiya, JP Mainpaat-GP Katkalo and Ropakhar, JP Sitapur- GP Pratapgarh and Shivnathpur, JP Udaipur- GP Karoundi and Sontarai

Audit Findings

2.1.2 Financial Position

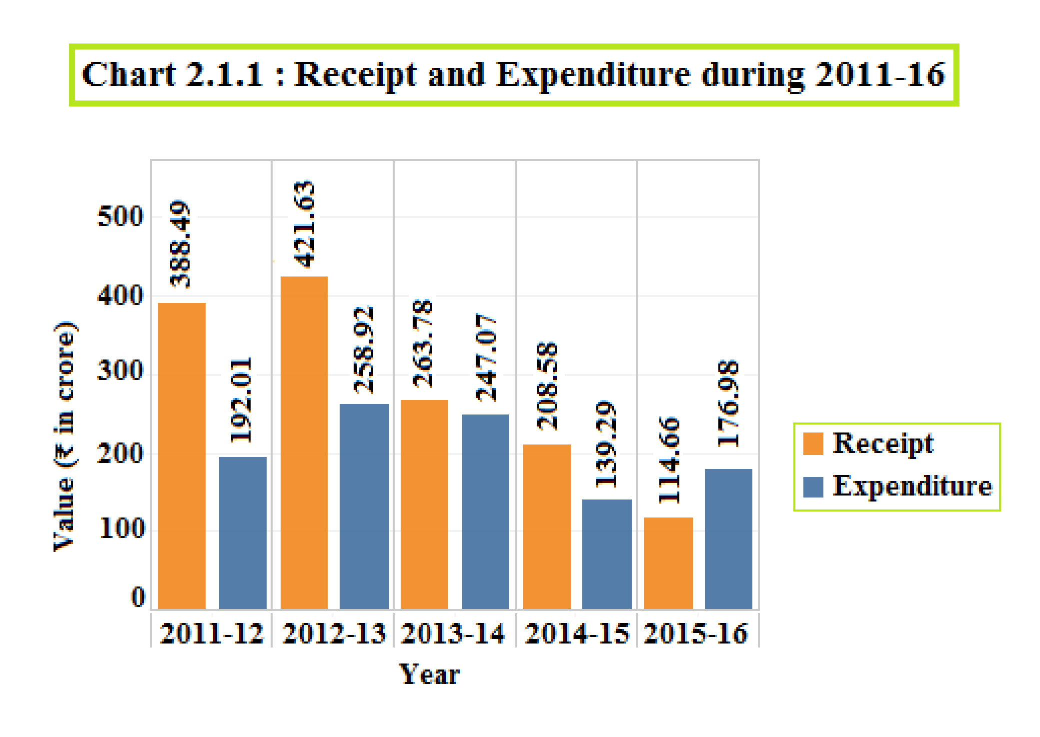
The sources of fund of PRIs comprise of Central Grant, State Grant and its own revenue resources. At the ZP level there is not much revenue generation from own sources as no taxes can be imposed by the ZP. The funds allocated by Commissioner Cum Director, PRD to ZPs is further distributed to JPs and GPs for implementation of schemes. Receipt and Expenditure of ZP Surguja during the period 2011-12 to 2015-16 is detailed in **Table 2.1.1** below:

Table 2.1.1: Receipt and Expenditure of ZP Surguja

(₹ in Crore)

Year	Scheme Funds							Own Revenue	
	Receipt			Expenditure by JP/Agency			Saving (+)/ Excess(-) *per cent*	Demand	Collec-tion
	Central	State	Total	Central	State	Total			
2011-12	307.83	80.66	388.49	112.17	79.84	192.01	196.48 (51)	0.01	0.01
2012-13	350.60	71.03	421.63	144.24	114.68	258.92	162.71 (39)	0.01	0.01
2013-14	193.43	70.35	263.78	134.66	112.41	247.07	16.71 (6)	0.02	0.02
2014-15	112.00	96.58	208.58	69.01	70.28	139.29	69.29 (33)	0.02	0.02
2015-16	57.02	57.64	114.66	57.34	119.64	176.98	-62.32 (-54)	0.02	0.01
Total	**1020.88**	**376.26**	**1397.14**	**517.42**	**496.85**	**1014.27**		**0.08**	**0.07**

(Source: Information provided by department)



It could be seen from the above table that savings ranged from six to 51 *per cent* during 2011-15 while expenditure exceeded allotment by 54 *per cent* during 2015-16.

Further, the Receipt and Expenditure of the seven selected schemes are given in **Table 2.1.2** below:

Table 2.1.2: Receipts and Expenditure of the selected schemes

(₹ in Crore)

Year	IGVAP		SSP1		SSP2		MGNREGA		CGGNY		IAY		BRGF	
	FA	E	FA	E	FA	E	FA	E	FA	E	FA	E	FA	E
2011-12	17.00	10.08	15.20	3.48	4.30	1.73	201.05	111.17	18.05	0.78	48.75	10.90	43.67	22.53
2012-13	15.92	12.08	20.72	4.28	4.07	1.96	334.81	164.03	19.65	0.81	86.44	20.49	49.38	24.74
2013-14	12.53	12.24	22.94	4.75	4.01	2.04	295.01	146.25	24.83	3.27	87.83	18.23	24.64	25.51
2014-15	8.94	11.34	27.69	6.08	4.97	2.69	172.28	29.05	21.56	0.00	96.07	14.46	17.85	14.05
2015-16	5.70	11.92	35.11	7.27	5.63	3.03	174.60	102.61	21.56	0.00	81.91	9.73	3.80	2.48
Total	**60.09**	**57.66**	**121.66**	**25.86**	**22.98**	**11.45**	**1177.75**	**553.11**	**105.65**	**4.86**	**401.00**	**73.81**	**139.34**	**89.31**
Expenditure percentage	**96**		**21**		**50**		**47**		**5**		**18**		**64**	

(Source: Information provided by department)
(FA-Fund available which includes the closing balance of the previous years and E-Expenditure by JPs)

IGVAP: Indira Gandhi Vridha Awastha Pension, SSP1: Samajik Suraksha Pension, SSP2: Sukhad Sahara Pension, MGNREGA: Mahatma Gandhi National Rural Employment Guarantee Act, CGGNY: Chhattisgarh Gramin Nirman Yojna, IAY: Indira Awas Yojna, BRGF: Backward Region Grant Fund

It could be seen from the above table that in all the seven selected schemes implemented by the sampled PRIs, the available funds could not be spent. During 2011-16, the expenditure on these seven schemes ranged between five (CGGNY) and 96 (IGVAP) *per cent*. Reasons for low spending efficiency were not on records of the sampled PRIs. Further, the closing balances of funds under MGNREGA and CGGNY did not match with the opening balances of the successive years due to poor maintenance of records of these schemes **(Appendix 2.1.1**). However, PRD never instructed the PRIs to reconcile the opening and closing balances of these schemes to ensure proper accountal of the scheme funds.

During exit conference, Commissioner Cum Director stated that appropriate instructions will be issued to ZP for submission of reason and proper maintenance of records.

2.1.2.1 Budget and Accounting of Funds

Preparation and submission of budget estimate

As per Chhattisgarh Zila Panchayat (Budget Estimate) Rule, 1997, ZPs have to prepare the Budget Estimates (BEs) on the basis of Annual Action Plan and requirement of funds. With the approval of General Administrative Committee, ZP shall submit the BE to PRD by 31 January every year.

Scrutiny of records of ZP Surguja and test checked JPs revealed that during 2011-16, the delay in submission of BEs by JPs to ZP ranged from 10 to 202 days and that of the ZP to PRD ranged from 41 to 255 days **(Appendix 2.1.2).** Further, in three years[3], ZP finalised the BE even before receiving the BEs from JPs which clearly indicated that preparation of BEs by ZP was not on the basis of actual estimation **(Appendix 2.1.3)**.

During exit conference, the Commissioner Cum Director stated that appropriate instructions will be issued to submit the budget in due time.

[3] 2011-12, 2013-14 and 2015-16

Lapse of budget allotment ₹ 3.82 crore

Lapse of budget allotment of ₹ 3.82 crore in the absence of pre-requisite permission

An amount of ₹ 3.82 crore was allotted to CEO, ZP Surguja during February-March 2016 for payment of salary to Panchayat employees and for incurring capital expenditure under *Surguja Vikas Pradhikaran* and Chhattisgarh State *Gramin Kshetra Vikas Pradhikaran*.

Scrutiny revealed that ZP Surguja submitted (March 2016) the bills to treasury, however in the absence of permission from Finance Department, the bills could not be passed. Consequently, the budget allotment of ₹ 3.82 crore lapsed while salaries to staff could not be paid on time.

During exit conference, Commissioner Cum Director stated that no permission was given to treasury by Finance department.

The submission of bills to the treasury without the requisite permission caused the lapse of budget.

Outstanding dues and advances

Advances amounting ₹ 3.11 crore was remaining unadjustable

As per Rule 51 and 52 of Chhattisgarh Zila Panchayat (Accounts) Rule, 1999, advances for tour to members and employees of Panchayat may be granted with the approval of CEO, ZP, only if the previous advance of the same nature has been fully adjusted or recovered. If the employee fails to submit details of expenditure against advance, the same should be recovered from their next salary or other payables. Further, section 89 (1) of the Chhattisgarh Panchayat Raj Act, 1993 provides that each Panch, member or personnel holding any post, officer or employee of the Panchayat will be personally responsible for any loss, defalcation or misappropriation caused due to negligence towards duty. The due amount will be recoverable as dues of land revenue.

Scrutiny of records of ZP Surguja and five test checked JPs in Surguja revealed that an amount of ₹ 3.99 lakh **(Appendix 2.1.4)** given to 39 employees during 2006-16 were lying unadjusted till February 2017. Further, it was also noticed that in 17 cases, advances were sanctioned without adjusting previous advances.

Similarly, an amount of ₹ 4.96 crore were granted by the ZP as advance to 344 Sarpanches during 2010-13 for various civil works. Of this, only ₹ 1.89 crore was adjusted till February 2017 while ₹ 3.07 crore remained outstanding **(Appendix 2.1.5)** as of February 2017**.**

During exit conference, Commissioner Cum Director while accepting the facts stated that ZP would be instructed to ensure adjustment/recovery of advances.

Fraudulent drawal of ₹ 37.05 lakh due to lack of internal control

Fraudulent drawal of ₹ 37.05 lakh by NGOs

Scrutiny of records of JP Mainpaat revealed that two cheques each valuing ₹ 50,000 were issued (20 October 2014) to an NGO. The bank statement of the JP showed that against these two cheques, ₹ 3,50,000 (21 October 2014) and ₹ 4,50,000 (31 October 2014) were drawn by the NGO by forging the amounts in the cheques. However, an FIR was lodged (October 2015) by JP Mainpaat only after lapse of one year. Similarly, in JP Sitapur a cheque of ₹ 40,000 issued (November 2014) was forged by the same NGO and an amount of ₹ 3,40,000 was drawn. JP Sitapur lodged FIR (August 2015) after lapse of eight months.

In JP Batauli, the cheque handling official noticed (July 2015) that three cheques were missing from the records of the Janpad Panchayat, it was known from the bank statements of JP that the above NGO had encashed ₹ 27.05 lakh[4] between June and July 2015 against the missing cheques. An FIR was lodged against the NGO in July 2015.

Thus, a total amount of ₹ 37.05 lakh fraudulently drawn and embezzled in October-November 2014 and July 2015 by the NGO remained to be recovered as of February 2017.

Audit observed that the fraudulent drawals in JP Batauli during June-July 2015 would have been prevented had timely action been initiated by the ZP to lodge FIR against the NGO once the first instance of fraudulent drawal was noticed in October 2014. However, delayed action on the part of the ZP to lodge FIR facilitated the embezzlement of ₹ 27.05 lakh by the NGO.

During exit conference, Commissioner Cum Director while accepting the facts stated that ZP would be instructed to ensure full recovery of amount drawn fraudulently.

Fact remains that if immediate action had been taken against the NGO further fraudulent drawal in JP Batauli could have been prevented. The ZP did little to recover the amount other than just filing an FIR.

2.1.3 Revenue Mobilisation

ZP and JPs impose taxes on *Jalashay*, shop, meeting hall and community buildings to augment their sources of income while GPs derive their source of revenue from collection of compulsory and optional taxes and fees as provided in CGPRA. Details of revenue collected at the ZP level and two out of five JPs are given in **Table 2.1.3** below:

Table 2.1.3: Collection of own revenue

(amount in ₹)

Year	ZP Surguja		JP Batauli		JP Udaipur	
	Estimated Income	Actual Income	Estimated Income	Actual Income	Estimated Income	Actual Income
2011-12	120000	118100	13633	13633	3000	2400
2012-13	120000	120000	13633	8345	5000	3600
2013-14	180000	180000	14395	9180	3000	2400
2014-15	180000	180000	14395	9180	5000	0
2015-16	216000	108000	16375	10002	150000	137283
Total	**816000**	**706100**	**72431**	**50340**	**166000**	**145683**

(Source: Information provided by department)

As can be seen from above, ZP collected only ₹ 7.06 lakh (86 *per cent*) during 2011-16 against estimated revenue of ₹ 8.16 lakh and JP Batauli and Udaipur collected ₹ 1.96 lakh (82 *per cent*) against estimated revenue of ₹ 2.38 lakh. In case of other three JPs and test checked GPs, collection and estimation of revenue could not be verified by audit as records were not made available. The estimation and collection of revenue were not realistic as the ZP, JPs and GPs did not properly levy property tax, lighting tax, lease out *Jalashays*, recover rents etc. as discussed in the succeeding paragraphs.

[4] Cheque 1 - for ₹ 8.75 lakh, Cheque 2 - for ₹ 9.80 lakh, Cheque 3 - for ₹ 8.50 lakh

During exit conference, Commissioner Cum Director stated that instructions would be issued to maintain proper records.

2.1.3.1 Property Tax

As per Rule 5 of Chhattisgarh Gram Panchayat obligatory taxes and fees (condition and exception) Rule 1996, every GP shall, after following the procedure prescribed, impose a tax on land or building or both. The rate of tax is required to be fixed by GP on the capital value of the building.

Property tax was not levied by three out of 10 test-checked GPs

Scrutiny of records of 10 test checked GPs revealed that three[5] GPs did not levy property tax while four[6] GPs levied property tax at the flat rate of ₹ 20 and ₹ 50 per house per year during 2015-16 on the basis of resolution passed by the GPs. The rest three GPs did not furnish information about property tax.

Audit further noticed from the demand and collection registers that the GPs did not record the capital value of the buildings based on which the demand for property tax is to be levied and collected. As such, the actual tax leviable could not be verified.

During exit conference, Commissioner Cum Director while accepting the observation stated that the ZP will be instructed for levy and collection of Property Tax as per rule and to maintain necessary records.

2.1.3.2 Lighting Tax

As per provision of Rule 10 of Chhattisgarh Gram Panchayat Obligatory taxes (condition and exceptions) Rule 1996, a GP which has made lighting arrangements, shall after following the procedure, impose a lighting tax on all buildings within the GP area as may be decided by it with reference to the capital value of the building. The lighting tax shall be payable by the actual occupier of the house.

Lighting tax was not levied by four out of 10 test-checked GPs

Scrutiny revealed that four[7] out of 10 test checked GPs made lighting arrangements but did not levy and collect lighting tax while the other six GPs did not make any lighting arrangements.

During exit conference, Commissioner Cum Director while accepting the fact stated that the ZP will be instructed for levy and collection of lighting tax as per rule and to maintain necessary records.

2.1.3.3 Outstanding fee for *Jalashay* lease

State Government in April 2003 authorised ZP and JPs to allot *Jalashay* (water body) with average size of 100 to 200 hectare and 10 to 100 hectare respectively on lease for fisheries.

During scrutiny of records of ZP Surguja and five test checked JPs, it was noticed that *Jalashays* were given on lease for fishing. However, an amount of ₹ 0.79 lakh recoverable from lease holders for the period (June 2012 to June 2015) was pending for recovery as of February 2017 as detailed in **Table 2.1.4** below:

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[5] Amdla, Chodiya and Karoundi

[6] Batauli, Sarmana, Shivnathpur and Sontarai

[7] Batauli, Pratapgarh, Sarmana and Shivnathpur

Table 2.1.4: Details of recoverable *Jalashay* lease

(₹ in lakh)

Name of JP/Jalashay	Period of lease	Due dates of deposit of lease amount	Due for recovery
Batauli/ Gahila	01/07/2012 to 30/06/2013	01/04/2012 to 30/06/2012	0.05
	01/07/2013 to 30/06/2014	01/04/2013 to 30/06/2013	0.06
	01/07/2014 to 30/06/2015	01/04/2014 to 30/06/2014	0.06
	01/07/2015 to 30/06/2016	01/04/2015 to 30/06/2015	0.06
Udaipur/ Khodri	01/07/2014 to 30/06/2015	01/04/2014 to 30/06/2014	0.14
	01/07/2015 to 30/06/2016	01/04/2015 to 30/06/2015	0.14
Lakhanpur/ Narkalo	01/07/2014 to 30/06/2015	01/04/2014 to 30/06/2014	0.14
	01/07/2015 to 30/06/2016	01/04/2015 to 30/06/2015	0.14
Total			**0.79**

(Source: Information provided by department)

As per agreement clause, lease amount of first year was to be deposited in the account of ZP and JPs before agreement and for subsequent years the amount should be deposited between 1 April to 30 June. In case of failure to deposit the lease amount, penal interest at the rate of 2.5 *per cent* per month shall be recovered for a maximum period of three months after which the lease may be cancelled giving 30 days' notice.

Scrutiny revealed that the lease amount was deposited in ZP Surguja and three[8] JPs with a delay of three to 43 months but interest of ₹ 2.38 lakh was not recovered from lease holders **(Appendix 2.1.6).** Further, ZP Surguja did not initiate any action for lease of two *Jalashays* during 2014-15 while JP Sitapur did not lease three *Jalashays* during the period from June 2011 to March 2016. As a result, ZP and the concerned JP could not generate revenues from the idle *Jalashays.*

During exit conference, Commissioner Cum Director while accepting the fact stated that the ZP will be instructed for recovery of balance lease and interest amount. The fact remains that the ZP and JPs did not take timely action to prevent revenue loss.

2.1.3.4 Outstanding rent of meeting hall

As per order of ZP Surguja rent of meeting hall is recoverable at the rate of ₹ 3200 per day from the allottee.

Scrutiny of records of ZP, Surguja revealed that meeting hall under ZP was allotted to various departments during 2011-12 to 2015-16 but rents were not received although demands for rent were raised to the concerned departments. This resulted in loss of revenue of ₹ 0.64 lakh **(Appendix 2.1.7).**

During exit conference, Commissioner Cum Director while accepting the fact stated that ZP will be instructed to recover outstanding rent of meeting hall.

2.1.4 Implementation of Schemes

2.1.4.1 Backward Region Grant Fund

The Scheme is aimed to eliminate regional imbalances, improve the implementation of significant works, provide assistance to local bodies in planning, implementation and monitoring etc. The Scheme funds are transferred from the State Government (Director, PRD) to the bank accounts

[8] Batauli, Lakhanpur and Udaipur

of ZPs. The Scheme was to be implemented by preparation of five year and annual action plan. Major audit findings are discussed below:

Perspective Plan and Annual Plans

BRGF guidelines (Paragraph 1.3) require preparation of District Development Perspective Plan to address the regional imbalances. As per chapter 2, Para 2.1 of BRGF guideline, annual plan prepared by each panchayat are to be consolidated into the district plan by the District Planning Committee.

Scrutiny of records of ZP Surguja revealed that Perspective Plan for 2011-16 under BRGF was not prepared for Surguja District. However, Annual Action Plans (AAP) were prepared for the district during 2011-15. In AAP 2014-15, a total of 573 works were approved out of which only 30 works were sanctioned in 2014-15. The balance 543 works approved in AAP were not taken up for execution indicating unrealistic preparation of the AAP.

During exit conference, Commissioner Cum Director stated that approved works were not sanctioned due to closure of scheme during 2014-15. However, reasons for not preparing the Perspective Plan and not revising the AAP was not furnished.

Outstanding Utilisation Certificates

As per paragraph 4.5(D) of BRGF guideline, Utilisation Certificates (UCs) were to be submitted within one year after release of fund.

UCs amounting ₹ 2.07 crore was outstanding

Scrutiny of records of ZP Surguja revealed that out of ₹ 21.72 crore released for various construction works during 2011-15, UCs for ₹ 2.07 crore was pending for submission as of February 2017 by the implementing agencies such as Rural Engineering Services, Tribal Welfare Department and Nagar Nigam etc.

During exit conference, Commissioner Cum Director while accepting the facts stated that ZP will be instructed to submit utilization certificates.

Delay in completion of works and blockage of fund

As per administrative approval by CEO, ZP Surguja for execution of BRGF works, the works should be completed within the financial year in which the works are sanctioned.

Scrutiny of records of sampled JPs revealed that out of 50 test checked works, 30 were completed with delay ranging from three to 50 months **(Appendix 2.1.8).** The reasons for delay were not on records of the JPs. Further, four works in three[9] JPs amounting ₹ 29.52 lakh **(Appendix 2.1.9)** were incomplete as of February 2017 even after lapse of 32 to 56 months. An expenditure of ₹ 15.34 lakh was incurred on these incomplete works which remained blocked.

During exit conference, Commissioner Cum Director while accepting the facts stated that delay in completion of works was due to lack of interest by GPs, rainy season, land dispute and elections etc. Fact remains that no action was taken against the GPs for causing delays to the works while the other reasons such as rain, elections etc. are already considered while finalising the

[9] Batauli, Lakhanpur and Udaipur

completion schedules of the works and thus justification for delays were not valid.

Diversion of BRGF fund amounting to ₹ 24.99 lakh

As per Rule 11 (g) of CG Zila Panchayat (Budget estimate) Rule 1997, fund allotted should only be used for specific purpose.

Diversion of fund amounting to ₹ 24.99 lakh from BRGF

Scrutiny of records of CEO ZP Surguja revealed that an amount of ₹ 24.99 lakh from BRGF was diverted to *Fulwari* scheme in August 2013 which was not adjusted as of February 2017 in absence of allotment in *Fulwari* scheme.

During exit conference, Commissioner Cum Director while accepting the facts stated that ZP will be instructed for adjustment of diverted amount.

Irregular execution of works of PDS shop cum godown

CEO ZP Surguja accorded AA (September 2013) for construction of PDS shop cum godown under BRGF. The shops were to be constructed at village Pandaridand and Pandarakhi under JP Udaipur on the condition that the implementing agency may ensure before start of work that the same work was not sanctioned through any other schemes. In case of sanction of the same work under other schemes, the sanction order may be treated as cancelled.

Scrutiny of records of CEO JP Udaipur revealed that PDS shops were already constructed from the *Gaun Khanij* revenue in Pandaridand and Pandarakhi during 2011-12. However, JP Udaipur again constructed the PDS shops from BRGF during 2013-14 incurring an expenditure of ₹ 18.04 lakh[10] in violation of the AA.

During exit conference, Commissioner Cum Director accepted the facts and stated that matter will be examined and will be intimated to audit.

2.1.4.2 Mahatma Gandhi National Rural Employment Guarantee Act

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is an Act provided for the enhancement of livelihood security of the household in rural areas of country by providing at least 100 days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. Major audit findings are discussed below:

Execution of works other than works approved in the Annual Plan

As per Para 6.5.2 of MGNREGA guideline 2013, the executing agencies are required to submit list of works to GPs which would be included in AAP of GPs.

Scrutiny of records of 10 test checked GPs of Surguja district revealed that 588 works were sanctioned in AAP during the year 2011-16 of which 73 works were not executed. However, 108 works which were not approved in AAP were sanctioned and executed **(Appendix 2.1.10).** Thus, the scheme guidelines were violated.

During exit conference, Commissioner Cum Director while accepting the fact stated that matter will be examined and will be intimated to audit.

[10] Pandridand ₹ 9.93 lakh and Pendrakhi ₹ 8.11 lakh

Delay in payment of wages

Clause 2.11(ix) of Operational Guidelines of MGNREGA, 2013 provides that payment of wages of labour should be made on weekly basis or at most within 15 days of work done by the labour.

Scrutiny of records of 50 selected works in five JPs revealed that payment of wages were made with a delay of one to 306 days violating the provision of MGNREGA guideline **(Appendix 2.1.11).**

During exit conference, Commissioner Cum Director while accepting the facts stated that matter will be examined and will be intimated to audit.

Irregular Sanction of Water Bound Macadam (WBM) roads under MGNREGA

Panchayat and Rural Development Department (PRD) had forbidden (February 2008) execution of Water Bound Macadam (WBM) course in rural roads in view of the difficulties in execution of earth work.

Scrutiny of records of CEO, ZP revealed that during the 2011-16, 228 WBM road works amounting to ₹ 21.86 crore were executed in violation of the orders of PRD.

During exit conference, the Commissioner Cum Director stated that WBM works were sanctioned in public interest as per demand of GPs. The reply is not acceptable as construction of WBM road violated the instruction of PRD.

Excess expenditure on administrative head

Excess expenditure of ₹ 9.11 crore from the administrative head

As per instruction issued (25 February 2008) by the State Government, the percentage of administrative expenditure admissible was 1.5 *per cent*, two *per cent* and 0.5 *per cent* of the expenditure incurred during the year at ZP, JP and GP level respectively which was revised to one *per cent*, two and 2.5 *per cent* in September 2014.

Scrutiny of records of CEO ZP Surguja and five test checked JPs revealed that the percentage of administrative expenditure was more than the prescribed limit (**Appendix 2.1.12)** by ₹ 5.44 crore by the JPs and ₹ 3.67 crore by ZP.

During exit conference, Commissioner Cum Director while accepting the facts stated that excessive expenditure was due to committed liabilities arising from payment of honorarium to MGNREGA employees and purchase of computers.

The reply is not acceptable because expenditure under administrative head should be limited as per permissible limit.

2.1.4.3 Indira Awas Yojna

Indira Awas Yojna (IAY) is a Centrally Sponsored Scheme with Central and State share in the ratio of 75:25 to provide financial assistance to the Below Poverty Line (BPL) houseless families in rural areas for construction of pucca houses with toilets. Financial Assistance of ₹ 75,000 are to be provided to each eligible family. Major audit findings are discussed below:

Five Year priority list not prepared

As per Para 7.1(2) of IAY guidelines, each Gram Sabha shall finalise the five year priority list and annual selection list of beneficiaries. This list forms the basis of selection of beneficiaries of the scheme.

Out of 10 test checked GPs of Surguja district, it was noticed that in three GPs[11] five year priority list was not prepared while seven GPs did not furnish the same to audit. Thus, in the absence of the priority list the selection of beneficiary was open to manipulation.

During exit conference, Commissioner Cum Director stated that after the expiry of old priority list, sanctions are given by *Gram Sabha* to select the beneficiaries as per target received from Government. The reply is not acceptable as additional priority list is to be prepared after expiry of the priority list to select the scheme beneficiaries as per the order of State Government. Hence, the reply is not supported by any rule.

Deduction of funds amounting to ₹ 78.56 lakh by GoI

Deduction of IAY funds amounting ₹ 78.56 lakh by GoI

As per instruction issued (March 2013) by GOI, Ministry of Rural Development (MORD), opening balance of fund in the district i.e. the aggregate of opening balance of available IAY funds with District Rural Development Authority (DRDA)/ZP and the Panchayats should not exceed 10 *per cent* of the availability of the funds as on 2 April 2013. In case the opening balance exceeds this limit, the Central share of the excess will be deducted at the time of release of second instalment in the next financial year.

Scrutiny of records of CEO ZP, Surguja revealed that GoI deducted ₹ 78.56 lakh from the second instalment of 2012-13 for excess carryover of funds on 2 April 2013 due to failure of the ZP to spend the allotted fund by 31 March 2013.

During exit conference, Commissioner Cum Director stated that excess in opening balance was due to interest amount which was returned to nodal account as per instruction of State Government during year 2015-16. The reply is not convincing as the interest amount being part of the scheme fund was to be utilised as per scheme guidelines by 31 March 2013 to avoid the deductions by GoI.

Blockage of funds released to GPs for construction of toilets

As per Para 6.8 (i) of the IAY guidelines, construction of toilets for all IAY houses under *Nirmal Bharat Abhiyan* will be necessary.

Blockage of funds amounting ₹ 54.19 lakh in the GPs

Scrutiny of records of CEO, JP Sitapur revealed that 784 toilets were sanctioned (December 2013) at the rate of ₹ 4,600 per toilet and ₹ 36.06 lakh were released to 42 GPs for constructing these toilets. It was noticed that 384 toilets were constructed incurring expenditure of ₹ 17.66 lakh while balance 400 toilets were constructed with funds provided under MGNREGA. However, funds amounting ₹ 18.40 lakh (₹ 36.06 lakh-₹ 17.66 lakh) was pending for recovery from the GPs (February 2017).

[11] GP Amdala, Chodiya and Karoundi

Similarly in JP Mainpaat, 778 toilets were sanctioned for IAY houses at a cost of ₹ 35.79 lakh during 2011-13. The amount was given to GPs in April 2014 but none of the GPs commenced work till July 2016. All the toilets were constructed (February 2017) by MGNREGA funds but ₹ 35.79 lakh was not recovered from the concerned GPs.

Thus, ₹ 54.19 lakh remained blocked with the GPs.

During exit conference, Commissioner Cum Director while accepting the facts stated that updated status would be sought. However, reasons for not recovering the money from the concerned GPs was not furnished to audit.

2.1.4.4 Chhattisgarh Gramin Nirman Yojna

The State Government introduced (2006-07) *Chhattisgarh Gramin Nirman Yojna* (CGGNY) in 15 districts[12] of the State where BRGF was being implemented to execute Cement Concrete Road, *Nirmala Ghat*, Public Distribution System (PDS) Shop, *Anganwadi Bhawan* etc. in rural areas. The scheme guidelines envisages for taking up works as recommended by the public representatives[13] on the basis of importance and availability of funds. The scheme was closed in 2014-15 and was merged with *Chhattisgarh Samagra Gramin Vikas Yojna*. Major audit findings in the implementation of the scheme are discussed below:

Blockage of funds amounting to ₹ 5.50 crore

Blockage of funds amounting ₹ 5.50 crore due to closure of scheme

Chhattisgarh Financial Rule 185 (2) states that only such grant should be provided during any financial year as is expected to be expended during that year.

Scrutiny of records of CEO, ZP, Surguja and five test checked JPs revealed that ₹ 5.50 crore[14] was lying in various bank accounts as of February 2017. Since the scheme was closed in 2014-15, the funds were lying blocked in the bank accounts.

During exit conference, Commissioner Cum Director stated that detailed information about balance amount will be obtained from ZP Surguja and appropriate instruction will be issued.

Irregular payment of ₹ 74.76 lakh to executing agencies without test reports

Payment of ₹ 74.76 lakh without required test reports

As per instructions issued by Chhattisgarh Rural Road Development Agency (CGRRDA), 50 *per cent* of the cost of the work is to be paid after obtaining the satisfactory report of first test of concrete cube and the final payment is to be made after the second test.

Scrutiny of records of 50 Cement Concrete (CC) road works in five test checked JPs revealed that in 32 works **(Appendix 2.1.13)** quality test reports

[12] Bastar, Bijapur, Bilaspur, Dantewada, Dhamtari, Jashpur, Kabirdham, Kanker, Korba, Koria, Mahasmund, Narayanpur, Raigarh, Rajnandgaon and Surguja

[13] Chief Minister, Member of Legislative Assembly (MLA)/Member of Parliament (MP) and representatives of the ZP/JP

[14] ZP Surguja ₹ 5.42 crore, JP Sitapur ₹ 3.66 lakh, JP Mainpaat ₹ 1.33 lakh, JP Batauli ₹ 0.40 lakh and JP Lakhanpur ₹ 2.12 lakh

of works were not available but full payment of ₹ 74.76 lakh were made which was irregular.

During exit conference, Commissioner Cum Director while accepting the facts stated that ZP will be instructed to make payment after conducting required tests. However, no action is taken or contemplated against the officials involved in making payments without obtaining test reports.

2.1.4.5 Pension Schemes

Pension schemes such as *Indira Gandhi Rastriya Vridha Awastha Pension* (IGVAP), *Samajik Suraksha Pension* (SSP1), *Indria Gandhi Vidhawa Pension*, *Indira Gandhi Viklang Pension* and *Sukhad Sahara Pension* (SSP2) are implemented in panchayats under assistance programme by the GOI and the State Government. IGVAP is shared by the Central and State Government. Out of five pension schemes, audit test checked three[15] schemes. Major audit findings are discussed below:

Separate records and accounts not maintained

As per Para 6.3 of the instructions issued (April 2014) by the Social Welfare Department, GoCG, separate records and accounts of each pension scheme would be maintained by the concerned JPs.

Out of five test checked JPs, it was noticed that in three JPs[16] combined Cash Books were maintained for the test checked pension schemes instead of maintaining separate cash books and other records.

During exit conference, Commissioner Cum Director stated that instructions would be issued to examine the fact.

Short payment of pension

As per Para 4.4 of the instructions issued (April 2014) by the Social Welfare Department, GoCG, pension amount would be paid to the eligible pensioner from the month of registration of application.

Scrutiny of records of five test checked JPs revealed that in four JPs (except JP Udaipur) pensions were sanctioned to beneficiaries from the month of approval instead of date of registration. The dates of registration could not be verified as JPs (except JP Lakhanpur) did not maintain the required records. Thus the beneficiaries were deprived pension for the period between registration and approval and such periods have not been put on records by the JPs.

During exit conference, Commissioner Cum Director stated that instructions would be issued to examine the fact. Facts remains that the beneficiaries were deprived of their right of pension for the aforesaid periods.

Payment of pension at pre-revised rate

According to orders of Director, Social Welfare department, the rate of pension amount for pensioners under social assistance programme were increased by ₹ 50 per month from October 2015.

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[15] *Indira Gandhi Rastriya Vridha Awastha Pension*, *Samajik Suraksha Pension* and *Sukhad Sahara Pension*

[16] Batauli, Mainpaat and Udaipur

Pensioners were deprived of ₹ 44.65 lakh as pension benefits

Records of five test checked JPs revealed that pension were paid to beneficiaries at the pre-revised rates for two to eight months. As a result, 25,387 pensioners were deprived of pension worth ₹ 50 per month amounting to ₹ 44.65 lakh **(Appendix 2.1.14).**

During exit conference, Commissioner Cum Director stated that instructions would be issued to examine the fact.

Delay in decision of pension cases

As per Para 3.2 and 4.3 of the instructions issued (April 2014) by the Social Welfare Department, GoCG, pension application forms will be submitted to GPs which should reach JPs within seven days. JPs would intimate to applicant after taking decision within 60 days. In two JPs Batauli and Lakhanpur decision of 314 beneficiaries were taken with delay ranging from 72 to 121 days **(Appendix 2.1.15).**

During exit conference, Commissioner Cum Director stated that instructions would be issued to examine the fact. However, this delayed the pensionary benefits under the scheme to the beneficiaries.

2.1.5 Monitoring and Internal Control

2.1.5.1 Submission of monthly progress report

As per AA issued by CEO ZP Surguja, progress of works should be reported to ZP every month on regular basis.

Scrutiny of records revealed that no progress reports were submitted by executing agencies which prevented monitoring of the works and to take corrective action wherever required.

During exit conference, Commissioner Cum Director stated that instructions would be issued for submission of monthly progress report.

2.1.5.2 Outstanding licence fee from employees

CEO and Accountant is responsible to ensure and verify that deductable amount are being recovered from salary.

Scrutiny of records of ZP Surguja revealed that Government residences were allotted to the employees but licence fee were not being recovered from the employees during the period September 2013 to March 2016 amounting to ₹ 1.68 lakh.

During exit conference, Commissioner Cum Director while accepting the facts stated that in this regard instruction would be issued.

2.1.6 Conclusion

Management of finances by PRIs were faulty as three GPs did not levy property tax, four GPs did not levy lighting tax, three JPs did not recover lease money while ZP Sarguja did not recover rent money. Further, the PRIs underutilised the available resources as the expenditure on the selected seven schemes ranged between five to 96 *per cent* only.

Implementation of the selected schemes by the sampled PRIs were not satisfactory as there was excess expenditure of ₹ 9.11 crore under Mahatma

Gandhi National Rural Employment Guarantee Act, diversion of ₹ 24.99 lakh and failure to obtain Utilisation Certificates valued ₹ 2.07 crore from implementing agencies under Backward Region Grant Fund, blockage of ₹ 5.50 crore besides irregular payment of ₹ 74.76 lakh in *Chhattisgarh Gramin Nirman Yojna,* deduction of ₹ 78.56 lakh by Government of India from the State and blockage of ₹ 54.19 lakh under Indira Awas Yojna.

Lack of proper monitoring of the selected schemes undertaken by the sampled PRIs led to failure to recover outstanding advances of ₹ 3.11 crore from Sarpanches/employees of PRIs and fraudulent drawls of ₹ 37.05 lakh by Non-Government Organisations.

2.1.7 Recommendation

Stringent measures should be taken for levy and collections of taxes to strengthen the revenue mobilisation of the PRIs.

Concerted efforts should be made to spend the available fund for implementation of the schemes and to achieve its objectives. Stern action should be taken against those involved in misuse of the funds and responsible for tardy implementation of schemes.

Proper monitoring and record maintenance should be ensured for extension of scheme benefits to the beneficiaries, timely recovery of outstanding dues and avoiding fraudulent drawals of Government funds.

PART - B

Chapter III

An Overview of the Functioning, Accountability Mechanism and Financial Reporting Issues of Urban Local Bodies

PART - B

CHAPTER III

AN OVERVIEW OF THE FUNCTIONING, ACCOUNTABILITY MECHANISM AND FINANCIAL REPORTING ISSUES OF URBAN LOCAL BODIES

An Overview of the functioning of the Urban Local Bodies (ULBs) in Chhattisgarh

3.1 Introduction

The 74th Constitutional amendment gave constitutional status to Urban Local Bodies (ULBs) and established a system of uniform structure, regular election and regular flow of funds through Finance Commission and transfers from State Government. As a follow up, the States were required to entrust these bodies with powers, functions and responsibilities so as to enable them to function as institutions of Self-Government.

Article 243Q of the Constitution envisages constitution in every State, Municipal Corporation for large urban areas, Municipal Councils for smaller urban areas, and *Nagar Panchayats* for areas in transition from a rural to an urban area. Further, Article 243W states that the Legislature of a State may, by law, endow the municipalities with such powers and authority as may be necessary to enable them to function as institutions of Self-Government and such law may contain provisions for devolution of powers and responsibilities upon municipalities.

3.1.1 Profile of the State

The State of Chhattisgarh, with Raipur as its capital, came into existence on 1 November 2000 by separation of 16 districts of Chhattisgarh region from Madhya Pradesh. At present, there are 27 districts in the State.

The Madhya Pradesh/Chhattisgarh Municipalities Act, 1961 was enacted by the then undivided Madhya Pradesh, and was adopted (August 2001) in Chhattisgarh with the objective of consolidating and amending the law relating to Municipalities and to make better provision for the organisation and administration of Municipalities.

The three tier of ULBs in Chhattisgarh are Municipal Corporations, Municipal Councils and *Nagar Panchayats*. At present there are 13 Municipal Corporations, 44 Municipal Councils and 111 Nagar Panchayats in the State.

The basic information about the State of Chhattisgarh is given in the **Table 3.1** below:

Table 3.1: Basic information about the State

Particulars	Unit	State figure	All India figure
Population	Crore	2.55	121.08
Share in country's population	*per cent*	2.11	100
Urban population	Crore	0.59	37.71
Share of urban population	*per cent*	23.14	31.14
Literacy rate	*per cent*	70.3	73
Urban Literacy rate	*per cent*	84	84.1
Sex ratio (female per thousand males)	Ratio	991/1000	943/1000
Urban Sex ratio (female per thousand males)	Ratio	956/1000	929/1000
Municipal Corporations	Number	13	139
Municipal Councils	Number	44	1595
Nagar Panchayats	Number	111	2108

(*Source: Census 2011 final figures, 13th Finance Commission Report and information provided by Urban and Administration Development Department Raipur*)

The last elections for the ULBs were held in December 2014. The total urban population under 168 ULBs of the State was 59 lakh as per Census 2011 which was 23.14 *per cent* of the total population of the State. The population-wise classifications of ULBs are given in the **Table 3.2** below:

Table 3.2: Population-wise classification of Urban Local Bodies

S. No.	Population	No. of Municipal Corporations	No. of Municipal Councils	No. of Nagar Panchayats
1	Below 5,000	Nil	01	10
2	5,001 to 10,000	Nil	Nil	65
3	10,001 to 20,000	Nil	10	36
4	20,001 to 50,000	Nil	31	Nil
5	50,001 to 1,00,000	04	02	Nil
6	Above 1,00,000	09	Nil	Nil
Total		**13**	**44**	**111**

(*Source: Data provided by UADD Raipur as per Census 2011 and compiled by audit*)

3.1.2 Criteria for up-gradation of ULBs

As per MP/CG Municipal Corporation Act 1956 and MP/CG Municipalities Act 1961, a Municipal Corporation/Municipal Council/Nagar Panchayat shall be constituted under such specification as Governor may deem fit having regard to the population of the area, the density of the population therein, the revenue generated for local administration, the percentage of employment in other than agricultural activities, the economic importance or such other factors.

As per State Government notification (February 2003), there should be one lakh or more population for Municipal Corporations, 20,000 to one lakh for Municipal Councils and 5,000 to 20,000 for Nagar Panchayats.

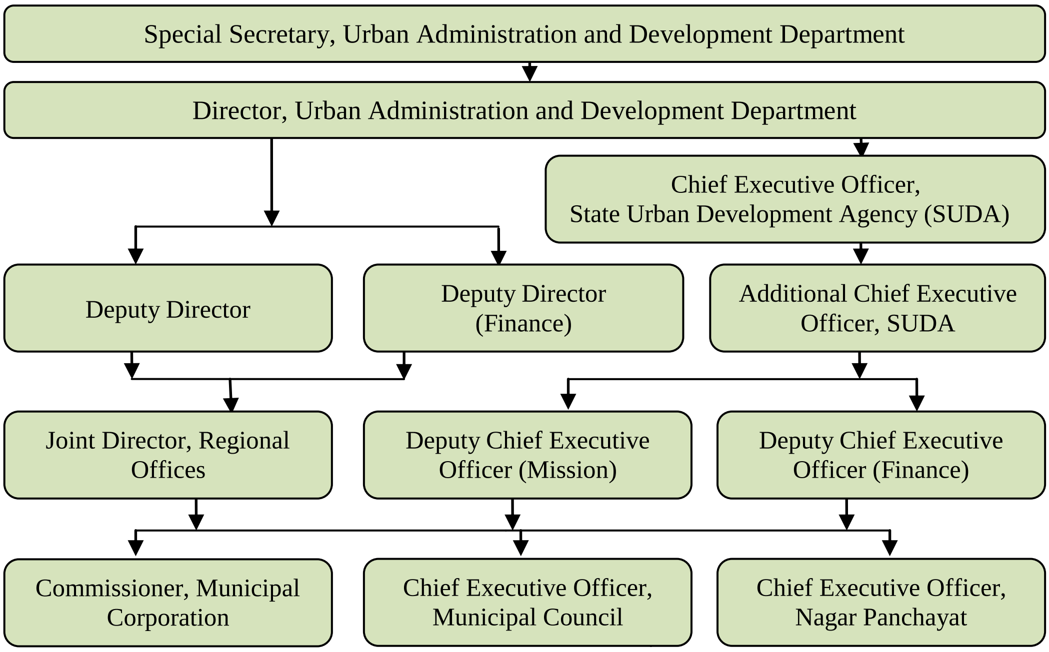
Even the population criteria are not strictly followed as there are 11 ULBs **(Table 3.2)**, which have population below 5,000 as required under the notification.

On being pointed out, no reply was provided by the Department.

3.2 Organisational setup of ULBs

The Urban Administration and Development Department (UADD) is the administrative department for the various Municipal Corporations, Municipal Councils and Nagar Panchayats in the State. A Directorate has been established under UADD, with its regional offices at Raipur, Bilaspur, Ambikapur, Jagdalpur and Durg. State Urban Development Agency (SUDA), constituted (June 2001) under UADD, is responsible for implementation and monitoring of poverty alleviation programmes in the urban areas of the State. For the management of urban administration and fulfillment of responsibilities, each ULB has an elected Municipal Corporation/Municipal Council/Nagar Panchayat. The administrative structure of the UADD is given below:

Organisational Chart of ULBs



3.3 Functioning of ULBs

Article 243X of the Constitution of India envisages that State Legislature may, by law, vest power in ULBs to impose various taxes for revenue collection. This constitutional provision has been incorporated in Clause 132 of Chhattisgarh Municipal Corporation Act, 1956 and Clause 127 of Chhattisgarh Municipalities Act, 1961. ULBs receive funds on monthly basis under *Chungi* Compensation Grant and Passenger Tax Special Grant by the State Government. In addition to this, at the ULBs level various types of taxes have been imposed including Property tax, *Samekit Kar*, Water tax, Market fee, Export tax etc. In urban areas, the process of self-assessment of the property tax has been enforced by the Government to reduce the difficulties for assessment and collection of Property tax.

3.3.1 Municipal Corporation

According to section 9 of Chhattisgarh Municipal Corporation Act, 1956, a Municipal Corporation shall consist of a Mayor and councillors directly elected from the Municipal Corporation area. Under section 37 of the said Act there shall be a Mayor-in-Council for every Municipal Corporation constituted by the Mayor from amongst the elected councillors to discharge the functions and conduct of business of the Mayor-in-Council as may be prescribed.

According to section 25 of Chhattisgarh Municipal Corporation Act, 1956, the Mayor shall have administrative control over the officers and staff of his office and exercise such powers and perform such functions as described in the Act and Rule made there under.

The Commissioner of a Corporation shall be appointed by the State Government who is the Principal Executive Officer of the Corporation and shall have the right to speak at, and otherwise take part in any meeting of the Corporation or any committee thereof, but shall not be entitled to vote or to move any proposition. The office of the Commissioner shall have the administrative staff for the functions and duties as prescribed under the rules.

Commissioner shall perform all the duties imposed or conferred upon him by this Act and exercise supervision and control over the acts and proceedings of all municipal officers.

3.3.2 Municipal Council and Nagar Panchayat

As per Section 19 of Chhattisgarh Municipalties Act, 1961, a Municipal Council, for a smaller urban area and Nagar Panchayat, for a transitional urban area, shall have a President and councillors elected from the respective areas by direct election. Under Section 70 of the Act, there shall be a President-in-Council (PIC) for every Municipal Council/Nagar Panchayat which shall be constituted by the President from amongst the elected councillors to discharge the functions and conduct of business of the PIC as may be prescribed.

The President of the Municipal Council/Nagar Panchayat who is the President of PIC, shall preside over all meetings, watch over the financial and executive administration and perform such executive functions as may be allotted under the said Act.

As per Section 87 of the Act, the Chief Municipal Officer of a Council shall be appointed by the State Government, who shall be the Principal Executive Officer of the Municipal Council/Nagar Panchayat and shall have administrative control over the officers and staff of his office and exercise such powers and perform such functions as described in the Act and Rule made there under.

Under section 92 of the Act, Chief Municipal Officer of a Municipal Council/Nagar Panchayat subject to the general control of the President, watch over the financial and executive administration of the Council and perform all the duties and exercise all the powers specially imposed or conferred upon him, by or delegated to him, under this Act.

The other responsibilities of the UADD is to oversee the works related to public health and hygiene in urban areas, supervision of development schemes in slum areas, implementation of special schemes for upliftment of urban poor and their supervision, provision of housing facilities to urban poor, administration of *Chungi* Compensation tax fund etc.

3.4 Formation of various Committees

In pursuance of the Article 243 ZD of the Constitution of India, State Government was empowered to constitute a District Planning Committee (DPC) at district level. Subsequently, State Government enacted (May 1995) Chhattisgarh Zila Yojana Samiti Adhiniyam, 1995 in this behalf for DPC with objective to consolidate the plans prepared by the Panchayats and Municipalities in the district and to prepare a draft development plan for the district as a whole. District Collector is a member of the DPC.

The Municipalities and Corporations transact their business as per the provisions of the Acts concerned. As per section 46 of Chhattisgarh Municipal Corporation Act 1956 and section 71 of Chhattisgarh Municipalties Act 1961, the Advisory Committees shall be constituted for every department of the ULBs to advise in the affairs of the department concerned. As per section 48-A of Chhattisgarh Municipal Corporation Act 1956 and section 72-A of Chhattisgarh Municipalties Act 1961, the Ward Committees shall be constituted in the area of ULBs concerned. Similarly, as per section 48-B of Chhattisgarh Municipal Corporation Act 1956 and section 72-B of Chhattisgarh Municipalties Act 1961, the Mohalla Committees shall be constituted under every Municipal area which is notified by the State Government in this behalf within three months from the date of notification. In respect of Ward Committees and Mohalla Committees, the State Government shall prescribe the functions and powers, and the procedure for the conduct of their business.

3.5 Audit arrangement

3.5.1 Primary Auditor

Director of Local Fund Audit (DLFA) is the Primary Auditor (Statutory Auditor) of accounts of Local Bodies. Chhattisgarh *Sthaniya Sampriksha Adhiniyam*, 1973 was enacted to make provision for, and to regulate audit of local funds under the management or control of local authorities in the State.

The number of outstanding audit observations of DLFA on ULBs was 64110 as of March 2016. Details of outstanding observations are shown in the **Table 3.3** below:

Table 3.3: Outstanding audit observations of DLFA

S. No.	Financial Year	No. of Unit Audited	Total No. of outstanding audit observations	Observation taken during the year	No. of objections settled during the year	No. of observation Outstanding
1	2011-12	93	50890	3037	295	53632
2	2012-13	88	53632	2497	128	56001
3	2013-14	77	56001	2731	541	58191
4	2014-15	86	58191	4112	1928	60375
5	2015-16	79	60375	4289	554	64110

(*Source: Information provided by Directorate, Local Fund Audit*)

On being pointed out regarding DLFA's outstanding audit observation, Deputy Director, UADD stated (November 2016) that direction for disposal of audit observations of DLFA is issued from time to time to all ULBs and Regional Joint Director, UADD.

3.5.2 Audit by Comptroller and Auditor General of India

The Eleventh Finance Commission had recommended that the Comptroller and Auditor General (CAG) of India should be entrusted with the responsibility of exercising control and supervision over the proper maintenance of accounts and audit for all tiers of panchayats. The report of the CAG relating to audit of accounts of the panchayats and the municipalities should be placed before a Committee of the State Legislature constituted on the same lines as the Public Account Committee. The Thirteenth Finance Commission had also recommended that the CAG must be entrusted with Technical Guidance and Supervision (TGS) over the audit of all the Local Bodies (LBs) at every tier and his Annual Technical Inspection Report as well as Annual Report of DLFA must be placed before the State Legislature. Fourteenth Finance Commission had also recommended that the initiatives made by the previous Finance Commissions regarding improvement in maintenance of accounts of LBs and their audit and TGS arrangement by the CAG should be continued.

The CAG was entrusted (October 2011) the audit of LBs by the Government of Chhattisgarh under sub-section (1) of section 20 of the CAG's (Duties, Powers and Conditions of Service) Act 1971. The entrustment read with Regulation 152 of the Regulations on Audit and Accounts, 2007 provides for suitable Technical Guidance and Supervision to the Primary Auditor of LBs viz. the DLFA for the purpose of strengthening Public Finance Management and Accountability in LBs.

The DLFA shall prepare an annual Audit Plan, follow the audit methodology and procedure as per the statutes, forward the copies of Inspection Reports (IRs) to AG (Audit) and follow other conditions as prescribed in Regulation 152 of Regulations on Audit and Accounts, 2007.

The Office of the AG (Audit), Chhattisgarh had been organising training programmes on efficacy of TGS for conducting of audit of PRIs and ULBs, preparation of Audit Plan and audit methodology for the staff of the DLFA. DLFA had started forwarding copies of Inspection Reports (IRs) to AG (Audit) from June 2014. AG (Audit) has received 1174 IRs till March 2016. Further, a joint meeting between DLFA and AG (Audit) was held (June 2016) to discuss various issues under TGS.

The Audit Report of the DLFA for the period 2011-13 and the CAG for the year ending March 2015 have been placed in the State Legislature in December 2015 and March 2016 respectively. The Secretariat of Chhattisgarh State legislature informed that the process for creation of committee for discussion of Audit Reports on Local Bodies is underway.

3.6 Response to Audit observations

According to TGS arrangement, the DLFA would pursue settlement/action taken on the audit observations raised by the AG in the same manner as he would pursue his own reports/audit observations.

As the audit was entrusted in October 2011, AG had audited 66 units of ULBs since 2012-13. The number of outstanding observations of AG's IRs was 781 as of March 2016 pertaining to the period from 2012-13 to 2015-16. Details of outstanding audit observations of AG's IRs are shown in the **Table 3.4** below:

Table 3.4: Outstanding audit observations of AG's Inspection Reports

S. No.	Financial Year	Total No. of Units audited during the year	Observation taken during the year	No. of observations settled	No. of observations Outstanding
1	2012-13	06	50	00	50
2	2013-14	22	285	04	281
3	2014-15	02	30	00	30
4	2015-16	36	420	00	420
Total		**66**	**785**	**04**	**781**

It is evident from the above table that the Department was not taking appropriate steps for the settlement of audit observations made by the AG. During the last four years (2012-16), a total of 785 observations reflected during the audit of ULBs. Only four paragraphs were settled and remaining paragraphs are pending as of March 2016, which indicates poor monitoring and lack of supervision by the Department in settling the outstanding audit observations.

Accountability Mechanism and Financial Reporting issues

Accountability Mechanism

3.7 Ombudsman

Para 10.66 of the Thirteenth Finance Commission provides for constituting a separate ombudsman for local bodies by amending the respective State Panchayat and Municipal Acts.

Governor of Chhattisgarh promulgated an ordinance 'Chhattisgarh *Lok Aayog Adhyadesh*, 2002' to make provisions for appointment and functions of certain authorities for the inquiry into the allegations against Ministers, Parliamentary Secretaries, Public servants etc. and for the matters connected therewith. A Gazette notification in this regard was published in November 2002.

Department informed (February 2017) that total 54 cases pertaining to ULBs were lodged under *Lok Aayukt* during 2011-12 to 2015-16 and the number of outstanding cases was eight as of March 2016. Details of outstanding cases lodged under *Lok Aayukt* are shown in the **Table 3.5** below:

Table 3.5: Outstanding cases lodged under Lok Aayukt

S. No.	Financial Year	Previous outstanding cases	No. of cases lodged during the year	No. of cases settled during the year	No. of cases Outstanding
1	2011-12	08	11	13	06
2	2012-13	06	08	10	04
3	2013-14	04	03	04	03
4	2014-15	03	17	16	04
5	2015-16	04	15	11	08
Total			**54**	**54**	**--**

(*Source: Information provided by UADD, Raipur*)

3.8 Social Audit

Chhattisgarh Social Audit Unit (SAU) was constituted (September 2013) as an independent agency to work towards strengthening the Social Audit process in Chhattisgarh.

Social Audit of the programmes/schemes of ULBs has not been taken up by the Social Audit Unit of Chhattisgarh.

3.9 Property Tax Board

Thirteenth Finance Commission stipulated that State Government must put in place a Property Tax Board to assist all Municipalities and Municipal Corporations to put in place an independent and transparent procedure for assessing property tax. Further, Second State Finance Commission recommended that Chhattisgarh Municipal Revenue Regulatory Commission (CMRRC) should be constituted for Municipal finances.

In pursuance with the Second SFC recommendation, the State Government has enacted (May 2011) Chhattisgarh Municipal Revenue (Establishment of Regulatory Commission) Act, 2011 to establish a regulatory commission to be known as CMRRC to rationalize and regulate all taxes, penalties, fees, user charges, duties, tolls etc., and other municipal revenue collections by ULBs, and for matters connected therewith or incidental thereto.

The observation on Property Tax Board is included in this report under Audit on "Management of own funds by Municipal Bodies including collection of revenue" (Chapter IV, Paragraph No. 4.1.9.1).

3.10 Service Level Benchmark

Thirteenth Finance Commission stipulated that State Government must notify or cause all the Municipal Corporations and Municipalities to notify by the end of a fiscal year (31 March) the service standards of four core service sectors viz., water supply, sewerage, storm water drainage and solid waste management proposed to be achieved by them by the end of succeeding fiscal year.

During 2010-15, for each year the State Government issued Gazette notification in regard to service standards, for 43 out of 168 ULBs. However, all 168 ULBs have been notified for Service Level Benchmarking only on 30 May 2016.

On being pointed out, there is no specific reply furnished by the Director, UADD.

3.11 Fire hazard response

Guidelines of Thirteenth Finance Commission envisages that all Municipal Corporations with a population of more than one million (2001 census) must put in place a fire hazard response and mitigation plan for their respective jurisdictions. Publication of these plans in the respective State Government gazettes will demonstrate compliance with this condition.

As per Census 2001, there was not a single Municipal Corporation having the population of one million in Chhattisgarh. As per Census 2011, the population of Raipur Municipal Corporation had crossed the benchmarked limit. However, audit observed that the Municipal Corporation did not put in place/publish a fire hazard response and mitigation plan as of February 2017.

Department informed (February 2017) that fire hazard response initiatives had been as per the population of census 2001.

Hence it is clear that the increase in population has not been considered in putting the fire hazard response in place.

3.12 Submission of Utilisation Certificates

As per Rule 182 of the Chhattisgarh Financial Code Vol-I, in case of an annual or a non-recurring conditional grant, the Departmental officer on whose signature or counter-signature Grant-in-aid bill is drawn, shall furnish the Utilisation Certificates (UCs) to the Accountant General on or before 30 September of the year following that to which the grant is related.

Information received (January 2017) from the Office of AG (A&E), Chhattisgarh revealed that out of 415 UCs due in respect of grants amounting to ₹ 1,925.88 crore paid during 2011-12 to 2015-16 under Major Head 2217[1] (Urban Development), 12 UCs amounting to ₹ 118.61 crore were furnished pertaining to the period 2012-13 only and remaining 403 UCs amounting to ₹ 1,807.27 crore were not furnished to the Office of AG (A&E) as of December 2016. Details of submission/outstanding of UCs are shown in the **Table 3.6** below:

Table 3.6: Details of Utilisation Certificates

(₹ in crore)

Year	Total Grant Paid		Received		Outstanding	
	Number of UCs	Amount	Number of UCs	Amount	Number of UCs	Amount
2011-12	111	387.12	Nil	Nil	111	387.12
2012-13	149	692.54	12	118.61	137	573.93
2013-14	138	785.98	Nil	Nil	138	785.98
2014-15	15	59.13	Nil	Nil	15	59.13
2015-16	02	1.11	Nil	Nil	02	1.11
Total	**415**	**1925.88**	**12**	**118.61**	**403**	**1807.27**

(*Source: Information provided by the VLC, Office of the AG (A&E) Chhattisgarh, Raipur*)

Department did not furnish any reply in this regard.

3.13 Internal Audit and Internal Control System of ULBs

As per section 417 A and section 322 of the Municipal Corporation Act 1956 and Municipalities Act 1961 respectively, the State Government or the Municipalities may provide for internal audit of the day to day accounts of the Municipalities in the manner prescribed.

UADD intimated (January 2017) that internal audit system has been initiated in November 2015 and started functioning in all the ULBs of the State. Chartered Accountants perform the audit works and submit their reports to UADD. It was also mentioned that a cell was also formed for examination and compliance of internal audit reports.

3.14 Financial Reporting Issues

3.14.1 Sources of revenue

There are mainly two sources of revenue for local bodies viz. Government grants and own revenues. Government grants comprise of funds released by the State Government and Government of India (GoI) on the recommendation of State/Central Finance Commission and funds received for implementation of various schemes. Own revenue sources of ULBs comprise of tax and non-

[1] Excluding Grant no. 21 (Expenditure pertaining to Housing and Environment Department)

tax revenues realised by them. ULBs earn revenue from their own resources through various nature of taxes, rent, fees, issue of licenses etc. The ULBs also obtain loans for implementation of various schemes relating to urban development. The details of revenue resources of ULBs in the State for the last five years are given in the **Table 3.7** below:

Table 3.7: Revenue resources of Urban Local Bodies

(₹ in crore)

S. No.	Year	Grant		Own Revenue Collection (Percentage of total Revenue)	Total
		Plan	Non-Plan		
1	2011-12	668.09	780.55	320.16 (18)	1768.80
2	2012-13	1201.38	989.84	334.46 (13)	2525.68
3	2013-14	1434.26	1139.21	379.60 (13)	2953.07
4	2014-15	1171.90	1212.13	466.00 (16)	2850.03
5	2015-16	1251.69	1234.10	445.25 (15)	2931.04
Total		**5727.32**	**5355.83**	**1945.47 (15)**	**13028.62**

(*Source: Information provided by UADD, Raipur*)

It may be seen from **Table 3.7** that the share of own revenue in the total resources of the ULBs varied between 13 to 18 *per cent* during 2011-12 to 2015-16. Audit observed that the records of own revenue are not properly maintained by the ULBs. The information of revenue collected by ULBs is forwarded to the Directorate office, where it is compiled. However, it was seen from the figures of own revenue made available to audit that the closing balance of outstanding revenue of the preceding year did not match with the opening balance of the successive year in case of the ULBs. Thus, due to improper maintenance of records and poor Management Information System (MIS), the UADD did not exercise effective control over estimation and collection of the own revenue of the ULBs. Moreover, since the Accrual Accounting Software is not operational in any ULB, the UADD did not keep the consolidated revenue figures online for planning purposes.

On being pointed out, Deputy Director UADD stated (December 2016) that necessary action has been taken to obtain the corrected figures from the ULBs and the information would be provided after compilation.

Audit had been pointing out this deficiency of ULBs since last two years, however no improvement could be noticed in compilation of own revenue figures.

3.14.2 Budgetary Allocation and Expenditure

Funds (share of tax revenue of the State, schemes funds and grants etc.) allocated to ULBs by the State Government through budget including State share of the GoI schemes and grants recommended by Thirteenth Finance Commission (ThFC) are given in the **Table 3.8** below:

Table 3.8: Details of allocation and expenditure of funds

(₹ in crore)

S. No.	Year	Budgetary Allocation			Expenditure			Savings	Percentage of Savings
		Plan	Non-Plan	Total	Plan	Non-Plan	Total		
1	2011-12	668.09	780.55	1448.64	392.77	744.41	1137.18	311.46	22
2	2012-13	1201.38	989.84	2191.22	924.43	925.65	1850.08	341.14	16
3	2013-14	1434.26	1139.21	2573.47	672.83	1087.82	1760.65	812.82	32
4	2014-15	1171.90	1212.13	2384.03	589.28	1015.05	1604.33	779.70	33
5	2015-16	1251.69	1234.10	2485.79	382.65	1050.46	1433.11	1052.68	42
Total		**5727.32**	**5355.83**	**11083.15**	**2961.96**	**4823.39**	**7785.35**	**3297.80**	

(*Source: Information provided by UADD, Raipur*)

The budget allocation increased by 72 *per cent*[2] for ULBs during the year 2015-16 as compared to the year 2011-12. However, ULBs could not spend the entire budgetary allocation and savings ranged from 16 to 42 *per cent* during the period 2011-16 mainly due to considerable unspent balances in the Plan Head.

On being pointed out, Deputy Director UADD stated (November 2016) that savings under Plan Head was incurred mainly due to absence of release of funds by Government of India in Centrally sponsored schemes.

3.14.3 Chhattisgarh Infrastructure Development Fund (CIDF)

Chhattisgarh Urban Development Fund Rules 2003 had been framed and implemented for the systematic development of urban local bodies in the State. Two types of accounts are maintained under this fund viz. Devolution Account and Infrastructure Account. Devolution account includes the grants received under regular *Chungi* Compensation, Passenger Tax, Registration fee, Bar license fee and other compensation grants, which are utilised by the ULBs as per its discretion. The Infrastructure Account consists of the funds received in accordance with the recommendations of State Finance Commission (SFC) and funds received for items like repair and maintenance of roads etc. These funds are utilised for purposes like road repair works, schemes related to drinking water, reforms of Fire Brigade service, any special scheme of the State Government, Solid Waste Management and development of basic amenities. The allocation and expenditure of funds under the Chhattisgarh Infrastructure Development Fund during 2011-12 to 2015-16 is given in the **Table 3.9** below:

Table 3.9: Details of allocation/expenditure of funds

(₹ in crore)

S. No.	Financial Year	Allocation		Total	Expenditure*		Total
		Devolution Account	Infrastructure Account		Devolution Account	Infrastruc-ture Account	
1	2011-12	222.77	595.96	818.73	222.77	595.96	818.73
2	2012-13	255.03	1315.44	1570.47	255.03	1315.44	1570.47
3	2013-14	280.04	1102.65	1382.69	280.04	1102.65	1382.69
4	2014-15	295.59	1050.20	1345.79	295.59	1050.20	1345.79
5	2015-16	306.50	1254.19	1560.69	302.94	825.70	1128.64
Grand Total		**1359.93**	**5318.44**	**6678.37**	**1356.37**	**4889.95**	**6246.32**

(*Source: Information provided by UADD, Raipur*) (** by adopting the entire allocation amount as expenditure*)

As against the total allocation of ₹ 6,678 crore during 2011-12 to 2015-16, the expenditure under CIDF was ₹ 6,246 crore. During 2015-16, Department did not spent ₹ 432 crore (28 *per cent*) of the allocated fund for infrastructure development in the State.

Department stated (November 2016) that the allocation is taken as expenditure after grants are released to ULBs. However, Department added (December 2016) that due to absence of approval from finance department and proposal from Engineering branch, the entire grants could not be withdrawn and released during 2015-16. However, actual expenditure incurred by the ULBs under CIDF was not provided by the Department.

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[2] Percentage increase of Budget allocation during 2015-16 in comparision to 2011-12= (2485.79-1448.69)*100/1448.69 = 71.59 *per cent*

3.14.4 Recommendation of the State Finance Commission (SFC)

As per Article 243-I of the Constitution read with Chhattisgarh State Finance Commission Act 1994, State Government constituted (July 2011) the second SFC to scrutinize the financial positions of local bodies of the State for the period 2012-17. Accordingly, the second SFC submitted (March 2013) its report with a total number of 133 recommendations to the Government. Of which 100 recommendations were accepted either fully or partially, four were pending for inter-departmental consultations and rest 29 recommendations were not accepted by the Finance Department, Government of Chhattisgarh. Out of the accepted recommendations, 41 were to be implemented by ULBs, 34 were to be implemented by PRIs and rest 25 were to be implemented by the other Departments. In this context, information provided by UADD revealed that the proceedings for 22 recommendations have been completed and rest 19 are in progress as of May 2016.

Further, the third SFC has been constituted (January 2016) by Government of Chhattisgarh to scrutinize the financial positions of the local bodies for the period 2017-22.

3.14.5 Recommendation of the Central Finance Commission

Thirteenth Finance Commission Grants

The Government of India (GoI) released an amount of ₹ 355.37 crore during 2010-11 to 2014-15 as per recommendations of the Thirteenth Finance Commission (ThFC) of which ₹ 258.72 crore (73 *per cent*) had been spent as of March 2016. The details of allotment and expenditure of ThFC grant are given in the **Table 3.10** below:

Table 3.10: Details of allocation and expenditure of ThFC grant

(₹ in crore)

S. No.	Year	Allocation			Expenditure
		Basic Grant	Performance Grant	Total	
1	2010-11	42.57	00	42.57	1.95
2	2011-12	49.14	24.44	73.58	18.12
3	2012-13	55.29	51.59	106.88	30.52
4	2013-14	63.78	9.37	73.15	89.13
5	2014-15	38.51	20.68	59.19	69.35
6	2015-16	--	--	--	49.65
Total		**249.29**	**106.08**	**355.37**	**258.72**

(*Source: Information provided by UADD, Raipur*)

The above table indicates that the ULBs could not spend the entire fund after lapse of one year from the earmarked period for ThFC. An amount of ₹ 96.65 crore is still unspent as of March 2016.

Further, Budget allocation and expenditure of UADD revealed that an amount of ₹ 68.56 crore was re-appropriated from Fourteenth Finance Commission (FoFC) grant during 2015-16 and shown as expenditure in ThFC.

On being pointed out Deputy Director, UADD replied (December 2016) that an amount of ₹ 68.56 crore was released (March 2015) by GoI under ThFC, which could not be drawn as the fund was sanctioned by the end of financial year and hence, the same amount has been re-appropriated from the allocation of FoFC fund with the approval of the State Government.

Fourteenth Finance Commission (FoFC) Grants

FoFC had recommended two types of grant, namely; Basic Grant and Performance Grant, for Gram Panchayats (GPs) and Municipalities. The purpose of the Basic Grant is to provide unconditional support to the GPs and Municipalities for delivering the basic functions assigned to them under their respective statutes, such as water supply, sanitation, sewerage, maintenance of community assets, footpaths and street lighting, burial and cremation grounds etc. In the case of Performance Grant, a detailed procedure for the disbursal of the Performance Grant to ULBs would have to be designed by the State Government concerned, subject to certain eligibility criteria.

GoI released an amount of ₹ 152.39 crore as Basic Grant during 2015-16 as per recommendations of FoFC, of which ₹ 68.56 crore (45 *per cent*) had been re-appropriated in ThFC. However, an amount of ₹ 38.77 crore (46 *per cent*) of the balance fund had been spent as of March 2016.

3.14.6 Adoption of Budget and Accounting formats

Government of India in consultation with the CAG, had formulated (December 2004) National Municipal Accounts Manual (NMAM) with double entry system for greater transparency and control over finances. Further, Section 125 B of the Act provides that State Government shall prescribe and maintain a manual to be called as Chhattisgarh Municipal Accounts Manual (CGMAM) containing details of all financial matters and procedures relating thereto in respect of Municipal Corporation.

State Urban Development Authority informed (January 2017) that the arrear of Accrual based double entry accounting system as per NMAM is under progress in all ULBs. It was also intimated that by April/May 2017 all ULBs would be in real-time Accrual based double entry accounting system with adoption of budget for the year 2017-18. Chhattisgarh Municipal Accounts Manual (CGMAM) has been prepared in line with NMAM.

The findings of adoption of budget and accounting formats for double entry accounting system is mentioned in this report under Audit on “Management of own funds by Municipal Bodies including collection of revenue” (Chapter IV, Paragraph No. 4.1.11.4).

3.14.7 Issues related to AC/DC Bills

As per Rule 313 of the Chhattisgarh Treasury Code (CGTC), every Drawing and Disbursing Officer (DDO) has to certify in each Abstract Contingencies (AC) bill that Detailed Contingencies (DC) bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the concerned Controlling Officers for countersignature and transmission to the Office of the AG (A&E). As per CGTC Subsidiary Rule 327, DDOs should submit monthly DC bills along with necessary certificate to the Controlling Officers within fifth of the following month. The Controlling Officer is required to submit the passed DC bills to Accountant General, so that these may be received in AG’s office before 25th of the same month.

Information of AC/DC bills for the period 2011-12 to 2015-16 received (January 2017) from the Office of AG (A&E), Chhattisgarh revealed that as of December 2016 there was no pendency of DC bills.

3.14.8 Position of outstanding loans

State Government gives loans to ULBs for various development works. As per information provided by UADD, ₹ 421.75 crore loans was outstanding against various ULBs as on 1 April 2015. The repayment of principal of ₹ 43.22 crore and interest of ₹ 21.78 crore was made during the year 2015-16. However, no loan was provided to the ULBs in the year 2015-16. Thus, the total outstanding loans as on 31 March 2016 stood at ₹ 356.75 crore as shown in the **Table 3.11** below:

Table 3.11: Details of outstanding loans

(₹ in crore)

S. No	Name of ULBs	Balance as on 01 April 2015 (Principal+ Interest)	Fresh loan with interest during 2015-16	Repayment during 2015-16		Outstanding as on 31 March 2016
				Principal	Interest	
1	MC Raipur	18.52	-	4.71	1.23	12.58
2	MC Jagdalpur	0.90	-	0.19	0.06	0.65
3	MC Bilaspur	112.75[3]	-	0.12	1.51	111.12
4	MC Durg	0.14	-	0.13	0.01	-
5	MC Rajnandgaon	0.11	-	0.11	-	-
6	MC Bhilai-Charoda	2.90	-	0.97	0.19	1.74
7	Other ULBs	286.43	-	36.99	18.78	230.66
Total		**421.75**	**-**	**43.22**	**21.78**	**356.75**

(*Source: Information provided by UADD*)

The accumulation of interest on the loans may have adverse affect on the finances of the ULBs.

3 ₹ 112.75 crore = ₹ 189.18 crore (outstanding as on 31 March 2015 as per AR 2014-15) - ₹ 76.43 crore (₹ 54.43 crore loan repayment + ₹ 22 crore interest, repaid in 2014-15 but intimated to audit only in 2015-16)

Chapter IV

Performance Audit

4.1 Management of own funds by Municipal Bodies including collection of revenue

CHAPTER IV

URBAN ADMINISTRATION AND DEVELOPMENT DEPARTMENT

4.1 Management of own funds by Municipal Bodies including collection of revenue

Executive Summary

The Chhattisgarh Municipal Corporation Act, 1956 and Chhattisgarh Municipality Act, 1961, empowers the Municipal Corporations, Municipal Councils and *Nagar Panchayats* (Urban Local Bodies) to collect Property Tax, *Samekit Kar*, Water Tax, Rent and Premium from markets, shopping complexes, Advertisement Tax, User Charges etc. The revenue generated from these resources constitutes a substantial portion of the financial resources of ULBs. These revenues are utilised for administrative, developmental and maintenance purposes.

Performance Audit of Management of own funds by Municipal Bodies including collection of revenue covering the period 2011-16 was conducted in 20 test checked ULBs between March 2016 and September 2016. Major audit findings are:

Although the ULBs depend on collection of revenue from own resources and assigned revenue from State Government for their functioning, 17 out of 20 test checked ULBs could not meet their expenses from their own revenue. Of this, 13 ULBs could not even meet their salary and wages as cost of realisation of revenue by these ULBs is unsustainable (₹ one realised at a cost of ₹ 1.56). As a result, these ULBs had to depend on the assigned revenue and Grant from State Government to meet their expenses and to deliver their mandated services. Hence, the objective of enabling the ULBs to function as institution of self-Government was defeated since they continued to be almost fully (to the extent of 80 *per cent*) dependent on Government for resources.

(Paragraph 4.1.9.7)

Despite revenues not keeping pace with expenses, 15 ULBs did not include 88,553 properties (23.30 *per cent*) under the property tax network and suffered loss of revenue worth ₹ 13.30 crore during 2011-16. Besides, the sampled ULBs did not recover revenue worth ₹ 79.84 crore on account of water tax, property tax, *samekit kar*, advertisement tax, premium and rent of shops and contribution of Integrated Housing and Slum Development Programme benefits. Thus, the collection mechanism was not well managed.

(Paragraph 4.1.9.1, 4.1.9.2, 4.1.9.3, 4.1.9.5 and 4.1.9.6)

As revenues remain unrealised, loans (including interest) worth ₹ 125.49 crore was not repaid by the test checked ULBs while liabilities worth ₹ 29.34 crore on account of Electricity Bills, Provident Fund, Welfare Cess, Royalty and Water charges were not cleared by 15 ULBs. Besides, eight ULBs did not deposit ₹ 27.84 crore in *Sanchit Nidhi*, though mandated.

(Paragraph 4.1.10.1, 4.1.10.2 and 4.1.10.4)

Utilisation of fund by sampled ULBs involved instances of excess payment of ₹ 1.36 crore, avoidable payment of ₹ 2.78 crore and unadjusted temporary advances worth ₹ 3.59 crore.

(Paragraph 4.1.10.3)

4.1.1 Introduction

The State Urban Local Bodies (ULBs) are governed by the Chhattisgarh Municipal Corporation Act (CMCA), 1956 and Chhattisgarh Municipalities Act (CMA), 1961 as adopted from the State of Madhya Pradesh. As of March 2016, there were 168 ULBs in the state which were divided into 13 Municipal Corporations, 44 Municipal Councils and 111 *Nagar Panchayats* based on the population. These ULBs are mandated to provide civic services to the urban population.

The CMCA and CMA empower the ULBs to constitute a Municipal Fund from realisation of revenue which is known as 'Own Revenue'. This included Obligatory Taxes such as Property Tax, *Samekit Kar* (Consolidated Tax) and Water Tax besides Discretionary Taxes and revenue from other sources such as Advertisement Taxes, Rent and Premium from markets/shopping complexes, User Charges etc. In addition, the ULBs also receive 'Grant-in-Aid' from State Government and Central Government.

The revenues are utilised in the following order of preference, first for repayment of all loans payable by ULBs, second to discharge all liabilities of ULBs and third for other essential[1] Municipal Services.

4.1.2 Organisational Chart of ULBs

The ULBs function under the Urban Administration and Development Department (UADD). Commissioner is the head of Municipal Corporations who is assisted by an Additional Commissioner and Deputy Commissioners. The Municipal Councils and Nagar Panchayats are headed by Chief Municipal Officers (CMO). Additional Commissioner (Revenue) in Municipal Corporation and Revenue Officer in Municipal Council and Nagar Panchayat are responsible for collection of Obligatory and Discretionary Taxes.

4.1.3 Audit Objectives

The objectives of the performance audit were to assess whether:

- there was efficient and proper budgetary and accounting system;
- an efficient and adequate system existed in the Municipal Bodies to ensure correct assessment, collection and accounting of own funds;
- expenditure incurred from the Municipal Fund was as per the priorities and norms provided in the Acts and Rules; and
- records were maintained properly and monitoring mechanism was appropriate and effective.

4.1.4 Audit Scope and Methodology

The performance audit covering the period 2011-16 was conducted during March 2016 to September 2016 by test check of records in the office of the Directorate, UADD, four out of 13 Municipal Corporations, 11 out of 44 Municipal Councils and five out of 111 *Nagar Panchayats* selected on the basis of Simple Random Sampling with Replacement method.

[1] Lighting and cleaning public streets, places and buildings, disposing night soil and rubbish etc

An entry conference was held on 6 October 2016 with the Special Secretary, UADD to discuss the audit objectives, criteria and scope of audit. An exit conference was held on 18 January 2017 with the Special Secretary, UADD to discuss the audit findings. The replies of the Government have been suitably incorporated in the report.

4.1.5 Audit Criteria

Audit criteria were derived from the following sources:

- Chhattisgarh Municipal Corporation Act 1956 and the Rules made there under
- Chhattisgarh Municipalities Act 1961 and the Rules made there under
- Instructions and circulars issued by the Government and Directorate, UADD and
- Recommendation of Central Finance Commission (CFC), State Finance Commission (SFC) in respect of revenue resources of ULBs.

4.1.6 Trends and composition of resources of ULBs

The trend of resources of the ULBs for the period 2011-12 to 2015-16 is shown in **Table 4.1.1** below:

Table 4.1.1: Time series data on ULBs resources

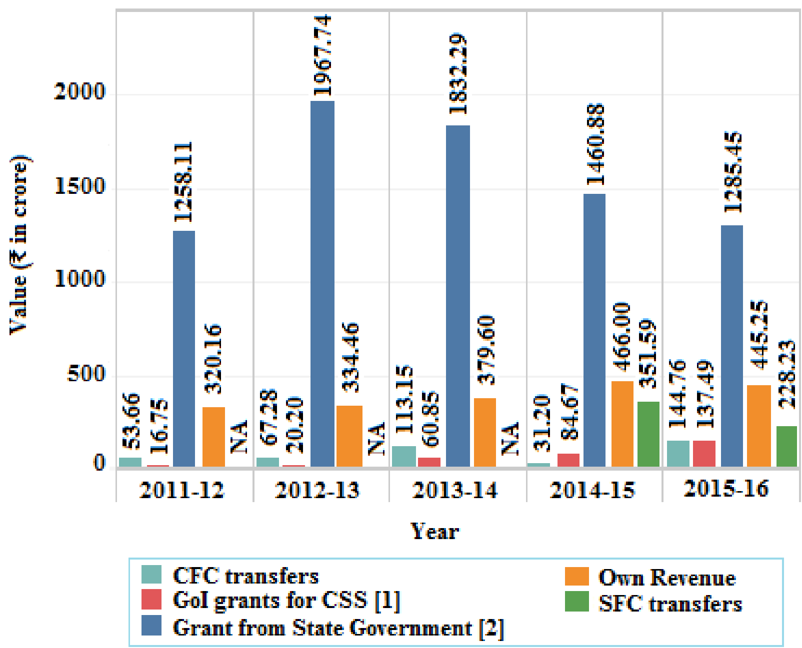
(₹ in crore)

Source	2011-12	2012-13	2013-14	2014-15	2015-16
1	**2**	**3**	**4**	**5**	**6**
Own Revenue	320.16	334.46	379.60	466.00	445.25
CFC transfers	53.66	67.28	113.15	31.20	144.76
GoI grants for CSS[2]	16.75	20.20	60.85	84.67	137.49
SFC transfers	NA[3]	NA	NA	351.59	228.23
Grants from State Government	1258.11	1967.74	1832.29	1460.88	1285.45
Total	**1648.68**	**2389.68**	**2385.89**	**2394.34**	**2241.18**
Percentage of own Revenue to Total Revenue	19.42	14.00	15.91	19.46	19.87

(Source: VLC data obtained from Office of the Accountant General (A & E), Chhattisgarh and data of own revenue received from UADD, Chhattisgarh)

[2] Centrally Sponsored Scheme
[3] NA=Not available

Chart 4.1.1 : The trend of resources of the ULBs for the period 2011-16



It can be seen that the share of revenue from own sources in the total receipts of the ULBs increased from 19.42 *per cent* in 2011-12 to 19.87 *per cent* in 2015-16. However, during 2012-13 to 2015-16 the total resources available to ULBs from all sources decreased by 6.21 *per cent* mainly due to decrease in receipt of Grants from State Government.

4.1.7 Revenue from own sources

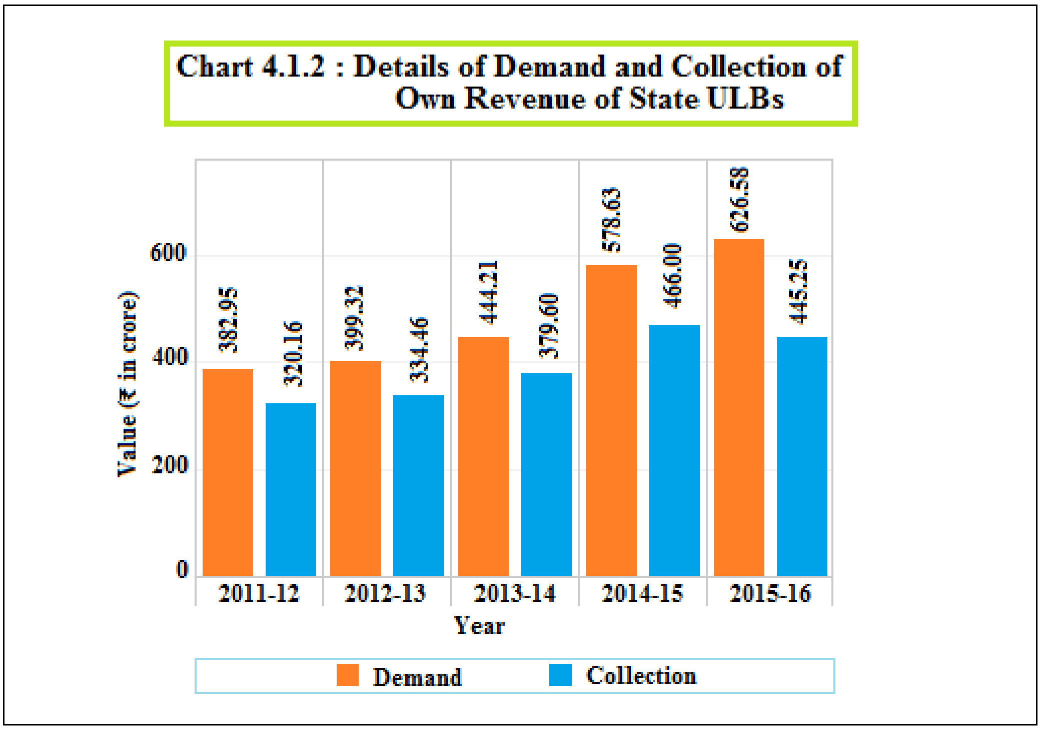
Property Tax, *Samekit Kar* and Water Tax are the main constituents of own revenue of ULBs. As per data provided by the UADD, GoCG, the position of revenue from own sources of the ULBs during 2011-16 is given in **Table 4.1.2** below:

Table 4.1.2: Demand and collection of own revenue of ULBs

(₹ in crore)

ULB	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Municipal Corporations	Demand	267.86	273.83	321.53	441.29	466.27
	Collection	234.41	243.69	291.86	363.81	343.12
	% of collection	**87.51**	**88.99**	**90.77**	**82.44**	**73.59**
Municipal Councils	Demand	58.76	63.23	67.46	75.21	89.80
	Collection	45.26	45.97	50.73	61.70	57.79
	% of collection	**77.02**	**72.71**	**75.20**	**82.04**	**64.36**
Nagar Panchayat	Demand	56.32	62.26	55.22	62.13	70.52
	Collection	40.49	44.79	37.01	40.50	44.34
	% of collection	**71.89**	**71.95**	**67.02**	**65.18**	**62.88**
Total ULBs	Demand	382.95	399.32	444.21	578.63	626.58
	Collection	320.16	334.46	379.60	466.00	445.25
	% of collection	**83.61**	**83.76**	**85.45**	**80.54**	**71.06**

(Source: Data received from Urban Administration and Development Department)



As could be seen from the above table and chart, the net collection of revenue increased from ₹ 320.16 crore in 2011-12 to ₹ 445.25 crore in 2015-16. However, during the same period collection efficiency of ULBs decreased from 83.61 to 71.06 *per cent*. Even though the collection efficiency of Municipal Corporations was better than the other two tiers of ULBs, the same decreased from 87.51 *per cent* in 2011-12 to 73.59 *per cent* in 2015-16. Reasons for short recovery of own revenue was mainly due to lack of proper survey, engagement of staff in other works like census, preparation of ration cards, voter lists etc and lack of efforts in utilisation of revenue generating assets like advertisement etc. efficiently as discussed in succeeding paragraphs.

Audit Findings

4.1.8 Budgetary and Accounting System

4.1.8.1 Delay in preparation and approval of budget

There were delays of upto 176 days in preparation and approval of budget in 11 test checked ULBs

As per section 97 of CMCA read with section 116 of CMA, budget is to be prepared based on probable receipts and expenditures for the following financial year and the same is to be as practical and accurate as possible. Further, as per section 98 of CMA, final budget is to be passed before 31 March for the ensuing year.

Scrutiny of records of 11[4] out of 20 test checked ULBs revealed that budget were passed after a delay of six to 176 days **(Appendix 4.1.1)** from the prescribed date (31 March every year). This delayed the approval of budget upto September of the concerned years. However, during the period expenditure continued to be incurred which is irregular.

[4] Two Municipal Corporations, seven Municipal Councils and two *Nagar Panchayat*

In the exit conference (January 2017), Government while accepting the observations stated that necessary instructions will be issued soon.

4.1.8.2 Preparation of unrealistic budget estimates

Scrutiny of budget files revealed persistent overestimation of receipt and expenditure figures in the Annual Budget of test checked ULBs from 2011-12 to 2014-15. It was seen that the actual figures fell short of the estimated figures by up to 85 *per cent* in case of receipts head and 87 *per cent* **(Appendix 4.1.2)** in case of expenditure head respectively. On 36 occasions under receipt head[5] the actual receipt was short by more than 50 *per cent* of estimates during 2011-12 to 2014-15. Similarly, on 44 occasions under expenditure head actual expenditure was short by more than 50 *per cent* of estimates during the same period.

This variation between the estimated and actual figures indicates failure on the part of ULBs to utilise the available infrastructure and resources in a planned manner so as to achieve their targets. It also indicated a completely unrealistic preparation of budget estimates.

In the exit conference (January 2017), Government while accepting the observations stated that budget is prepared in such a manner that negative balance does not arise. The reply does not explain the variation of 85 to 87 *per cent* between the estimates and actuals.

4.1.8.3 Contradictory provisions in the Rules

As per Rule 5 of Chhattisgarh Municipalities (Budget Estimates) Rules, 1962, no expenditure is to be incurred without budget provisions. However, Rule 6 ibid, neither prevents payment of any sums due by the council in absence of budget provision nor does it prevent actual payment under proper head of accounts. Thus, Rule 5 and Rule 6 contradict each other.

In the exit conference (January 2017), Government while accepting the observations stated that suitable steps would be taken soon in consultation with law department to address this issue.

4.1.8.4 Expenditure of ₹ 23.92 crore without budget provisions

An amount of ₹ 23.92 crore was incurred without preparation of budget by two ULBs

As per the Rule 5 of Chhattisgarh Municipalities (Budget Estimates) Rules, 1962, no expenditure should be incurred without making provisions in the budget. Audit observed that Municipal Council *Dipka* spent ₹ 14.40 crore between 2014-15 and 2015-16 and *Nagar Panchayat* Tundra spent ₹ 9.52 crore from 2011-12 to 2015-16 without preparing any budget estimates. Thus, ₹ 23.92 crore was spent unauthorisedly by these two ULBs. In the exit conference (January 2017), Government while accepting the observation stated that the matter would be investigated and corrective action would be taken.

[5] Receipt head includes own-revenue, assigned revenue, grant-in-aid from Central/State Government where as the expenditure includes the revenue and capital expenditure

4.1.8.5 Blocking of Municipal Fund worth ₹ 35.25 lakh and loss of interest of ₹ 13.29 lakh

As per section 86 of Municipal Corporation Act 1956, there shall be one Municipal Fund and it shall be held by the Corporation in trust for the purposes of this act, subject to the provisions therein contained.

Scrutiny of records revealed that Municipal Corporation, *Durg* had opened 57 Bank accounts in various banks and credited the municipal fund in 45 of these accounts. Out of these 45 accounts, 12 have not been used even once for last five years and an amount of ₹ 35.25 lakh was lying idle earning only simple interest there on. As there was no immediate requirement of disbursement, this fund could have been kept under FD[6] and additional interest amounting to ₹ 13.29 lakh **(Appendix 4.1.3)** could have been earned on it.

On this being pointed out, Government while accepting the observations stated that (January 2017) all money was transferred into one account and is kept under FD in view of the observation of audit.

4.1.9 Assessment, Collection and Accountal of Revenue

The ULBs mobilise revenue by levy and collection of obligatory taxes such as Property Tax, *Samekit Kar* (Consolidated Tax) and Water Tax. In addition, the ULBs are also empowered to levy discretionary taxes and other source of revenue such as Advertisement Tax, user charges etc. These are discussed below.

The table and chart showing the composition of own revenue is shown in **Table 4.1.3** below:

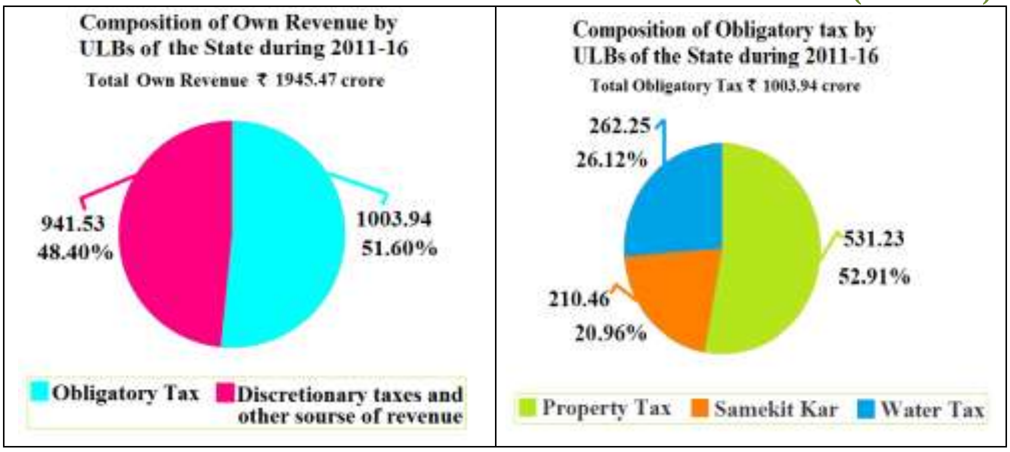
Table 4.1.3: Revenue from own source

Name of Obligatory Tax	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Property Tax	Demand	100.57	121.10	143.54	160.34	202.20
	Collection	81.24	91.47	108.81	114.99	134.72
	Percentage of total own Revenue	25.37	27.35	28.66	24.68	30.26
Samekit Kar	Demand	63.32	67.70	76.77	86.04	92.16
	Collection	39.24	38.24	39.73	46.93	46.32
	Percentage of total own Revenue	12.26	11.43	10.47	10.07	10.40
Water Tax	Demand	56.04	64.88	75.99	90.46	104.64
	Collection	41.51	47.20	49.38	61.23	62.93
	Percentage of total own Revenue	12.97	14.11	13.01	13.14	14.13
Discretionary taxes and other revenue	Demand	163.02	145.64	147.92	241.79	227.58
	Collection	158.17	157.55	181.68	242.85	201.28
	Percentage of total own Revenue	49.40	47.11	47.86	52.11	45.21
Total own revenue	**Demand**	**382.95**	**399.32**	**444.22**	**578.63**	**626.58**
	Collection	**320.16**	**334.46**	**379.60**	**466.00**	**445.25**

[6] As per Office Order No 09/suda/2014/1513 dated 01/09/2014, the unutilized funds should be kept in auto-sweep account so as to earn higher interest

Chart 4.1.3: Composition of Own Revenue

(₹ in crore)



As could be seen from the above charts, obligatory tax constitutes 52 *per cent* of the own revenue whereas the discretionary and other source of revenue contributes 48 *per cent* of own revenue during the period 2011-16. Further, the property tax contributes 53 *per cent* of obligatory tax whereas the *samekit kar* and water tax contributes 21 and 26 *per cent* of obligatory tax respectively.

Obligatory Taxes

4.1.9.1 Property Tax

Section 132 (1) (a) of CMCA provides for payment of taxes on properties by the owners of buildings or lands situated within the city limits based on gross annual letting value of the buildings or lands. Further to simplify the property tax collection procedure, Chhattisgarh Government introduced Self Assessment Scheme (SAS) in 1997. Under SAS, the tax payers are at liberty to assess their tax by themselves. Property Tax is levied based on parameters such as built up area, total area, location, purpose, type of construction etc.

Property Tax is the main contributor of Own Tax Revenue which accounted for 25 to 30 *per cent* of total Own Tax Revenue of ULBs during 2011-16. Further scrutiny revealed the following:

- Property tax was not enhanced during 1998-99 to 2014-15. However, State Government enhanced the rates of property taxes by 50 *per cent* in 2015-16.

- Property tax was not levied on open land in any of ULBs except by Municipal Corporation Bilaspur and Municipal Council Kharora.

- Demand registers in prescribed format with proper entries have not been maintained in any of the ULBs.

- Nine[7] ULBs did not prepare any defaulters list while three[8] ULBs prepared it. Rest of eight ULBs did not give any reply.

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[7] One Municipal Corporation -Bilaspur, Four Municipal Councils- Balod, Deepika, Ahiwara, Bagbahara, and Four *Nagar Panchayats*- Kharora, Tundra, Saragaon and Bastar

[8] Jagdalpur Municipal Corporation, Dongargarh and Saraipali Municipal Council

In the exit conference (January 2017), Government while accepting the observation stated that property tax was enhanced in 2015-16 and necessary instructions will be issued to address the other observations. However, Government did not provide any orders to enhance the property taxes every five years as recommended by second State Finance Commission.

Assessment of Property Tax

The Thirteenth Finance Commission (2010-2015) stipulated that State Government must constitute a Property Tax Board to assist all Municipal Bodies to put in place an independent and transparent procedure for assessing property tax.

Audit noticed that Property Tax Board has not been constituted in the Chhattisgarh State (January 2017).

Further, the State Government enacted (May 2011) Chhattisgarh Municipal Revenue (Establishment of Regulatory Commission) Act, 2011 to establish Chhattisgarh Municipal Revenue Regulatory Commission (CMRRC) to rationalise and regulate all taxes, penalties, fees, user charges, duties, tolls, other municipal revenue collections etc. Besides, the Second State Finance Commission, (SFC) also recommended (2012-13) the Government for early constitution of the CMRRC to augment the own revenue resources of the ULBs by:

- undertaking a survey of properties and bring the un-assessed and under-assessed properties into the property tax network
- taking measures to recover the property tax arrears
- ensuring the revision of property tax in every five years
- initiating GIS mapping of all properties
- formulating municipal advertisement tax to help ULBs
- preparing guidelines for the fixation of rents, periodic revision as well as collection of rents of shops, market complexes etc.
- formulating guidelines to enable ULBs to collect operation and maintenance (O & M) charges on service provided by them.

However, the Revenue Regulatory Commission has not been established even six years later (January 2017). Consequently, the ULBs could not generate revenue effectively as mentioned in subsequent paras.

Government while accepting the audit observation stated (January 2017) that the matter is under process and will be implemented soon.

Survey of Properties in Urban Local Bodies

Section 143 of CMCA and section 146 of CMA provide that the Commissioner and Council of Municipal Bodies shall arrange for a survey of land and buildings for the purpose of assessment of each part of the city at least once in five years and four years respectively.

Further, in compliance with GoI guidelines on Jawaharlal Nehru National Urban Renewal Mission, UADD entered (July 2011) into an agreement with an agency for development and implementation of Geographical Information

System (GIS) enabling (i) development of the GIS enabled Property tax system, (ii) property survey, data collection, digitisation, entry of data and migration of old data to the new system.

Scrutiny of records revealed that GIS survey was conducted in 10 out of 13 Municipal Corporations of the State. Comparison of the survey data with that of the actual recorded in 76 Wards of these 10 Municipal Corporations revealed that out of 74,175 properties, 21,505 numbers **(Appendix 4.1.4)** of properties were left out for levy of property tax as these Municipal Corporations raised demands for property tax on the basis of the last physical survey carried out in 1999 (except Municipal Corporation Jagdalpur where survey was conducted in 2015-16). The percentage of left out properties ranged upto 81 *per cent* of the survey data.

Further, in eight[9] out of 11 Municipal Councils and all the five[10] *Nagar Panchayats*, physical survey was not undertaken during the period 2011-16. Property tax in these ULBs was collected on the basis of Self Assessment Scheme submitted by the individuals.

In the exit conference (January 2017), Government while accepting the observation stated that necessary action is being undertaken to complete the survey in other ULBs.

Census data and Property Tax

Scrutiny of records of 15[11] out of 20 ULBs revealed that as per Census data[12] (2011) **(Appendix 4.1.5)** there were 3,80,043 houses within the jurisdiction of these ULBs. However, property tax was levied only on 2,91,490 houses while 88,553 houses (23.30 *per cent*) were not put under the tax network. The percentage of failure to levy property tax ranged from 19.22 (*Nagar Panchayat*, Kharora) to 42.38 (Municipal Council, Takhatpur). On these 88,553 houses, these ULBs lost revenue worth ₹ 13.30 crore leviable[13] during 2011-16 as *samekit kar* at the minimum annual rate of ₹ 300 per house.

Thus, the department neither utilised the census records to work out the existing houses nor undertaken their own survey for assessment of property tax. This resulted in persistent loss to the ULBs.

In the exit conference (January 2017), Government stated that action will be initiated after analysing the observation in relation to census data.

Short recovery of the Property Tax worth ₹ 8.37 crore

Short recovery of Property tax ₹ 8.37 crore in test checked ULBs

Scrutiny of records of sampled ULBs revealed that property tax of ₹ 8.37 crore **(Appendix 4.1.6)** was outstanding against the total demand of ₹ 66.47 crore (March 2016). However, the year wise outstanding amount has not been maintained properly by the Municipal Corporations. Further, the ULBs had powers under section 165 of Chhattisgarh Municipalities Act, 1961 to

9 Municipal Councils at Ahiwara, Balod, Baghbahra, Deepika, Khairagarh, Kumhari, Ratanpur and Takhahtpur

10 *Nagar Panchayat* at Bastar, Kahrora, Palari, Saragaon and Tundra

11 Data related to Bilaspur Municipal Corporation, and two Municipal Councils Ahiwara and Khairagarh and and one *Nagar Panchyat* was not available. In Jagadalpur Municipal Corporation property tax was levied more than the census data.

12 Table : H-5: Census houses used as residence and residence-cum-other use

13 Vide UADD notification dated 5 February 2010

approach a Magistrate to seek orders for recovery by distress sale of any movable property and attachment and sale of immovable property belonging to defaulters but the same was not done by any ULBs. As a result, the ULBs were put to financial constraints especially when their resources were not sufficient to meet their expenses.

In the exit conference, Government while accepting the observations stated (January 2017) that all ULBs would be instructed for recovery of outstanding taxes.

4.1.9.2 *Samekit Kar*

Samekit Kar which is another obligatory tax comprises of three taxes namely Sanitation Cess, Lighting Tax and Fire Tax. During 2011-16, *Samekit Kar* constitutes 10 to 12 *per cent* of Own Revenue of ULBs.

Short recovery of *Samekit Kar* of ₹ 10.53 crore

Short recovery of *Samekit kar* ₹ 10.53 crore in test checked ULBs

As per section 132(9) of the CMCA and section 127(9) of CMA, the State Government fixes both minimum and maximum rates of *Samekit Kar* leaving the actual rate to be decided by the ULB concerned. The levy and collection of *Samekit Kar* includes (i) the tax on Property tax payers at the rate of ₹ 50 per month (ii) the tax even on those properties, which are exempted from Property Tax at the rate of ₹ 25 per month. Scrutiny of records of 20 sampled ULBs revealed that against total demand of ₹ 30.30 crore for *samekit kar*, an amount of ₹ 19.77 crore was only recovered while ₹ 10.53 crore **(Appendix 4.1.7)** was outstanding (March 2016) mainly due to regular engagement of Revenue Inspectors/Assistant Revenue Inspectors in other work like census, preparation of ration cards, voter lists etc.

Government while accepting the observations stated that (January 2017) ULBs would be instructed to recover the outstanding taxes.

4.1.9.3 Water Tax

Water tax is the one of three obligatory taxes collected by the ULBs. During 2011-16, Water tax constitutes 13 to 14 *per cent* of Own Revenue of ULBs.

Shortfall in Water Supply Connections

Thirteenth Finance Commission recommendations envisages that all the Municipal Corporations and Municipalities will notify by the end of a fiscal year (31 March) the service standards of water supply proposed to be achieved by them by the end of the succeeding fiscal year. Ministry of Urban Development, Government of India set the Service Level Benchmarks (SLBs) for 100 *per cent* coverage of metered water supply connection to the house holds. The ULBs fix the SLBs each year based on the benchmark.

Audit observed that in 15 out of the 20 sampled ULBs **(Appendix 4.1.8)** water connection was provided to only 1.21 lakh households (36 *per cent*) against 3.34 lakh households as per census 2011. Thus, the SLB of providing 100 *per cent* metered water connections were not achieved by the ULBs. Further, installation of water meters where water connections have been provided was not done except in Municipal Corporation Durg. As such, the demand for water tax is based on rates fixed by Government.

Government while accepting the observations stated (January 2017) that the process of installation of water meters has been completed in Municipal Corporations Bhilai and Jagdalpur and is under process in Municipal Corpoartion Durg. However, Government did not give any reasons for not taking up installation of meters by the Municipalities and *Nagar Panchayats*.

Short recovery of Water Tax of ₹ 17.03 crore

Short recovery of the Water tax ₹ 17.03 crore in test checked ULBs

Scrutiny of records of 20 sampled ULBs revealed that against total demand for water tax worth ₹ 52.35 crore, an amount of ₹ 35.32 crore was recovered and ₹ 17.03 crore **(Appendix 4.1.9)** was outstanding (March 2016) mainly due to regular engagement of Revenue Inspectors/Assistant Revenue Inspectors in other work like census, preparation of ration cards, voter lists etc.

Government stated (January 2017) that necessary steps would be undertaken to recover the arrears.

Short recovery of obligatory taxes such as property tax, *Samekit Kar* and water tax resulted in lesser revenue collection by ULBs due to which liabilities such as payment of electricity bills, GPF/CPF contribution of employees, deposition of Labour Welfare Cess/Royalty in respective accounts could not be discharged and had to be borne by the State Government or paid from *Sanchit Nidhi*. Creation and discharge of liability are discussed in subsequent paragraphs.

Discretionary Taxes and revenue from other sources

4.1.9.4 User Charges

In order to collect and dispose solid waste from residential/commercial buildings, State Government established "*Adarsh Up-vidhiyan*" popularly known as *" Chhattisgarh Nagar Palik Nigam Thos Apasisht (Prabhandan aur Hathalan Upavidhia 2010)"* in which rates of service fee were notified for Municipal Corporation. The rates of user charges are mentioned in Appendix-2 of the above act. Further, collection of user charges was made compulsory from August 2015 for Municipal Corporations.

Audit observed that none of the Municipal Corporations imposed user charges. As a result, Municipal Corporations Bilaspur and Jagdalpur were deprived of generating additional revenue every month from the residences and commercial institutions resulting in minimum revenue loss of ₹ 1.84 crore **(Appendix 4.1.10)** as per available data till March 2016. Municipal Corporations Raipur and Durg neither levied user charges nor provided any list of existing hotels, restaurants, hospitals, clinics etc to audit through which quantum of loss could be calculated.

Government while accepting the observations stated (January 2017) that user charge was being collected by Municipal Corporation Ambikapur and instruction is being issued to all ULBs to collect user charges.

4.1.9.5 Advertisement Tax

In order to regularise advertisement business/service under Municipal Bodies, Chhatisgarh Government established "*Adarsh Upavidhi*" (By-laws) popularly known as "*vigyapan (Panjiyan & Vinimiyan) up-vidhiyan 2010***"** under sub clause (23) of section 427 of Chhattisgarh Municipal Corporation Act 1956. Clause No. 5 and 6 of the by-laws define the power, duties and acts of

Commissioner enabling him to appoint Superintendent for enforcement of these rules and assist him by inviting zone wise tender.

Short collection of Advertisement Tax worth ₹ 3.79 crore

Short collection of advertisement tax ₹ 3.79 crore in Raipur Municipal Corporation during 2011-16

Scrutiny of records of Municipal Corporation Raipur revealed that tenders for collection of revenue from boards and hoardings on dividers at Raipur was invited for each wards by the Corporation. For this, the Coporation executed agreements with 384 contractors during 2011-16. It was seen in audit that against total demand of ₹ 13.99 crore, the contractors deposited only ₹ 10.20 crore for tubular poles, hoardings and LED boards. This resulted in short revenue collection of ₹ 3.79 crore **(Appendix 4.1.11)**. However, penalty worth ₹ 19.76 lakh at the rate of three *per cent* per month although mandated in the agreement was never imposed.

Government while accepting the observations stated (January 2017) that few cases are pending in judicial court in this regard. However due recovery will be made soon. However, government could not give any justification for not imposing penalty on the contractors failing to deposit ₹ 3.79 crore.

Failure to recover ₹ 31.31 lakh due to absence of necessary clause in NIT

As per Clause 144 of Municipal Accounting Rule for every work given on contract an agreement shall be taken on stamped paper specifying the terms and conditions of contract. Municipal Corporation Jagdalpur invited tender (January 2014) for allotment of boards and hoardings in all four zones of Jagdalpur for a period of three years (April 2014 to April 2017). In response only one bid was received and the work was retendered (2016). It was seen in audit that in the initial tender, no clause was inserted in the tender document requiring the contractor to sign agreement with Municipal Corporation Jagdalpur within specified time failing which the contract would be cancelled and the tender would be awarded to second highest bidder.

Scrutiny further revealed that the tender was awarded (March 2014) to a contractor at a bid price of ₹ 25.08 lakh per year subject to an increase of 10 *per cent* per annum. The contractor deposited ₹ 12.54 lakh as the first instalment for the year 2014-15. However, the contractor neither signed an agreement nor deposited second instalment of ₹ 12.54 lakh within six months. The Commissioner forfeited the earnest money deposit of ₹ 3.60 lakh and seized 91 hoardings (April 2015) to recover the balance ₹ 8.94 lakh. The contractor did not deposit the instalment for the year 2015-16. As a result, the outstanding amount against the contractor was ₹ 36.53 lakh as on 31 March 2016.

Commissioner stated (August 2016) that an amount of ₹ 5.22 lakh was recovered from the contractor on the basis of mutual understanding. Thus, the contractor had deposited only ₹ 21.36 lakh against the total recoverable amount of ₹ 52.67 lakh for the period 2014-16. The ULB failed to recover ₹ 31.31 lakh[14].

Government while accepting the observation stated (January 2017) that proper format for agreement with contractors will be prepared and issued to each

[14] Till March 2016: ₹ 25.08+ (₹ 25.08 x 1.10)=₹ 52.67 - (₹ 12.54+₹ 5.22+₹ 3.60)= ₹ 31.31 lakh

Municipal Body to avoid such instances in future. Fact remains that due to absence of proper agreement and necessary clause in NIT, the ULB could not fully recover the advertisement tax.

4.1.9.6 Leasing of Assets

As per Chhattisgarh Municipal Corporation (transfer of Immovable properties) Rule 1994, the ULBs can transfer revenue generating immovable proprieties such as shops, markets, cycle stands, *maveshi bazar* stands via auction to highest bidder.

Short recovery of premium/ rent of shops worth ₹ 27.54 crore

₹ 27.54 crore was outstanding for recovery of premium/rent from shops in 18 test checked ULBs

Premium/rent[15] for the use of shops, shopping complexes, markets etc., is imposed and recovered by the ULBs. Test check of demand registers and auction files of 18 out of 20 sampled ULBs[16] revealed that an amount of ₹ 3.20 crore was outstanding as rent and ₹ 24.34 crore **(Appendix 4.1.12)** as premium of the shops as of March 2016. Short recovery of premium/rents from the tenants deprived ULBs from generating income. Further it was also observed that in four[17] test checked ULBs, agreements were not signed with 2104 shop owners.

Government while accepting the observations stated (January 2017) that in case of Jagdalpur premium could not be recovered for an entire shopping complex. However, efforts are being made to recover the amount.

Loss of revenue of ₹ 15.92 lakh for failure to lease ponds

Revenue loss of ₹ 15.92 lakh due to not allotting ponds during 2014-16 by Ratanpur Municipal council

As per fisheries policy 2003, the Municipal Bodies leases out the ponds for a duration of 10 years to registered fishermen co-operative societies on the basis of notice published in newspaper, displayed in notice board of council etc., within a radius of eight kilometres from its Headquarter and collects premium. Lease amount is to be increased by ten *per cent* of initial lease amount every third year.

Scrutiny of records of Municipal Council, Ratanpur revealed that tender for leasing of 145 ponds were invited in June 2015. Out of 72 applications received only 45 applications were found eligible. A society was constituted (December 2015) as per *Matsya Palan Niyam 2013* by the Council, which prepared list of ponds and sent to Fisheries Department for approval. However, due to lack of consensus among the members over selection procedures like financial conditions of beneficiaries, variation in their residential distances from ponds etc., the list could not be finalised till March 2016. This resulted in minimum revenue loss of ₹ 15.92 lakh[18] for the period 2014-15 to 2015-16.

Government while accepting the observations stated (January 2017) that conflict between concerned Council and Fisheries Department would be sorted out soon.

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[15] Premium means a sum paid to the landlord as consideration for grant of lease where as rent is premium payable on lease

[16] No revenue from shops in Saragaon and Tundra *Nagar Panchayat*

[17] Bilaspur Municipal Corporation-1587, Khairagarh Municipal Council-173, Kawardha Municipal Council-82, Balod Municipal Council-222.

[18] Approximate Lease rent amounting ₹ 15.92 lakh (₹ 22.20 lakh for 98 ponds*110 *per cent*= ₹ 24.41-recovery already made ₹ 8.50 lakh)

Short deposit of ₹ 2.39 crore by contractors

Short deposit of ₹ 2.39 crore by 35 contractors during 2011-16 in eightULBs

The ULBs own assets like cycle stands, shops, *Maveshi Bazar*, daily markets, shopping complexes etc. and give on contract to draw regular income from these sources. As per clause 6 (iv) of transfer of immovable property rules,

1994 the highest bidder or the highest offerer as the case may be , shall deposit 100 *per cent* of the auction/offer price, within 30 days from the date of receipt of the notice of intimation of approval of the bid.

Scrutiny of records of three[19] Municipal Corporations and five[20] Municipal Councils revealed that 35 contractors quoted ₹ 4.60 crore **(Appendix 4.1.13)** in the auction of cycle stand, *maveshi bazaar*, daily market etc. during 2011-16. However, the contractors deposited only ₹ 2.21 crore upon getting the bids. This resulted in revenue loss of ₹ 2.39 crore (March 2016) to the ULBs. Although notices were issued by test checked ULBs to contractors for depositing the balance amount of offer price, recovery has not been made (January 2017).

Government while accepting the observations stated (January 2017) that proper format for agreement with contractors will be prepared and issued to all ULBs. Fact remains that recovery of offer price from the defaulting contractors could not be made even after lapse of one to five years.

Short recovery of instalments of houses constructed under *Atal Awas Yojna* ₹ 2.55 crore

Short recovery of ₹ 2.55 crore from benficiearies under *Atal Awas Yojna* in six ULBs

Atal Awas Yojna was launched in 2004 with the aim of providing cheap, affordable and *pucca* houses for homeless and poor people residing in urban areas. As per guidelines of the scheme, the cost of construction per unit house was fixed at ₹ 0.60 lakh. Of this 50 *per cent* was to be given to the beneficiaries in the form of grant and remaining 50 *per cent* in the form of loan which was to be repaid by beneficiaries at rate of ₹ 10 per day (₹ 300 per month). The ULBs obtain loan from State Government/HUDCO or other financial institutions under guarantee of State Government. If ULBs fail to repay the loan, State Government recovers the loan amount from *Chungi Kshatipoorti*.

In three[21] Municipal Corporation and three[22] Municipal Councils, 1306 houses were constructed (2007-16) under *Atal Awas Yojna* out of which only 1067 houses had been allotted. However, out of total outstanding dues of ₹ 2.90 crore, only ₹ 35.18 lakh was recovered. This resulted in short recovery of ₹ 2.55 crore **(Appendix 4.1.14)** from the beneficiaries.

Further, it was also noticed that 239 houses could not be allotted since 2007 mainly due to absence of eligible beneficiaries like handicapped beneficiaries as of March 2016. In Municipal Council Kawardha, there was illegal accupancy of 77 houses due to which allotment could not be made.

Government while accepting the observations stated (January 2017) that necessary action would be under taken in this regard.

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[19] Durg, Jagdalpur, Raipur
[20] Kumhari, Kawardha, Saraipalli, Ratanpur and Balod
[21] Bilaspur, Durg and Jagdalpur
[22] Kumhari, Dongargarh and Kawardha

Failure to recover ₹ 12.58 crore from beneficiaries of Integrated Housing and Slum Development Programme

Short recovery of ₹ 12.58 crore from benficiearies under IHSDP in five ULBs

Modified guideline (February 2009) for Integrated Housing and Slum Development Programme (IHSDP) scheme envisaged holistic slum development with a healthy and enabling urban environment by providing adequate shelter and basic infrastructure facilities to the slum dwellers of the identified urban areas.

As per Clause 4.8 of guidelines, a minimum of 12 *per cent* beneficiary contribution should be taken from the beneficiaries of the scheme to whom houses are allotted. However, in the case of SC/ST/BC/PH and other weaker sections the beneficiary contribution shall be 10 *per cent*.

Scrutiny of records of five[23] ULBs revealed that 7716 houses were constructed under IHSDP out of which 5566 houses were allotted during 2011-16 while 2150 houses could not be allotted mainly due to delay in allotment process. However, against the total demand of ₹ 13.91 crore as beneficiaries contribution, only ₹ 1.33 crore was recovered by Municipal Corporations Durg and Jagdalpur while no amount was recovered by the rest three ULBs. Thus, revenue of ₹ 12.58 crore was not recovered **(Appendix 4.1.15)**.

Government while accepting the observations stated (January 2017) that necessary action would be under taken in this regard and write off proposal would be sent to competent authority.

4.1.9.7 Financial sustainability of ULBs

Prudent financial control practices with proper focus on assessment, collection and utilisation of revenues helps ULBs to deliver intended services with highest efficiency. All ULBs depends on revenue from own resources and assigned revenue[24] from State Government for their functioning.

An assessment of financial health of the sampled ULBs was made in audit to evaluate whether their own resources were sufficient to meet the cost of the most essential functions and establishment expenses. It was noticed that 17 of the 19 sampled[25] ULBs could not meet their expenses from their own revenue as the cost of realisation of ₹ one was met by incurring an expenditure of ₹ 1.56 as detailed in **Table 4.1.4** below:

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23 Balod, Bilaspur, Durg, Jagdalpur and Kawardha

24 Assigned revenue includes *Chungi Kshatipurti*, Stamp duty, Bar license and export grants

25 One ULB (Palari) did not provide details

Table 4.1.4: Expenditure from own revenue during 2015-16

(₹ in crore)

Name of the ULB	Own Revenue	Salary and Wages[26]	Other Expenditure[27]	Total Expenditure (3+4)	Cost to realise ₹ One (5/2)
1	2	3	4	5	6
Municipal Corporations					
Bilaspur	33.17	48.79	16.01	64.80	1.95
Raipur	97.80	89.22	63.91	153.13	1.57
Durg	24.07	28.06	5.65	33.71	1.40
Jagdalpur	17.06	12.07	9.71	21.78	1.28
Total	**172.10**	**178.14**	**95.28**	**273.42**	**1.59**
Municipal Councils					
Takhatpur	0.76	1.68	0.91	2.59	3.40
Bagbahara	0.41	1.07	0.01	1.08	2.64
Ratanpur	0.74	1.52	0.21	1.74	2.33
Kumhari	1.47	1.95	1.06	3.00	2.04
Khairgarh	1.35	1.48	0.93	2.42	1.78
Ahiwara	0.93	1.27	0.37	1.64	1.77
Dongargarh	1.74	2.29	0.65	2.92	1.68
Saraipalli	1.26	1.67	0.33	2.00	1.60
Balod	1.66	2.03	0.44	2.46	1.48
Kawardha	7.35	3.77	1.44	5.21	0.71
Dipka	2.59	0.87	0.59	1.46	0.56
Total	**20.27**	**19.58**	**6.94**	**26.52**	**1.31**
Nagar Panchayats					
Saragaon	0.09	0.26	0.10	0.36	3.78
Tundra	0.10	0.29	0.03	0.33	3.42
Kharora	0.70	0.67	0.36	1.03	1.48
Bastar	0.31	0.22	0.09	0.31	1.02
Total	**1.19**	**1.44**	**0.59**	**2.03**	**1.70**
Grand Total	**193.56**	**199.16**	**102.80**	**301.97**	**1.56**

(Source: Data received from test checked ULBs for the year 2015-16)

From the above table it could be seen that:

- The test checked Municipal Corporations realised ₹ one by spending ₹ 1.59 whereas the Municipal Councils realised ₹ one by spending ₹ 1.31. Likewise, the *Nagar Panchayats* spent ₹ 1.70 to realise ₹ one. Thus, the sampled ULBs realised ₹ one by incurring an expenditure of ₹ 1.56 and hence, failed to sustain on their own revenues. As a result, the ULBs had to depend on the Assigned Revenue allocated by State Government as ULB's share on account of *Chungi Kshatipurti*, Stamp duty, Bar license and export grants to meet their expenses. This adversely affected availability of fund for delivering their mandated services.

- Out of 19 ULBs[28], 13 ULBs (two Municipal Corporations, nine Municipal Councils and two *Nagar Panchayat*) could not even meet their Salary and Wages from their own revenue.

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26 Salary and wages includes salary of staff, Contribution towards GPF/CPF, TA/Medical Bills, Leave encashment, salary of placement staff

27 Other expenditure includes expenditure on running the Corporations/Councils/*Nagar Panchayats* on delivery of essential functions and establishment expenses

28 Data of *Nagar panchayat*, Pallari was not available with audit

- Two Municipal Corporation (Raipur and Bilaspur), five Municipal Councils (Dongargarh, Kumhari, Ratanpur, Saraipalli and Takhatpur) and two *Nagar Panchayats* (Tundra and Saragaon) could not meet their total expenditure even after receiving the Assigned Revenue from State Government **(Appendix 4.1.16)**. These ULBs met their deficit by obtaining grants from State Government.

- Municipal Councils Dipka and Kawardha could meet their total expenditure from own revenue. Municipal Council, Dipka had earnings from yearly Export Tax of Coal (56 *per cent* of total own revenue during 2015-16) while Municipal Council Kawardha derived income from one time Premium (38 *per cent* of total own revenue during 2015-16) of Shops/markets/shopping complexes given on lease.

4.1.9.8 Human Resources

Shortage of Staff

In the sampled ULBs, the percentage of vacancy against the sanctioned strength ranged between nine *per cent* and 16 *per cent* in Municipal Corporations, seven to 46 *per cent* in Municipal Councils and 30 to 57 *per cent* in *Nagar Panchayats* **(Appendix 4.1.17)**. The shortage of staff adversely affected the revenue collection and mandate of the ULBs to discharge their services as discussed in paragraph 4.1.9.

Government while accepting the observations stated (January 2017) that staff will be recruited as per the revised set up.

Payment of ₹ 94.40 lakh to additional staff

The posting of staff in the ULBs should be done within the sanctioned strength of the posts approved by the Government. Test check of records of sampled ULBs revealed that in some posts excess staff has been deployed on transfer or deputation. The ULBs spent ₹ 94.40 lakh on the additional staff. Details are shown in **Table 4.1.5** below:

Table 4.1.5: Payment on additional staff

(₹ in lakh)

Name of ULB	Name of the post	No. of posts as per Government	Actual working	Excess deployed	Amount spent on additional staff
Municipal Council, Ratanpur	Assistant Revenue Inspector (ARI)	6	10	4	51.20
Municipal Corporation, Bilaspur		4	8	4	43.20
Total					**94.40**

However, it was observed that despite posting of additional staff in the above two ULBs, an amount of ₹ 11.34 crore was outstanding as arrears of revenue (March 2016).

Government while accepting the observations stated (January 2017) that posting of additional staff was due to special situation and rationalisation would be done in due course.

4.1.10 Expenditure incurred from Municipal Fund

As per the section 88 of CMCA, the money credited to the municipal fund shall be used for repayment of loans, discharge of liabilities and payment of all sums, charges, costs necessary for delivering the Municipal services every year by making suitable provision in the annual budget.

4.1.10.1 Repayment of loans

The State Government provided (2008-13) interest bearing development loans worth ₹ 156.20 crore to the four[29] test checked ULBs who could not repay it with interest. As a result, Government adjusted ₹ 89.72 crore (Principal ₹ 56.47 crore and Interest ₹ 33.25 crore) from assigned revenue[30] payable to these ULBs while ₹ 125.49 crore was not repaid by the ULBs as of March 2016 mainly due to unavailability of sufficient funds with these ULBs. This proved a burden on their resources as the interest on unpaid loans keeps increasing.

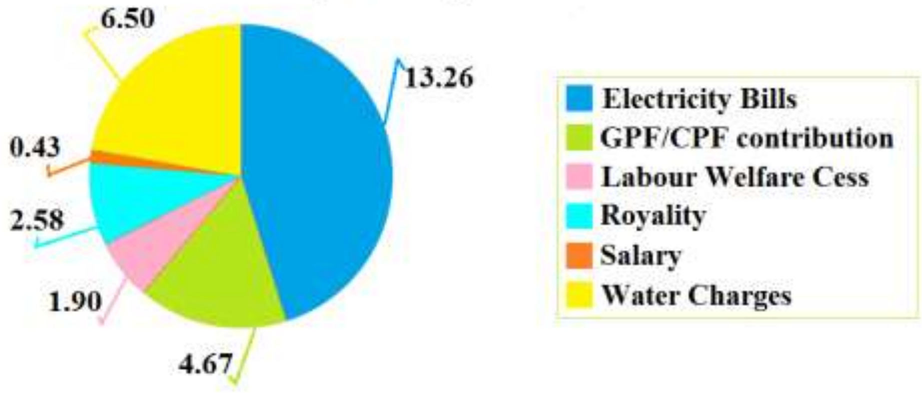
Government while accepting the observations stated (January 2017) that principal amount is being deducted from *chungi kshatipoorti* by UADD.

4.1.10.2 Discharge of Liabilities

Liabilities worth ₹ 29.34 crore were not discharged by 15 ULBs

Liabilities[31] of the ULBs are to be cleared every year as per section 97 of CMCA by making provision in their annual budget. Scrutiny of records of 15 out of 20 sampled ULBs revealed that liabilities worth ₹ 29.34 crore **(Appendix 4.1.18)** for payments of Electricity Bills, Provident Fund, Welfare Cess, Royalty and Water charges were outstanding as on 31 March 2016 as below:

Chart 4.1.4 : Outstanding liabalities of test checked 20 ULBs (₹ 29.34 crore)
(₹ in crore)



29 Bilaspur, Jagdalpur, Raipur Municipal Corporation and Kawardha Municipal Council
30 From *Chungi Kshatipoorti* (Octorai)
31 All debts and obligations arising out of day to day working of ULBs

Table 4.1.6: Position of outstanding liabilities

(₹ in crore)

Nature of Liability	ULB involved	Amount Outstanding	Reasons	Audit comments
Electricity Bills	12	13.26	Sufficient funds were not available with ULBs	Would create additional liability in the form of surcharge as per the Chhattisgarh State supply code 2011.
Provident Fund	7	4.67	Sufficient funds were not available with ULBs	Had the amount been deposited into the concerned provident fund accounts, the employees would have got the benefit of social security.
Labour Welfare Cess	7	1.90	Due to problem in depositing the cess into concerned account online.	Imposition of penalty under Labour Welfare Cess rules may lead to creation of additional liability.
Royalty	1	2.58	Sufficient funds were not available with ULBs	Would result in creation of additional liability
Salary	2	0.43		
Water Charges	1	6.50	Sufficient funds were not available with ULBs	Discontinuation of water from reservoir for household supply could not be ruled out
Total		**29.34**		

While liabilities remained to be discharged, the ULBs did not take effective steps to improve their revenue collection by updating property tax rates as per norms, levying user charges for collection and disposal of solid waste, conducting proper survey to cover all house properties under property tax network, encourage best practices like online tax collection, etc. to mitigate their liabilities. Further, the amounts passed in the budget by the respective Councils should be utilised for clearing liabilities which was not adhered in the test checked ULBs due to deficiency in revenue generation.

Government while accepting the observations stated (January 2017) that liabilities were not cleared due to unavailability of sufficient funds with ULBs and technical problems in depositing the Labour Welfare Cess.

Creation of Service tax liability of ₹ 57.02 lakh

Commissioner, Customs and Central Excise, Raipur issued demand notice (August 2016) to Municipal Corporation Raipur for payment of Service Tax worth ₹ 57.02 lakh (including 12 *per cent* Service Tax, two *per cent* Education Cess and one *per cent* Higher Education Cess) arising from lease/ rent of shops realised by the ULB worth ₹ 4.61 crore for the period 2014-15.

However, Municipal Corporation Raipur could not recover the Service Tax from the lessee/renter as the ULB had not included any such clause for payment of service tax by the lessee/renter. Thus, in the event of payment of service tax, the liability of payment worth ₹ 57.02 lakh would rest on Municipal Corporation Raipur.

Government while accepting the observations stated (January 2017) that necessary instructions will be issued in this regard.

4.1.10.3 Irregular payments from Municipal Funds

Excess payment of ₹ 1.36 crore to placement staff

Section 6 of Employees Provident Fund (EPF) and Miscellaneous Provision Act, 1952, mandates each contractor or employer to deduct and deposit 12 *per cent* of salary as employee's contribution in EPF account every month. Further, penalty such as imprisonment, fine or both may be imposed on employer who fails to do so under section 14 of the Act.

Scrutiny of records of three Municipal Corporations and four Municipal councils revealed that payment of ₹ 11.30 crore was made as salary to placement (outsource/contractual) staff between April 2011 and March 2016. However, 12 *per cent* EPF contribution worth ₹ 1.36 crore **(Appendix 4.1.19)** was not deducted and deposited in violation of the above norms. This not only resulted in excess payment of ₹ 1.36 crore to the placement staff but also deprived the staff of social security objective of the fund.

Government while accepting the observations (January 2017), did not provide any specific reasons. However, it was intimated that necessary instructions would be issued to all ULBs.

Avoidable payment of surcharge of ₹ 1.26 crore

The Municipal bodies incur expenditure on public utilities such as Street lighting, pump houses for water works etc. The electricity bills are paid from the Municipal funds.

As per Rule 10.12 of Chhattisgarh State Supply Code 2011, all consumers who default in the payment of the billed amount shall be liable to pay delayed payment surcharge, on the amount outstanding, at rates as approved by the Commission.

Scrutiny of the electricity bills for the period 2015-16 of seven test checked ULBs showed that ₹ 1.26 crore **(Appendix 4.1.20)** was paid as penalty due to unavailability of sufficient funds with the ULBs for payment of electricity bills.

On this being pointed out, Government accepted the observation and stated that it is noted for future.

Avoidable payment of ₹ 1.52 crore on Energy Development Cess

According to section 3 (v) of the *Chhattisgarh Upkar Adhiniyam* 1981 (CGUD), local bodies including Municipal bodies and *Nagar Panchayat* are not required to pay energy development cess for consumption of electrical energy in public street lamp or lamps in any market place or water works or any other places of public resort maintained by such bodies.

Scrutiny revealed that 16 out of 20 sampled ULBs paid ₹ 1.52 crore **(Appendix 4.1.21)** as Energy Development Cess on public utilities such as Street lights, Pump houses up to 2015-16.

Government while accepting the observations stated (January 2017) that the matter is under consideration and in future the payment of electricity bills will be made after deducting the Energy Development Cess. Fact remains that no steps were taken to adjust the amount of ₹ 1.52 crore in future payments of electricity dues by the concerned ULBs.

Unadjusted temporary advances of ₹ 3.59 crore

₹ 3.59 crore of advance was outstanding for recovery for last 1 to 35 years

Temporary advances are paid to Staff/ officials for making petty payments. Clause 112 of Chhattisgarh Municipalities Accounting Rule 1971 and Chhattisgarh State Financial code provides that temporary advances should be adjusted or recovered at the earliest but in no case later than three months of payment of advance or at the end of financial year.

Scrutiny of advance register of 20 test checked ULBs revealed that temporary advances amounting to ₹ 3.59 crore **(Appendix 4.1.22)** were sanctioned to employees for reasons like medical treatment, tour advances, court cases etc. However, these advances have not been adjusted in one to more than 20 years of sanctioning the advances as of February 2017 as shown in **Table 4.1.7** below:

Table 4.1.7: Age-wise details of Outstanding Advances

(₹ in lakh)

Period	Amount of advance	% of Total Advance
1-5 years	72.78	20.28
6-10 years	165.79	46.20
11-15 years	90.44	25.20
16-20 years	17.79	4.96
more than 20 years	12.04	3.36
Total	**358.85**	**100**

From the above table it could be seen that 80 *per cent* of the advances worth ₹ 3.59 crore could not be adjusted for more than six years. However, the ULBs did not take effective steps to recover these advances from the defaulters. Further, ₹ 30.47 lakh was outstanding against employees who either retired or died and recovery from them seems remote.

Government while accepting the observations stated (January 2017) that all the cases would be reviewed and appropriate action would be taken for recovery.

4.1.10.4 Management of *Sanchit Nidhi*

Sanchit Nidhi is a reserve fund at the disposal of ULBs which can be used at times of emergency for meeting expenses after obtaining approval from the State Government.

Short deposit of ₹ 27.84 crore in *Sanchit Nidhi*

Short deposit of ₹ 27.84 crore in Sanchit Nidhi by eight ULBs

As per Rule 3 (3) of Chhattisgarh Municipalities (Budget Estimates) Rules, 1962, which is adopted by Chhattisgarh Government, five *per cent* of annual income of ULBs from own funds is to be deposited in the *Sanchit Nidhi*.

Scrutiny of records revealed that 12 sampled ULBs deposited five *per cent* of their revenue in *Sanchit Nidhi* while eight sampled ULBs[32] deposited only ₹ 2.92 crore **(Appendix 4.1.23)** against the requirement (five *per cent*) of ₹ 30.76 crore resulting in short deposit of ₹ 27.84 crore. This included two Municipal Corporations, Bilaspur (₹ 5.32 crore) and Raipur (₹ 17.63 crore) which did not deposit any money in the *Sanchit Nidhi* at all during the period.

[32] Municipal Corporation - Bilaspur, Durg, Jagdalpur, Raipur and Municipal Council - Kumhari, Khairagarh, Ratanpur and Saraipali

Government while accepting the observations stated (January 2017) that due to lack of sufficient funds, required amounts were not deposited in the *Sanchit Nidhi*.

Loss of interest of ₹ 47.05 lakh due to parking of *Sanchit Nidhi* in saving bank accounts

As per section 93 of Municipal Corporation Act, 1956 and 108 (3) of Chhattisgarh Municipalities Act, 1961 ULBs may from time to time with the previous sanction of State Government, invest any portion of its Municipal Funds in securities of the Government of India or in such other securities, including fixed deposits in banks, as the State Government may approve in this behalf. The income from securities and proceeds of the sale of same shall be credited to Municipal funds.

Scrutiny of records of test checked ULBs revealed that State Government did not frame any investment strategy for investment of *Sanchit Nidhi* corpus. The percentage of allocation of investment into debt fund, growth fund, Government securities, fixed deposits etc., were also not decided. As a result, *Sanchit Nidhi* was kept in savings bank account during 2011-16. Had the money been kept in FD/autosweep account instead of keeping in savings bank account with the approval of Government, it would have resulted in additional interest earning of ₹ 47.05 lakh **(Appendix 4.1.24)**. Thus, the *Sanchit Nidhi* was not judiciously managed to maximise return by prudent investment of its corpus while ensuring to maintain it as a buffer for exigency.

Government while accepting the observations stated (January 2017) that instructions have already been issued and the matter will be taken into consideration.

Irregular expenditure of ₹ 25.67 lakh from *Sanchit Nidhi*

As per guidelines of *Sanchit Nidhi*, prior approval of State Government is necessary to meet expenditure from it.

Scrutiny of records revealed that Municipal Council, Baghbahra spent ₹ 13.99 lakh from September 2011 to March 2012, *Nagar Panchayat*, Tundra spent ₹ 11.56 lakh from August 2011 to February 2013 and Municipal Council, Takhtpur spent ₹ 12000 from *Sanchit Nidhi* for payment of staff salaries. None of these ULBs obtained permission from State Government prior to incurring expenditure which is irregular.

Government while accepting the observations stated (January 2017) that the matter will be investigated and proper action will be taken.

4.1.11 Monitoring and internal control

4.1.11.1 Embezzlement of ₹ 3.85 lakh

In *Nagar Panchayat*, Pallari one Assistant Revenue Inspector (ARI) embezzled (2012-14) ₹ 3.25 lakh by manipulating receipts books while at Municipal Council, Takhtpur one ARI did not deposit (2013-14) security deposit and sales proceeds of tender forms worth ₹ 0.60 lakh into Municipal funds. However, the ULBs could not detect these cases as no control system was in place for timely intervention to prevent such instances. Subsequently, the ARIs were suspended (2014-15) and ₹ 3.25 lakh was recovered from concerned ARI at *Nagar Panchayat*, Pallari while ₹ 0.60 lakh could not be recovered (February 2017) from the other ARI by Municipal Council Takhatpur. Thus, failure to establish a robust internal control system led to embezzlement of Government money.

Government while accepting the observation stated (January 2017) that the matter will be looked upon and status will be communicated soon.

4.1.11.2 Improper maintenance of records

Proper maintenance of records facilitates management insight and lays a foundation for effective internal control and monitoring. However, management insight and control measures were weak in the absence of maintenance of basic records as discussed below:

Demand and Collection Register

As per Clause 41 of Chhattisgarh Municipal Accounts Rules 1971, the demand and collection register shall be prepared in Form 29. Further at the end of the year the accounts shall be carefully balanced and closed, progressive total be cast and carried over from page to page and the grand total struck by a person other than the poster.

Scrutiny revealed that none of the sampled ULBs maintained demand register in prescribed format. There were blank pages, corrections made using whitener, entries not closed at the end of the year and signature of higher authorities/person other than the recorder was not taken.

Loan Register

As per clause 125 of Chhattisgarh Municipal Accounts Rules 1971, the transaction in regard to any loan contracted shall be recorded in Form No.83.

Scrutiny revealed that none of the sampled ULBs maintained Loan Register. As such the ULBs were not in a position to monitor the repayment of principal and interest against the loans received from the Government. Audit noticed that the sampled ULBs incurred ₹ 89.72 crore on repayment of loans (including interest) while outstanding loans worth ₹ 125.49 crore was to be repaid as discussed in paragraph 4.1.10.1. However, the correctness of repayment of interest on the loan component could not be verified in the absence of any trail of outstanding principal component of the loan in the concerned ULBs.

Asset Register

As per rule 172 of Chhattisgarh Municipal Accounts Rules 1971 read with section 83 of Municipal Corporation Act 1956, a list of immovable properties belonging to the Municipal Bodies shall be maintained by the Council in a Register in Form 102 and 103.

Scrutiny of records revealed that no such registers were maintained by any of the test checked ULBs. This prevented the ULBs to monitor their assets and ascertain the correctness of net revenue from lease/rent of their assets for the given year. Further, this also puts to risk the safety of municipal assets.

Government while accepting the observations stated (January 2017) that proper instruction will be given in this regard. Government further stated that preparation of Asset Register is under process in the e-governance software.

4.1.11.3 Irregular investment in mutual funds

As per section 93 of Municipal Corporation Act, 1956 ULBs may from time to time with the previous sanction of State Government, invest any portion of its Municipal Funds in securities of the Government of India or in such other securities, including fixed deposits in banks, as the State Government may approve in this behalf. The income resulting from securities and proceeds of the sale of same shall be credited to Municipal Funds.

Scrutiny revealed that ₹ two crore was invested (May 2010) by Commissioner, Municipal Corporation, Chirmiri in Unit Trust of India Miscellaneous Advantage Plan (Growth Plan) mutual fund without the approval of State Government. Municipal Corporation Chirmiri divested (two crore) from the fund and the return on investment (including capital) worth ₹ 2.14 crore was credited into the Municipal Account in February 2012.

Audit observed that the corpus of ₹ two crore would have generated a return of ₹ 20 lakh had the same been invested in a fixed deposit of nationalised bank during the same period as per the Act. This resulted in an interest loss of ₹ 6.14 lakh on the investment which was rendered possible in the absence of an established policy for investment of surplus fund of the ULBs.

Government while accepting the observations stated (January 2017) that necessary instruction will be issued to discourage such instances in future.

4.1.11.4 Accounting arrangements

Chhattisgarh Municipal Accounts Manual (CGMAM) mandates maintenance of all financial matters and procedures for the Municipal Corporations. Further, as per the Eleventh Finance Commission recommendations, the Ministry of Finance, Government of India in consultation with the Comptroller and Auditor General of India, formulated National Municipal Accounts Manual (NMAM) for the ULBs with double entry system for greater transparency and control over finances.

Scrutiny of sampled ULBs revealed that none of the Municipal Councils and *Nagar Panchayats* has prepared their Accounts in Double Entry Accounting System (DEAS) while all the four sampled Municipal Corporations prepared their Accounts in Tally software. While Municipal Corporation Bilaspur prepared their Balance Sheet, income and expenditure statement up to 2011-12 only, Municipal Corporation Durg did not prepare their Balance Sheets during 2011-16. Municipal Corporations Raipur and Jagdalpur did not produce details of their balance sheets, income and expenditure statements for the period 2011-16.

Government while accepting the observations stated (January 2017) that the matter is already taken up and will be completed by March 2017.

4.1.12 Conclusions

Management of fund by the ULBs were not efficient as 17 out of 20 test checked ULBs could not meet their expenses from their own revenue. Of these, 13 ULBs could not even meet their salary and wages as cost of realisation of revenue by these ULBs is unsustainable (₹ one realised at a cost of ₹ 1.56). As a result, these ULBs had to depend on the assigned revenue and

Grant from State Government to meet their expenses and delivery of their mandated services.

Fifteen ULBs did not include 23 *per cent* of properties situated within ULBs under the property tax network and suffered loss of revenue worth ₹ 13.30 crore during 2011-16. Besides, the sampled ULBs did not recover revenue worth ₹ 79.84 crore on account of water tax, property tax, *samekit kar*, advertisement tax, premium and rent of shops and contribution of Integrated Housing and Slum Development Programme benefits. Thus, the collection mechanism was ill managed.

Loans (including interest) valued ₹ 125.49 crore was not repaid by four ULBs while liabilities worth ₹ 29.34 crore on account of Electricity Bills, Provident Fund, Welfare Cess, Royalty and Water charges were not cleared by 15 ULBs. Besides, eight ULBs did not deposit ₹ 27.84 crore in *Sanchit Nidhi* though mandated.

The sampled ULBs could not utilise the funds effectively to discharge their mandate as there were instances of excess payment of ₹ 1.36 crore, avoidable payment of ₹ 2.78 crore, and unadjusted temporary advances worth ₹ 3.59 crore.

4.1.13 Recommendations

The department should establish the Chhattisgarh Municipal Revenue Regulatory Commission to augment the own revenue resources of the ULBs in line with the recommendation of the second State Finance Commission to reduce dependence on assistance from Government.

The GIS survey conducted by UADD and the GIS enabled Property Tax System should be used to raise demand for property tax by covering all the houses under the property tax network. Till such arrangement is established, *Samekit Kar* at the minimum rate of ₹ 300 be collected, as notified by UADD, from the houses outside the domain of property tax.

Good practices for collection of revenue such as online payments for collection of outstanding dues should be promoted to reduce over dependence on human resources. Concerted efforts should be made to collect all the outstanding dues within a specific timeframe. Further, Government should include suitable clause for payment of mandatory tax liabilities in the agreement with lessee/renter.

Efficient utilisation of the funds should be ensured by following the codal provisions and stringent action should be taken against those involved in misuse of the funds.

A roadmap to clear the liabilities and repayment of loans should be drawn to reduce the interest burden on the ULBs, with inadequate resources.

Chapter V

Compliance Audit - ULBs

CHAPTER V
COMPLIANCE AUDIT

URBAN ADMINISTRATION AND DEVELOPMENT DEPARTMENT

5.1 Failure to comply with rules and regulations

For sound financial administration and financial control, it is essential that expenditure conforms to financial rules, regulations and orders passed by the competent authority. This not only prevents irregularities, misappropriation and frauds, but helps in maintaining good financial discipline. Some of the audit findings on failure to comply with rules and regulations are discussed below.

5.1.1 Infructuous expenditure

Failure to complete the construction of shops in more than 11 years resulted in infructuous expenditure of ₹ 40.81 lakh on the idle shops besides failure to recover revenue of ₹ 1.12 crore from the allottees of shops

Under Integrated Development of Small and Medium Towns Scheme, construction of 72 commercial shops at GE Road was technically sanctioned (February 2004) for ₹ 95.60 lakh by Executive Engineer, Municipal Corporation Bhilai. The shops were to be constructed and allotted on the basis of auction to the bidders with highest offer price. As per *Nagarpalik Nigam (Achal Sampatti ka Antaran) Niyam* 1994 and conditions of tender document, 25 *per cent* of the offer price (Shop premium) should be deposited by the highest bidder within seven days and the balance within 30 days from the date of receipt of acceptance of the offer price failing which the allotment would be cancelled.

Scrutiny (March 2016) of records of Chief Municipal Officer (CMO), Municipal Council Kumhari (MCK) revealed that the work was split into four blocks and four agreements were executed (June 2005) with a contractor for completion of works within six months. The estimate was revised (October 2006) to ₹ 1.33 crore due to increase in height of plinth of the shops. As a result of increase in cost of the work, construction of three out of four blocks comprising 51 shops were taken up while the fourth block was to be taken for construction from the premium amount generated from auction of the three blocks. However, construction of three blocks could not be completed despite incurring expenditure of ₹ 83.26 lakh up to May 2009.

Meanwhile, MCK auctioned eight[1] shops between May 2007 and June 2011 and 18 shops in March 2014 without ensuring their completion. The allottees of 26 auctioned shops had to deposit offer price (premium) of ₹ 1.53 crore, however only ₹ 41.50 lakh has been deposited by them till February 2017 while the balance premium valued ₹ 1.12 crore could not be realised. However, no action was taken by MCK either to complete the construction works or to cancel the allotment of shops.

It was seen in audit that there were no bidders for the balance 25 shops which were lying incomplete. A joint physical verification (August 2016) of the work site by audit with the officials of MCK confirmed that flooring, shuttering and electrification included in the original estimate in these shops were not executed despite availability of funds.

Photographs showing incomplete and idle shops at Kumhari

Thus, expenditure of ₹ 40.81 lakh on 25 idle shops which could not be allotted by auction was infructuous. Besides, failure to collect premium worth ₹ 1.12 crore from the allottees of 26 shops led to extension of undue benefit to the shopkeepers.

Department stated (February 2017) that residual works of incomplete shops would be completed from the premium amount received.

Fact remains that the shops were lying incomplete since May 2009 despite availability of funds.

[1] Shops allotted (four in 2007, three in 2009 and one in 2011)

5.1.2 Undue benefit to Shopkeepers and loss of Revenue

Inaction of Municipal Corporation Raigarh resulted in unrecovered rent of ₹ 23.49 lakh during January 2013 to February 2017 besides undue benefit of ₹ 85.32 lakh to shopkeepers

With an objective to earn revenue from the Corporation area, Municipal Corporations construct shops for commercial purposes and rent them out to users. As per *Nagarpalik Nigam (Achal Sampatti ka Antaran) Niyam* 1994 and conditions of the tender document for allotment of shops, 25 *per cent* amount of the offer price (Shop premium) would be deposited by the highest bidder within 24 hours from the acceptance of the offer price and the balance amount should invariably be deposited within 30 days. Failure to deposit the demand amount in prescribed time would result in cancellation of allotment. After the receipt of initial 25 *per cent* of offer price from the bidder, Commissioner would send the proposal to the Government for approval with requisite information regarding bid and property details.

Scrutiny of records (July 2015) of Municipal Corporation Raigarh (MCR) revealed that 13 Commercial Shops were finalised (July 2012) for rent but UADD approved (August 2014) proposal of 12 shops subject to condition that the lease deed would be executed with immediate effect. However, no lease deeds were executed with 11 shopkeepers. Out of the 12 shops, 11 shopkeepers deposited the full shop premium while ₹ 1.30 lakh could not be recovered from the remaining shopkeeper. It was also observed that all the 12 shops were occupied since August 2013 well before the approval from UADD but monthly rents were being deposited by only seven shopkeepers while rent aggregating ₹ 1.68 lakh could not be recovered from five defaulting shopkeepers as of February 2017 (**Appendix 5.1.1)**.

Similarly, 89 commercial shops were finalised for allotment by MCR during 2012-13 with total offer price of ₹ 1.92 crore as shop premium. However, the proposal was not forwarded to UADD for approval till July 2016. Meanwhile, MCR without the approval of UADD allowed (January 2013 to February 2014) the allottees to occupy the shops. It was noticed that 17 of the 89 shopkeepers deposited the full shop premium of ₹ 42.73 lakh while 72 shopkeepers deposited partial shop premium worth ₹ 65.51 lakh. Thus, shop premium worth ₹ 84.02 lakh **(Appendix 5.1.1)** remained to be collected as of February 2017. Further, rent of the shops valued ₹ 21.81 lakh **(Appendix 5.1.1**) could not be recovered from 87 shopkeepers as no lease deeds were signed with the shopkeepers.

Thus, shop premium worth ₹ 85.32 lakh from 73 shopkeepers besides rent worth ₹ 23.49 lakh could not be recovered from 92 shopkeepers by MCR due to failure to execute lease deeds with the allottees of the shops.

Department stated (February 2017) that recovery of premium and rent is in progress and notice to defaulting shopkeepers is being issued. Action for cancellation of shops would be initiated against defaulting shopkeepers. Fact remains that premium amount could not be fully recovered from the shopkeepers even after three to four years of occupancy of the shops by them.

5.1.3 Failure to adhere with EPF Act

Failure to adhere to EPF Act 1952 resulted in loss of ₹ 71.48 lakh to Municipal Corporation Bilaspur and liability of ₹ 40.08 lakh to Municipal Council Jashpur

Employees Provident Funds Scheme envisages that every employee, employed in such establishment which is covered under Employees Provident Funds and Miscellaneous Provision Act, 1952 (EPF Act 1952), shall be entitled and required to become a member and shall be subscriber to the provident fund. The Municipal Councils and Municipal Corporations are also covered under the scheme.

The Act mandates contribution by the employer to the Fund at the rate of 13.61 *per cent* of the basic wages, dearness allowance and retaining allowance till December 2014 and 13.36 *per cent* from January 2015 while the employee's contribution shall be 12 *per cent* of the above perks.

Scrutiny (November 2015) of records of Chief Municipal Officer (CMO), Municipal Council Jashpur (MCJ) revealed that CMO awarded (July 2012) work of supply of labourers for various works in MCJ to a contractor. However, the CMO did not deduct ₹ 40.08 lakh **(Appendix 5.1.2)** on account of employee's and employer's contribution for the EPF Scheme while making payment of ₹ 1.92 crore to the contractor during August 2012 to September 2015. Further, the CMO also did not verify payment of the requisite amount by the contractor to Employees Provident Fund Organisation (EPFO) as per the EPF Act, 1952.

Similarly, Commissioner, Municipal Corporation, Bilaspur (MCB) engaged employees on daily wages for its day-to-day functions but did not deduct employees' and employer's contribution for EPF Scheme. As a result, EPFO recovered (September-October 2014) ₹ 1.53 crore as EPF contribution. This included employee's contribution worth ₹ 71.48 lakh which proved a loss to MCB as this amount had already been paid to the employees as salary.

Thus, failure to deduct EPF contribution by adhering to the EPF Act resulted in loss of ₹ 71.48 lakh to MCB and liability of ₹ 40.08 lakh to MCJ.

Department stated (February 2017) that EPF contributions were not deducted by MCB due to lack of complete information about the implementation of EPF Act in the ULBs. The reply is not convincing as ignorance of rule is not an excuse for payment of salary and wages without deduction of EPF contribution. Further, no reply was furnished for failure of MCJ to adhere to the Act provision.

Raipur **(BIJAY KUMAR MOHANTY)**
The **Accountant General (Audit), Chhattisgarh**

Countersigned

New Delhi **(SHASHI KANT SHARMA)**

The **Comptroller and Auditor General of India**

Appendices

Appendix 2.1.1

(Referred to in paragraph 2.1.2; page 17)

Statement showing budget allotment and expenditure

(₹ in crore)

Year	O.B.	O.B (As per audit)	Receipt	Total Grant	Payment	C.B.	Saving percentage
1	2	3	4	5	6	7	8
MGNREGA							
2011-12	7.21	7.21	193.84	201.05	111.17	89.88	44.71
2012-13	8.78	89.88	244.93	334.81	164.03	170.78	51.01
2013-14	11.44	170.78	124.23	295.01	146.25	148.76	50.43
2014-15	0.14	148.76	23.52	172.28	29.05	143.23	83.14
2015-16	3.13	143.23	31.37	174.60	102.61	71.99	41.23
Total			**617.89**		**553.11**		
CG Gramin Nirman Yojna							
2011-12	10.18	10.18	7.87	18.05	0.78	17.27	95.68
2012-13	13.33	17.27	2.38	19.65	0.81	18.84	95.88
2013-14	5.91	18.84	5.99	24.83	3.27	21.56	86.83
2014-15	6.89	21.56	0	21.56	0	21.56	0
2015-16	0	21.56	0	21.56	0	21.56	0
Total			**16.24**		**4.86**		
BRGF							
2011-12	15.57	15.57	28.10	43.67	22.53	21.14	48.41
2012-13	21.14	21.14	28.10	49.38	24.74	24.64	49.90
2013-14	24.64	24.64	0	24.64	25.51	-0.87	0
2014-15	-0.86	-0.87	18.72	17.85	14.05	3.80	21.28
2015-16	3.80	3.80	0.00	0.00	2.48	1.32	0
Total			**74.92**		**89.31**		

Appendix 2.1.2

(Referred to in paragraph 2.1.2.1; page 17)

Statement showing delay in submission of Budget estimates

Budget of Zila Panchayat

Year	Due date for Submission to PRD	Actual Date of Submission to PRD	Delay	Approval by PRD
2011-12	31/01/11	14/10/11	255	--
2012-13	31/01/12	14/03/12	55	04/07/12
2013-14	31/01/13	23/07/14	41	29/07/13
2014-15	31/01/14	23/07/14	173	19/08/14
2015-16	31/01/15	13/05/15	101	27/05/15

Budget of Janpad Panchayats

S. No.	Name of JP	Year	Due date of submission to ZP	Date of approval of JP	Delay in days
1	**Sitapur**	2011-12	10/02/11	30/08/11	202
		2013-14	10/02/13	17/04/13	65
		2015-16	10/02/15	31/05/15	111
2	**Mainpaat**	The information is not furnished by JPs Mainpaat			
3	**Batauli**	2012-13	10/02/13	08/03/13	25
		2015-16	10/02/15	10/06/15	121
4	**Lakhanpur**	2011-12	10/02/11	01/04/11	51
		2012-13	10/02/12	27/02/12	16
		2013-14	10/02/13	22/03/13	41
		2014-15	10/02/14	21/02/14	10
		2015-16	10/02/15	31/03/15	50
5	**Udaipur**	2015-16	10/02/15	23/05/15	103

Appendix 2.1.3

(Referred to in paragraph 2.1.2.1; page 17)

Statement showing Finalisation of Budget Estimate by ZP without inclusion of BEs of JPs

Year	Name of JP	Date of Approval of JP	Date of Approval of ZP
2011-12	Lakhanpur	01/04/11	14/10/11
2013-14	Sitapur	17/04/13	14/03/13
	Lakhanpur	22/03/13	14/03/13
2015-16	Sitapur	31/05/15	13/05/15
	Batauli	10/06/15	13/05/15
	Udaipur	23/05/15	13/05/15

Appendix 2.1.4

(Referred to in paragraph 2.1.2.1; page 18)

Statement showing the details of Outstanding Advances

(amount in ₹)

S. No.	Name of Employee (Shri/Smt)	Designation	Date/Voucher No.	Advance Amount	Balance Amount	For the purpose of Advance
1	V.N. Tiwari	Assit. Grade-2	04/07/06	2000	2000	Travels
2	Ram Prawesh Singh	Assit. Grade-3	08/04/15	20182	20182	Travels
3	Mohan Lal	Peon	17/02/14	4324	4324	Travels
4	Ram Jatan Ram	Peon	July 10 to February 13	10300	10300	
5	K.L. Karwadia	Assit. Grade	19/01/09	29500	29500	Travels
6	Sachin Kr. Mishra	Assit. Grade	18/05/07	16797	16797	Travels
7	Rishi Kr. Singh	Assit. Grade	22/12/06	10510	10510	Travels
8	Chamru Ram	Peon	15/02/16	20651	20651	Travels
9	Karmu Ram	Peon	29/02/16	19700	19700	Travels
10	Jagmohan Das	Peon	14/03/16	1000	1000	Travels
11	Khelawan Ram	Peon	26/03/07	1000	1000	Travels
12	Bablu Ram	Peon	23/05/09	500	500	Travels
13	R.L. Srivastava	Assit. Grade-2	11/06/08	962	962	Travels
14	Lalan Prasad	Peon	24/03/07	500	500	Travels
15	Kartik Mondal	Peon	26/03/07	500	500	Travels
16	Suresh kr. Bramhe	Peon	21/05/09	3938	3938	Travels
17	Ramvishal	Peon	02/04/12	2624	2624	Travels
18	Sushri Rina Baba Saheb Kangale	--	04/05/09	235	235	Travels
19	Suraj Dev Singh	Assit. Grade-3	30/06/15	2150	2150	Travels
20	Premchand Lakra	Driver	16/08/07	600	600	Travels
21	O.P. Sukla	Assit. Grade-2	02/06/08	758	758	Travels
22	Sheetal Ram	Peon	03/04/08	5800	5800	Travels
23	Vinod Shrivastva	Data Entry Operator	24/08/09	1400	1400	Travels
24	Mukesh Soni	Data Entry Operator	05/03/10	2100	2100	Travels
25	Ganesh Kumar	Peon	08/03/10	700	700	Travels
26	Ambika Prasad Sandilya	Dy. Commissioner	21/11/12	15000	15000	Travels
27	K.L. Gajpal	Assit. Account Officer	13/09/10	5	5	Travels
28	Smt. Chaya Kardekar	Assit Grade-2	24/11/10	400	400	Travels
29	Bhakur Chandra	Peon	28/03/11	60	60	Travels
30	Shobhit Ram	Peon	21/03/16	5700	5700	Travels
31	Project Director, DRDA, Sitpur	--	21/05/12	200000	200000	Travels
32	Shiv Vyas	Assit. Grade-2	17/08/12	1000	1000	Travels
33	L.R. Banjare	Assit. Account Officer	01/09/12	4000	4000	Travels
34	Chote Lal	Peon	05/03/16	1000	1000	Travels
35	Gopal Ram	Peon	22/03/16	7000	7000	Travels
36	Uttam Ratna Kujur	Data Entry Operator	27/08/15	1000	1000	Travels
37	Ashok Tiwari	Assit Grade-2	20/02/15	3000	3000	Travels
38	Lal say Rajwade	Peon	28/03/16	1000	1000	Travels
39	Bhuneshwar Yadav	Peon	28/03/15	1000	1000	
	Total				**398896**	

Appendix 2.1.5

(Referred to in paragraph 2.1.2.1; page 18)

Statement showing amount recoverable from Sarpanches

(amount in ₹)

S. No.	Name of JPs	Period	Amount granted		Amount adjusted		Amount Outstanding	
			No. of persons	Amount	No. of persons	Amount	No. of persons	Amount
1	Sitapur	2010-11 to 2012-13	42	4938463	42	3639394	42	1299069
2	Mainpat	2010-11 to 2012-13	238	31863026	238	8526341	238	23336685
3	Batauli	2010-11 to 2012-13	45	6580268	45	5111938	45	1468330
4	Udaipur	2010-11 to 2012-13	13	4836282	13	723002	13	4113280
5	Lakhanpur	2010-11 to 2012-13	6	1393642	6	855912	6	537730
		Total	**344**	**49611681**	**344**	**18856587**	**344**	**30755094**

Appendix 2.1.6

(Referred to in paragraph 2.1.3.3; page 21)

Statement showing outstanding interest recovery of *Jalashay* lease

(amount in ₹)

S. No	Name of ZP/JP	Name of Jalashay	Year	Demand	Due date	Amount deposited	Date of deposit	Delay in month	Interest (@ 2.5 *per cent*)	Balance
1	ZP Ambikapur	Banki *Jalashay*	07/2010 to 06/2011	43243	30/06/10	15000	10/01/11	7	2625	2625
				--	--	22000	22/02/11	8	4400	4400
			07/2011 to 06/2012	47567	30/06/11	22000	04/01/12	7	3850	3850
				--	--	18010	20/07/12	13	5853	5853
			07/2012 to 06/2013	47567	30/06/12	53000	22/07/14	25	33125	33125
			07/2013 to 06/2014	51891	30/06/13	20000	31/08/14	26	13000	13000
				--	--	40000	06/09/14	27	27000	27000
		Kuwarpur *Jalashay*	07/2010 to 06/2011	65511	30/06/10	66000	25/01/11	7	11414	11414
			2011-12	71467	30/06/11	71500	13/07/12	13	23227	23227
			2012-13	71467	30/06/12	50000	07/04/14	23	28750	28750
			2013-14	77423	30/06/13	92368	25/09/14	16	36947	36947
2	JP Batauli	Ghoghra *Jalashay*	07/2012 to 06/2013	8345	30/06/12	8345	12/12/12	6	1254	1254
			07/2013 to 06/2014	9179	30/06/13	9180	24/09/13	3	690	690
			07/2014 to 06/2015	9179	30/06/14	9180	15/02/15	8	1840	1840
			07/2012 to 06/2016	10013	30/06/15	10002	02/11/15	5	1250	1250
3	JP Lakhanpur	Futa *Jalashay*	07/2013 to 06/2014	10762	30/06/13	10762	24/06/14	12	3228	3228
			07/2014 to 06/2015	10762	30/06/14	10762	09/06/15	12	3228	3228
		Narkalo *Jalashay*	07/2012 to 06/2013	13081	30/06/12	13000	08/08/13	14	4550	4550
			07/2012 to 06/2014	13081	30/06/13	13081	07/01/15	7	2289	2289
4	JP Udaipur	Rikhi rajbandha *Jalashay*	07/2012 to 06/2013	8743	30/12/12	8743	22/01/16	43	9417	9417
			07/2012 to 06/2014	8743	30/06/13	8743	22/01/16	31	6789	6789
		Khodri *Jalashay*	07/2012 to 06/2013	12497	30/06/12	12497	17/04/13	10	3120	3120
			07/2012 to 06/2014	12497	30/06/13	12497	20/01/16	31	9672	9672
	Total									**237518**

Appendix 2.1.7

(Referred to in paragraph 2.1.3.4; page 21)

Statement showing recoverable rent of meeting hall

(amount in ₹)

Sl. No.	Name of Allottee	Date of Allotment	Period (days)	Rent per day	Total recoverable amount
1	Asstt. Commissioner Tribal Department Ambikpaur	03/05/11 to 04/05/11	2	3200	6400
2	C.G. State electricity regulatory commission	25/02/12	1	3200	3200
3	Smt pallavi Tiwari, Pradhan Magistrate Ambikapur	17/03/12	1	3200	3200
4	E.E. Public works Department Ambikapur	27/09/13	1	3200	3200
5	Executive Engineer cum member secretary Project Implementation Unit No.1 Ambikapur	22/08/14	1	3200	3200
6	E.E. PWD Ambikapur	03/09/14 to 04/09/14	2	3200	6400
7	Joint Director Agriculture Division	25/09/14	1	3200	3200
8	State Women Commssion Raipur	19/02/15	1	3200	3200
9	Dy Director Abhiyojan Ambikapur	15/02/15	1	3200	3200
10	Asstt. Commissioner Tribal Department Ambikapur	21/08/15 & 28/08/15	2	3200	6400
11	Distt. Women and Child Development Ambikapur	19/08/15	1	3200	3200
12	C.S.E.B. Ambikapur	05/10/15	1	3200	3200
13	E.E. PWD Ambikapur	18/11/15 & 19/11/15	2	3200	6400
15	Women and Child Development Ambikapur	04/02/15	1	3200	3200
16	Distt. Judge Ambikapur	20/02/16	1	3200	3200
17	Dy Director Agriculture Ambikapur	27/02/16	1	3200	3200
	Total				**64000**

Appendix 2.1.8

(Referred to in paragraph 2.1.4.1; page 22)

Statement showing delay in completion of works under BRGF

S. No.	Name of works	Name of GP	Name of JP	Administrative Approval (₹ in lakh)	Date of Administrative Approval	Stipulated date of completion	Date of Start of work	Date of Completion	Delay in month
1	Construction of Fair Price Shop cum Godown	Beljora	Sitapur	5.00	28/06/11	31/03/12	22/03/12	05/09/15	41
2	Construction of Shade of silai centre	Baneya	Sitapur	10.00	24/06/13	31/03/14	04/10/13	28/02/15	11
3	Construction of Karmshala Bhawan for Kaalin Nirman	Devgarh	Sitapur	10.00	27/12/13	31/03/14	01/04/15	15/03/16	23
4	Construction of Bridge on Jodabadhwa Nalla	Kesra	Mainpaat	5.85	20/04/12	31/03/13	11/09/12	15/12/13	8
5	Construction of Fair Price Shop cum Godown	Sarbhanja	Mainpaat	5.00	15/07/11	31/03/12	05/08/12	08/06/14	26
6	Construction of Anganwadi Bhawan Patarapara	Sarbhanja	Mainpaat	3.00	15/07/11	31/03/12	08/08/12	26/04/14	24
7	Construction of bridge on the approach road Ghunaghar to Gayaghar	Bisarpani	Mainpaat	7.00	19/08/13	31/03/14	13/01/14	06/11/14	7
8	Construction of Anganwadi Bhawan	Rajkheta	Mainpaat	3.00	12/07/11	31/03/12	16/01/12	25/06/14	26
9	Construction of Fair Price Shop cum Godown Khadgaon	Khadgaon	Mainpaat	5.00	15/07/11	31/03/12	06/09/11	01/08/13	16
10	Construction of Fair Price Shop cum Godown Lurena	Lurena	Mainpaat	5.00	22/08/12	31/03/13	23/10/12	11/12/14	20
11	Construction of Patwari Awass	Sarmana	Batauli	2.50	22/07/11	31/03/12	10/10/11	20/08/14	28
12	Construction of RCC bridge in Baigapara	Basajhal	Batauli	5.48	11/07/12	31/03/13	04/12/12	12/02/14	11
13	Construction of Fair Price Shop cum Godown	Taragi	Batauli	5.00	22/08/12	31/03/13	18/10/12	29/02/16	35
14	Construction of Fair Price Shop cum Godown	Bisunpur	Batauli	5.00	24/06/13	31/03/14	18/12/13	25/09/15	17
15	Const. of Fair Price Shop cum Godam	Chiranga	Batauli	5.00	24/06/13	31/03/14	03/01/14	25/12/15	20
16	Const. of Anganwadi Bhawan Kaleshwarpara	Ramnagar	Udaipur	3.00	28/06/11	31/03/12	03/07/11	26/07/16	50
17	Construction of Fair Price Shop cum Godown	Sontarai	Udaipur	5.00	28/06/11	31/03/12	04/07/11	15/12/13	20

18	Construction of Fair Price Shop cum Godown	Pandridand	Udaipur	10.76	08/09/13	31/03/14	08/09/13	25/03/15	11
19	Construction of Fair Price Shop cum Godown	Jhirmiti	Udaipur	5.00	24/06/13	31/03/14	14/07/13	06/02/15	10
20	Construction of Fair Price Shop cum Godown	Mareya	Udaipur	10.76	08/09/13	31/03/14	27/09/13	09/02/15	10
21	Construction of Fair Price Shop cum Godown	Fulcuhi	Udaipur	10.76	08/09/13	31/03/14	30/09/13	25/09/15	17
22	Construction of Fair Price Shop cum Godown	Pandrakhi	Udaipur	10.76	08/09/13	31/03/14	27/09/13	19/03/16	23
23	Construction of Bridge on the approach road of Tunguri to Bancharpara	Tunguri	Lakhanpur	6.00	28/06/11	31/03/12	19/01/12	12/12/12	8
24	Construction of Aganwadi bhawan khaspara	Sigitana	Lakhanpur	3.00	06/07/11	31/03/12	10/12/11	25/02/13	11
25	Construction of Fair Price Shop cum Godown	Bagdari	Lakhanpur	5.00	18/06/12	31/03/13	03/08/12	15/09/14	17
26	Construction of Platform of Dhan Kharidi Kendra	Lahptra	Lakhanpur	8.58	21/12/12	31/03/13	04/03/13	08/11/13	7
27	Construction of Fair Price Shop cum Godown Mukundpur	Mukundpur	Lakhanpur	5.00	24/06/13	31/03/14	05/02/14	18/05/16	25
28	Community training cum production centre	Jamgala	Lakhanpur	11.93	09/07/13	31/03/14	13/12/13	09/05/16	25
29	Construction of bridge on Kathiya Satka Nalla (Tunga to Podi approach road)	Podi	Lakhanpur	15.00	20/01/13	31/03/14	28/02/14	30/06/14	3
30	Construction of bridge on PMGSY road to Bargaha para approach road)	Kusu	Lakhanpur	8.00	24/12/13	31/03/14	06/01/14	19/12/14	8

Appendix 2.1.9

(Referred to in paragraph 2.1.4.1; page 22)

Statement showing the blockage of fund due to incomplete works

(₹ in lakh)

S. No.	Name of works	Year of Sanction	Administra-tive Approval	Name of GP	Name of JP	Date of Proposal of GP	Date of Administra-tive Approval	Amount given to GP	Due date of completion of work	Date of start of work	Delay in month (up to June 2016)
1	Construction of Fair Price Shop cum Godown	2011-12	5.00	Bataikela	Batauli	11/06/11	28/06/11	2.50	31/03/12	15/09/11	56
2	Construction of Women Health works building	2011-12	3.00	Bataikela	Batauli	11/06/11	28/06/11	0.00	31/03/12	15/07/11	56
3	Construction of Fair Price Shop cum Godown	2013-14	10.76	Chakeri	Udaipur	14/08/13	08/09/13	6.50	31/03/14	28/09/13	32
4	Construction of Fair Price Shop cum Godown	2013-14	10.76	Labji	Lakhanpur	04/10/13	08/09/13	6.34	31/03/14	06/01/14	32
	Total		**29.52**					**15.34**			

Appendix 2.1.10

(Referred to in paragraph 2.1.4.2; page 23)

Details of works other than approved annual plan works in MGNREGA

S. No.	Name of JP	Name of GP	Year	Total no. of sanctioned work	Total no. of works done	Other works done
1	Manipaat	Katkalo	2011-12	6	0	10
			2012-13	7	0	4
			2013-14	7	2	8
			2014-15	7	0	0
			2015-16	27	7	10
		Ropakhar	2011-12	6	0	0
			2012-13	6	1	2
			2013-14	7	0	2
			2014-15	7	0	0
			2015-16	17	0	14
2	Batauli	Sarmana	2011-12	0	0	0
			2012-13	4	0	0
			2013-14	16	0	0
			2014-15	0	0	0
			2015-16	12	2	0
		Batauli	2011-12	0	0	0
			2012-13	4	0	1
			2013-14	2	0	2
			2014-15	0	0	0
			2015-16	9	0	3
3	Lakhanpur	Amdala	2011-12	35	6	6
			2012-13	25	3	0
			2013-14	26	9	0
			2014-15	58	0	3
			2015-16	33	16	0
		Chodiya	2011-12	34	7	14
			2012-13	114	4	17
			2013-14	54	0	12
			2014-15	42	0	0
			2015-16	23	16	0
Total				**588**	**73**	**108**

Appendix 2.1.11

(Referred to in paragraph 2.1.4.2; page 24)

Statement showing details of Delay in Payment of wages under MGNREGA

S. No.	Name of work	Name of GP	Name of JP	Muster Roll No	Date of work	Stipulated period	date of Payment	amount paid	Delay in days
1	Construction of Mitti Murum Road 780 meter Main Road to chuhinala	Chidapara	Mainpaat	4385201 to 4385213	09/01/12 to 14/01/12	15 days	10/04/12	127612	72
2	Construction of Mitti Murum Road 780 meter Main Road to chuhinala	Chidapara	Mainpaat	4385214 to 4385223	30/01/12 to 11/02/12	15 days	31/03/13	103822	32
3	Construction of Mitti Murum Road 780 meter Main Road to chuhinala	Chidapara	Mainpaat		04/03/13 to 10/03/13	15 days	31/03/13		5
4	Construction of Mitti Murum Road 780 meter Main Road to chuhinala	Chidapara	Mainpaat	4385224 to 4385228	12/03/12 to 31/03/12	15 days	17/04/12	173078	1
5	Construction of Mitti Murum Road 780 meter Main Road to chuhinala	Chidapara	Mainpaat	2744 to 2746	26/05/14 to 01/06/14	15 days	28/06/14		11
6	Construction of Mitti Murum Road Dankanpara School to virendra house	Katkalo	Mainpaat	4852 to 4864	07/12/15 to 13/12/15	15 days	06/02/16	46269	36
7	Construction of Mitti Murum Road Dankanpara School to virendra house	Katkalo	Mainpaat	5245 to 5254	14/12/15 to 20/12/15	15 days	06/02/16	65190	32
8	Construction of Mitti Murum Road Dankanpara School to virendra house	Katkalo	Mainpaat	5845 to 5872	21/12/15 to 27/12/15	15 days	06/02/16	154071	25
9	Plantation of Idgah	Pent	Mainpaat	4153751 to 4153752	09/08/11 to 21/08/11	15 days	29/10/11	4880	53
10	Plantation of Idgah	Pent	Mainpaat	4153753 to 4153759	23/08/11 to 02/10/11	15 days	09/12/11	27206	52
11	Construction of Mitti Murum Road Ghanaram house to bokraama	Ropakhar	Mainpaat	10995 to 11014	10/02/14 to 16/02/14	15 days	31/03/14	69788	27
12	Juri Talab Gahrikaran	Lalati Chinapahri	Batauli	4002982 to 4002985	04/06/11 to 09/06/11	15 days	19/09/11	33550	86
13	Juri Talab Gahrikaran	Lalati Chinapahri	Batauli	4002986 to 4002994	11/06/11 to 16/06/11	15 days	19/09/11	84912	79
14	Juri Talab Gahrikaran	Lalati Chinapahri	Batauli	4002995 to 4002997	18/06/11 to 23/06/11	15 days	19/09/11	10248	72

15	Juri Talab Gahrikaran	Lalati Chinapahri	Batauli	3993886 to 3993887	27/05/12 to 01/06/12	15 days	25/07/12	23760	38
16	Juri Talab Gahrikaran	Lalati Chinapahri	Batauli	3993888 to 3993890	03/06/12 to 08/06/12	15 days	25/07/12	28512	31
17	Juri Talab Gahrikaran	Lalati Chinapahri	Batauli	3993891 to 3993893	10/06/12 to 15/06/12	15 days	25/07/12	33396	24
18	Juri Talab Gahrikaran	Lalati Chinapahri	Batauli	3993894 to 3993895	17/06/12 to 22/06/12	15 days	25/07/12	19536	17
19	Navin Talab Nirman lamtidand	Tedga	Batauli	4002869 to 4002867	01/06/11 to 06/06/11	15 days	12/08/11	64782	50
20	Navin Talab Nirman lamtidand	Tedga	Batauli	4002868 to 4002874	07/06/11 to 13/06/11	15 days	12/08/11	71248	43
21	Navin Talab Nirman lamtidand	Tedga	Batauli	4002879 to 4002889	14/06/11 to 18/06/11	15 days	12/08/11	89670	38
22	Navin Talab Nirman lamtidand	Tedga	Batauli	4002875 to 4002878	07/06/11 to 12/06/11	15 days	12/08/11	30500	44
23	Construction of mitti murum Road Tongipara bija Taragi sarhad	Taragi	Batauli	3662 to 3666	27/08/13 to 01/09/13	15 days	06/01/14	27010	111
24	Construction of mitti murum Road Tongipara bija Taragi sarhad	Taragi	Batauli	3810 to 3814	10/09/13 to 15/09/13	15 days	07/01/14	16936	97
25	Construction of mitti murum Road Tongipara bija Taragi sarhad	Taragi	Batauli	4476 to 4499	09/11/13 to 14/11/13	15 days	07/01/14	152570	37
26	Construction of mitti murum Road Tongipara bija Taragi sarhad	Taragi	Batauli	6746 to 6748	08/01/14 to 10/01/14	15 days	28/11/14	5402	306
27	Construction of mitti murum Road Jajal House to red nadi	Sargnawa	Udaipur	4506740 to 4506745	24/04/12 to 30/04/12	15 days	30/07/12	45540	74
28	Construction of mitti murum Road Jajal House to red nadi	Sargnawa	Udaipur	4506747 to 4506748	04/06/12 to 09/06/12	15 days	30/07/12	20592	34
29	Construction of mitti murum Road doi main road to amerapara	Fulchuhi	Udaipur	4665024 to 4665025	09/10/12 to 21/10/12	15 days	05/01/13	4884	59
30	Construction of mitti murum masudand to non amaa	Mareya	Udaipur	4670818 to 4670827	20/11/13 to 23/11/13	15 days	27/12/13	20255	17
31	Construction of mitti murum masudand to non amaa	Mareya	Udaipur	4670288 to 4670297	10/12/13 to 14/12/13	15 days	04/02/14	64780	35

32	Construction of mitti murum masudand to non amaa	Mareya	Udaipur	467158 to 4671526	02/12/13 to 07/12/13	15 days	04/02/14		42
33	Construction of Mitti 500 m Middle school to bilai kherkha talab	Karoundi	Udaipur	4672336 to 4672361	16/12/13 to 21/12/13	15 days	04/02/14	184426	28
34	Construction of Mitti 500 m Middle school to bilai kherkha talab	Karoundi	Udaipur	417 to 418	07/04/14 to 12/04/14	15 days	11/06/14	15229	43
35	Construction of mitti murum paras house to nahar	Karoundi	Udaipur	462120 to 462133	29/12/13 to 14/10/13	15 days	04/02/14	36500	96
36	Construction of mitti murum paras house to nahar	Karoundi	Udaipur	1740 to 1741	29/04/13 to 04/05/14	15 days	21/07/14	8007	51
37	Construction of mitti murum Navintalab to Navin College	Batauli	Batauli	6408 to 6419	28/12/15 to 03/01/16	15 days	14/04/16	0	85
38	Construction of mitti murum Navintalab to Navin College	Batauli	Batauli	7107 to 7117	04/01/16 to 10/01/16	15 days	14/04/16	0	78
39	Construction of mitti murum Navintalab to Navin College	Batauli	Batauli	7118 to 7128	11/01/16 to 17/01/16	15 days	14/04/16	0	102
40	Construction of mitti murum Navintalab to Navin College	Batauli	Batauli	7129 to 7139	18/01/16 to 24/01/16	15 days	14/04/16	0	63

Appendix 2.1.12

(Referred to in paragraph 2.1.4.2; page 24)

Statement of excess expenditure on Administrative Head under MGNREGA

(₹ in lakh)

Year	Total Expenditure under MGNREGA	Administrative expenditure	Permissible expenditure (two *per cent*)	Excess expenditure	Percentage of excess expenditure
JP Sitapur					
2012-13	1054.40	31.87	21.09	10.78	51.11
2013-14	651.18	49.11	13.02	36.09	277.18
2014-15	815.63	37.37	16.31	21.06	129.12
2015-16	333.89	21.42	6.68	14.74	220.66
Total		**139.77**	**57.10**	**82.67**	
JP Mainpaat					
2012-13	638.77	26.34	12.78	13.56	106.26
2013-14	796.31	73.14	15.93	57.21	359.13
2014-15	421.02	46.59	8.42	38.17	453.33
2015-16	170.3	23.98	3.41	20.57	603.23
Total		**170.05**	**40.53**	**129.52**	
JP Batauli					
2012-13	807.92	33.9	16.16	17.74	109.78
2013-14	811.71	36.35	16.23	20.12	123.97
2014-15	273.81	17.71	5.48	12.23	223.18
2015-16	307.19	36.15	6.14	30.01	488.76
Total		**124.11**	**44.01**	**80.10**	
JP Udaipur					
2012-13	1122.93	42.98	22.46	20.52	91.36
2013-14	1119.01	56.02	22.38	33.64	150.31
2014-15	516.05	53.36	10.32	43.04	417.05
2015-16	533.51	35.81	5.51	30.30	549.91
Total		**188.17**	**60.67**	**127.50**	
JP Lakhanpur					
2012-13	1231.05	46.18	24.62	21.56	87.57
2013-14	1197.64	62.28	23.95	38.33	160.04
2014-15	675.86	56.5	13.52	42.98	317.90
2015-16	467.12	30.05	9.34	20.71	221.73
Total		**195.01**	**71.43**	**123.58**	
Year	**Total Expenditure under MGNREGA**	**Administrative expenditure**	**Permissible expenditure (Six *per cent*)**	**Excess expenditure**	**Percentage of excess expenditure**
ZP Surguja					
2012-13	8097.05	652.37	485.82	166.55	21.93
2014-15	3903.61	392.26	234.22	158.04	67.48
2015-16	2925.23	218.12	175.51	42.61	24.28
Total		**1262.75**	**895.55**	**367.20**	

Appendix 2.1.13

(Referred to in paragraph 2.1.4.4; page 26)

Statement showing payment made to executing agency without Test Report

(₹ in lakh)

S. No.	Name of work	Name of GP	Name of JP	Sanction order No/date	Amount sanctioned	Amount paid
1	Construction of C.C Road Atal House to Sanman House Part-I	Rajpuri	Sitapur	3636-20/06/13	2.40	2.40
2	Construction of C.C Road Atal House to Sanman House Part-II	Rajpuri	Sitapur	3636-20/06/13	2.40	2.40
3	Construction of C.C Road, Main Road to Harijanpara Part-I	Sarga	Sitapur	2764-31/05/13	2.40	2.40
4	Construction of C.C Road, Main Road to Harijanpara Part-II	Sarga	Sitapur	2764-31/05/13	2.40	2.40
5	Construction of C.C Road in Kanwarpara, Part-I	Sarga	Sitapur	2764-31/05/13	2.40	2.40
6	Construction of C.C Road in Kanwarpara, Part-I	Sarga	Sitapur	2764-31/05/13	2.40	2.40
7	Construction of C.C Road, Part-I PMGSY Road to manbhal House	Rajpuri	Sitapur	3623-20/06/13	2.40	2.40
8	Construction of C.C Road, Part-II PMGSY Road to manbhal House	Rajpuri	Sitapur	3623-20/06/13	2.40	2.40
9	Construction of C.C Road in Bagarduh Basti Part-I	Shivnathpur	Sitapur	1560-03/03/12	1.50	1.50
10	Construction of C.C Road in Bagarduh Basti Part-II	Shivnathpur	Sitapur	1560-03/03/12	1.50	1.50
11	Construction of C.C Road, Baigapara handpump to thakur house Part-I	Parpatiya	Mainpaat	11935-06/11/12	1.50	1.50
12	Construction of C.C Road, Baigapara handpump to thakur house Part-II	Parpatiya	Mainpaat	11935-06/11/12	1.50	1.50
13	Construction of C.C Road, Rungtu House to Shriram House	Kapatbahri	Batauli	3754-24/06/13	2.40	2.39
14	Construction of C.C Road, Bishun Guruji House to ujit House	Kapatbahri	Batauli	3754-24/06/13	2.40	2.39
15	Construction of C.C Road, Shivbaran Hosue to ujit House	Kapatbahri	Batauli	3754-24/06/13	2.40	2.39
16	Construction of C.C Road, birbal House to Shobhit House	Kapatbahri	Batauli	3754-24/06/13	2.40	2.40
17	Construction of C.C Road, Kargil chowk to Khasu House	Suwarpara	Batauli	3754-24/06/13	2.40	2.20
18	Construction of C.C Road, Tirhi Chowk to Anil House and Salmon House	Suwarpara	Batauli	3754-24/06/13	2.40	2.20

19	Construction of C.C Road, Kotwar House to Harihar House	Suwarpara	Batauli	3754-24/06/13	2.40	2.19
20	Construction of C.C Road, Hemant House to Kargil Chowk	Suwarpara	Batauli	3754-24/06/13	2.40	2.20
21	Construction of C.C Road, in Chattanpara basti	Bataikala	Batauli	4746-10/07/13	2.40	2.40
22	Construction of C.C Road, Sarpanch House to Main Road	Bataikala	Batauli	4746-10/07/13	2.40	2.40
23	Construction of C.C Road, Budan House to Kunjlal House Part-I	Dandgaon	Udaipur	3899-25/06/13	2.40	2.40
24	Construction of C.C Road, Budan House to Kunjlal House Part-II	Dandgaon	Udaipur	3899-25/06/13	2.40	2.40
25	Construction of C.C Road, Budan House to Kunjlal House Part-III	Dandgaon	Udaipur	3899-25/06/13	2.40	2.40
26	Construction of C.C Road,Jai nath House to Kunjlal House Part-I	Pandripani	Udaipur	3899-25/06/13	2.40	2.40
27	Construction of C.C Road Jai nath House to Kunjlal House Part-II,	Pandripani	Udaipur	3899-25/06/13	2.40	2.40
28	Construction of C.C Road Jai nath House to Kunjlal House Part-III,	Pandripani	Udaipur	3899-25/06/13	2.40	2.40
29	Construction of C.C Road, Rajan House to Amadand	Jamganwa	Lakhanpur	8153-16/09/13	2.40	4.80
30	Construction of C.C Road, Suddu House to Anand House (main Road)	Petka	Lakhanpur	5818-29/07/13	2.40	2.40
31	Construction of C.C Road, Bhola Hosue to Hiralal House	Laiga	Lakhanpur	5818-29/07/13	2.40	2.40
32	Construction of C.C Road, Ramjit House to Main gali	Getra	Lakhanpur	5818-29/07/13	2.40	2.40
Total					**75.60**	**74.76**

Appendix 2.1.14

(Referred to in paragraph 2.1.4.5; page 28)

Statement showing the payment of pension at lower rate

S. No.	Name of Janpad Panchayat	Year	Total number of pensioners during 2015-16				Total	Month of payment from revised rate of pension	Period of payment from old rate	Months for which short payment was made	Short payment of Pension
			Indira Gandhi Rastriya Vridha Awastha Pension (above 60 year)		Samajik Suraksha Pension	Sukhad Sahara Pension					
			60-79 (Year)	above 80 (Year)							
1	Sitapur	2015-16	2567	206	525	1001	4299	Jun-16	10/2015 to 05/2016	8	1719600
2	Mainpaat	2015-16	1962	27	1850	446	4285	Jan-16	10/2015 to 12/2015	3	642750
2	Batauli	2015-16	2032	140	1292	812	4276	Jan-16	10/2015 to 12/2015	3	641400
4	Udaipur	2015-16	1514	103	1547	1006	4170	Jan-16	10/2015 to 12/2015	3	625500
5	Lakhanpur	2015-16	3229	159	3752	1217	8357	Dec-15	10/2015 to 11/2015	2	835700
	Total		**11304**	**635**	**8966**	**4482**	**25387**				**4464950**

Appendix 2.1.15

(Referred to in paragraph 2.1.4.5; page 28)

Statement showing delay in decision of pension cases (decision in 7+60days)

S. No.	Name of JPs	Type of Pension	Date of Approval	Date of Registration of application in GPs	Date of Application received by JPs	No. of Benefi-ciaries	Due date of decision of pension cases	Remarks	Delay
1	Mainpaat	Indira Gandhi Rastriya Vridha Awashta Pension	21/12/14	Nil	Nil	Nil		Due to non maintenance of Register at GPs and JPs decision of application within due time could not be verified by Audit.	
		Samajik Suraksha Pension	21/12/14	Nil	Nil	Nil			
		Sukhad Sahara Pension	21/12/14	Nil	Nil	Nil			
		Rastriya Vriddhawashta Pension	10/07/15	Nil	Nil	Nil			
		Samajik Suraksha Pension	10/07/15	Nil	Nil	Nil			
		Sukhad Sahara Pension	10/07/15	Nil	Nil	Nil			
2	Batauli	Indira Gandhi Rastriya Vridha Awashta Pension	21/12/15					Due to non maintenance of Register at GPs and JPs decision of application within due time could not be verified by Audit.	
		Samajik Suraksha Pension	15/01/16						
		Sukhad Sahara Pension	21/12/15						
		Indira Gandhi Rastriya Vridha Awashta Pension	15/01/16						
3	Lakhanpur	Indira Gandhi Rastriya Vridha Awashta Pension	25/11/14	Not available	17/11/14	15		Sl.No. 150 to 156, 158 to 165	Could not be calculated due to absence of information
			25/11/14	10/06/14	17/11/14	33	17/08/14	Sl.No. 118 to 149.,157	100
4	Udaipur	Indira Gandhi Rastriya Vridha Awashta Pension	19/10/15	01/06/15	10/06/15	219	08/08/15	Sl.No.1 to 219	72
		Samajik Suraksha Pension	25/11/14	20/05/14	10/06/14	36	27/07/14	Sl.No 9 to 44	121
		Sukhad Sahara Pension	25/11/14	20/05/14	10/06/14	8	27/07/14	Sl.No 2 to 9	121
		Sukhad Sahara Pension	19/10/15	01/06/15	10/06/15	3	17/08/14	Sl.No 1 to 3	72

Appendix 4.1.1

(Referred to in paragraph 4.1.8.1; page 49)

Statement showing delay in finalization of Budget in ULBs

S. No	Name of Municipal Body	Place	Year	Target date	Date of actual Budget approval	Delay in days
1	Municipal Corporation (1)	Durg	2015-16	31/03/15	08/06/15	69
2	Municipal Corporation (2)	Bilaspur	2011-12	31/03/11	17/06/11	78
3		Bilaspur	2012-13	31/03/12	02/06/12	63
4		Bilaspur	2013-14	31/03/13	05/06/13	66
5	Municipal Council (3)	Khairagarh	2015-16	31/03/15	06/04/15	6
6	Municipal Council(4)	Dongargarh	2011-12	31/03/11	13/04/11	13
7	Municipal Council (5)	Ratanpur	2012-13	31/03/12	25/05/12	55
8	Municipal Council (6)	Kawardha	2012-13	31/03/12	09/04/12	9
9		Kawardha	2013-14	31/03/13	06/04/13	6
10	Municipal Council (7)	Balod	2012-13	31/03/12	30/04/12	30
11		Balod	2013-14	31/03/13	22/05/13	52
12		Balod	2015-16	31/03/15	10/04/15	10
13	Municipal Council (8)	Bagbahara	2011-12	31/03/11	23/09/11	176
14		Bagbahara	2012-13	31/03/12	28/04/12	28
15		Bagbahara	2013-14	31/03/13	02/05/13	32
16		Bagbahara	2014-15	31/03/14	16/06/14	77
17		Bagbahara	2015-16	31/03/15	08/07/15	99
18	Municipal Council (9)	Ahiwara	2012-13	31/03/12	10/04/12	10
19		Ahiwara	2013-14	31/03/13	12/04/13	12
20		Ahiwara	2014-15	31/03/14	26/05/14	56
21	Nagar Panchayat (10)	Kharora	2011-12	31/03/11	08/04/11	8
22		Kharora	2012-13	31/03/12	04/05/12	34
23		Kharora	2013-14	31/03/13	23/05/13	53
24		Kharora	2014-15	31/03/14	18/07/14	109
25		Kharora	2015-16	31/03/15	29/04/15	29
26	Nagar Panchayat (11)	Saragaon	2015-16	31/03/15	16/04/15	16

Appendix 4.1.2

(Referred to in paragraph 4.1.8.2; page 50)

Statement showing difference between budgeted and actual receipt and expenditure in ULBs

(₹ in lakh)

S. No.	Name of Municipal Body	Place	Year	Total Revenue		% Shortfall	Total Expenditure		% Shortfall
				Estimated	Actual		Estimated	Actual	
1	Municipal Corporation	Durg	2011-12	11587.47	7389.61	36.23	12265.51	4911.27	59.96
			2012-13	10303.92	9928.83	3.64	14490.18	8354.34	42.34
			2013-14	13109.65	7225.92	44.88	17983.76	9216.37	48.75
			2014-15	17424.70	7514.25	56.88	19938.90	7782.04	60.97
2		Bilaspur	2011-12	36917.39	27764.52	24.79	39632.96	17869.57	54.91
			2012-13	36048.29	27366.69	24.08	45130.04	21148.03	53.14
			2013-14	38638.42	23286.48	39.73	50579.13	22980.85	54.56
			2014-15	37398.34	15302.53	59.08	49721.56	22314.12	55.12
3		Jagdalpur	2011-12	12226.89	4032.60	67.02	12794.14	2876.88	77.51
			2012-13	19644.72	6528.60	66.77	20785.07	6374.38	69.33
			2013-14	20331.80	7291.30	64.14	20858.13	7739.35	62.90
			2014-15	20966.66	6078.80	71.01	21095.49	5195.86	75.37
4		Raipur	2011-12	88852.34	44441.20	49.98	111038.73	33340.49	69.97
			2012-13	130035.72	30572.05	76.49	147468.60	33898.37	77.01
			2013-14	119030.56	59838.46	49.73	147971.66	52631.54	64.43
			2014-15	183236.29	35659.40	80.54	209709.70	37420.81	82.16
5	Municipal Council	Kumhari	2011-12	1583.77	1035.09	34.64	1583.77	754.27	52.38
			2012-13	1501.97	1383.09	7.92	1501.97	1315.52	12.41
			2013-14	3848.97	1531.06	60.22	3848.97	1531.06	60.22
			2014-15	2002.26	875.87	56.26	2002.25	1143.47	42.89
6		Khairagarh	2011-12	1973.54	1232.76	37.54	1969.90	912.63	53.67
			2012-13	2314.37	1179.76	49.02	2306.84	737.93	68.01
			2013-14	2692.35	855.90	68.21	2672.00	599.96	77.55
			2014-15	4591.94	2692.35	41.37	4589.65	2671.50	41.79
7		Dongargarh	2011-12	2502.25	1108.24	55.71	2502.25	1108.24	55.71
			2012-13	1700.00	1843.38	-8.43	1700.00	1843.38	-8.43
			2013-14	4673.00	1027.11	78.02	4673.00	2316.23	50.43
			2014-15	2700.00	1339.33	50.40	2700.00	1233.06	54.33
8		Ratanpur	2011-12	1090.46	320.21	70.64	1343.91	360.84	73.15
			2012-13	1494.35	799.22	46.52	1554.69	799.26	48.59
			2013-14	1870.96	539.92	71.14	1846.81	539.92	70.76
			2014-15	1649.45	752.76	54.36	1563.00	752.76	51.84
9		Takhatpur	2011-12	467.00	190.21	59.27	463.35	259.78	43.93
			2012-13	724.79	518.52	28.46	724.00	182.68	74.77
			2013-14	688.21	724.79	-5.32	687.00	550.38	19.89
			2014-15	573.04	273.58	52.26	570.85	687.00	-20.35

10		Kawardha	2011-12	2684.27	783.00	70.83	NA	NA	NA
			2012-13	3024.23	1869.61	38.18	NA	1308.32	NA
			2013-14	4846.68	1875.12	61.31	6085.85	1709.37	71.91
			2014-15	3033.00	1779.11	41.34	4204.60	1518.97	63.87
11		Balod	2011-12	970.81	758.37	21.88	970.28	520.80	46.32
			2012-13	1271.22	1433.87	-12.79	1501.01	968.39	35.48
			2013-14	1992.06	1030.31	48.28	1990.16	NA	NA
			2014-15	2018.16	892.85	55.76	2011.73	NA	NA
12		Saraipali	2011-12	1137.05	414.17	63.58	1239.16	1072.22	13.47
			2012-13	1866.70	1137.05	39.09	1867.86	507.31	72.84
			2013-14	2834.72	1808.70	36.19	2833.99	549.53	80.61
			2014-15	2938.64	497.23	83.08	2937.89	467.83	84.08
13		Bagbahara	2011-12	460.01	240.32	47.76	436.78	190.69	56.34
			2012-13	610.39	408.14	33.13	655.74	266.06	59.43
			2013-14	608.88	344.72	43.38	705.82	379.04	46.30
			2014-15	568.22	359.99	36.65	567.33	352.58	37.85
14		Deepika	2011-12	1073.50	837.26	22.01	NA	NA	NA
			2012-13	848.86	980.80	-15.54	NA	NA	NA
			2013-14	1104.81	698.01	36.82	NA	NA	NA
			2014-15	NA	NA	NA	NA	NA	NA
15		Ahiwara	2011-12	591.02	412.45	30.21	671.93	288.00	57.14
			2012-13	870.02	492.11	43.44	1102.34	517.12	53.09
			2013-14	1121.71	440.27	60.75	1424.73	469.09	67.08
			2014-15	1031.08	472.06	54.22	1314.17	406.62	69.06
16	Nagar Panchayat	Kharora	2011-12	351.70	131.79	62.53	334.46	77.26	76.90
			2012-13	313.40	356.24	-13.67	232.29	301.87	-29.95
			2013-14	515.17	267.94	47.99	493.50	294.55	40.31
			2014-15	573.59	435.62	24.05	610.05	435.62	28.59
17		Saragaon	2011-12	639.10	250.85	60.75	679.10	264.01	61.12
			2012-13	365.00	255.57	29.98	365.13	283.30	22.41
			2013-14	745.01	216.39	70.95	383.96	215.33	43.92
			2014-15	406.47	185.26	54.42	410.22	NA	NA
18		Bastar	2011-12	434.55	218.81	49.65	535.08	188.96	64.69
			2012-13	826.83	341.54	58.69	1008.39	347.96	65.49
			2013-14	1077.09	397.89	63.06	1008.43	288.52	71.39
			2014-15	1179.78	170.67	85.53	1209.45	151.53	87.47
19		Palari	2011-12	551.75	NA	NA	546.61	120.89	77.88
			2012-13	979.65	254.00	74.07	1154.30	1009.70	12.53
			2013-14	965.3	156.52	83.79	1140.85	1161.75	-1.83
			2014-15	1297.2	195.40	84.94	1485.43	NA	NA

No Budget was prepared by Tundra Nagar Panchayat during 2011-12 to 2015-16

Appendix 4.1.3

(Referred to in paragraph 4.1.8.5; page 51)

Blocking of Municipal Fund

(₹ in lakh)

Name of the Bank	Account No.	Balance as on	Balance as on 31st March	Balance with interest as on	Time Difference (in years)	Interest @ 7.75%	Actual interest received	Loss of interest (7-8)
1	2	3	4	5	6	7	8	9
Bank of Maharashtra	20105624579	31/05/09	1.46	1.88	6.67	0.76	0.42	0.34
	NA	31/05/09	1.10	1.38	6.16	0.52	0.28	0.24
	20105626112	30/11/09	4.08	5.04	6.16	1.95	0.96	0.99
UCO Bank	NA	19/05/07	0.90	1.24	8.26	0.58	0.34	0.24
Bank of Maharashtra	20105630311	09/02/02	1.13	1.88	14.08	1.22	0.75	0.47
	20105624579	22/11/01	0.81	1.41	14.3	0.89	0.60	0.29
	53023993191	25/02/03	8.87	9.59	13.02	8.94	0.72	8.22
	9868	31/05/09	0.71	0.89	6.16	0.34	0.18	0.16
	20105619604	31/05/09	0.36	0.46	6.67	0.19	0.10	0.09
	20105619218	31/05/09	0.21	0.27	6.67	0.11	0.06	0.05
	20105624182	31/05/09	0.69	0.88	6.67	0.35	0.19	0.16
Union Bank of India	2282	05/08/11	14.93	18.18	4.57	5.29	3.25	2.04
Total			**35.25**	**43.10**		**21.14**	**7.85**	**13.29**

Appendix 4.1.4

(Referred to in paragraph 4.1.9.1; page 54)

Details of Left out properties

S. No.	Name of Municipal Corporation	No. of Wards	Properties as per records of Municipal Corporations	Properties as per GIS data	Left out properties (6=5-4)	Percentage of Left out properties with GIS data
1	**2**	**3**	**4**	**5**	**6**	**7**
1	Bhilai	5	9149	10446	1297	12.42
2	Raigarh	5	3651	4180	529	12.66
3	Bilaspur	5	3583	3940	357	9.06
4	Raipur	5	12654	20261	7607	37.55
5	Ambikapur	11	5178	5592	414	7.40
6	Chirmiri	20	5123	10857	5734	52.81
7	Jagdalpur	9	4285	4744	459	9.68
8	Rajnandgaon	6	3342	3688	346	9.38
9	Korba	4	1042	5707	4665	81.74
10	Durg	6	4663	4760	97	2.04
Total		**76**	**52670**	**74175**	**21505**	

Appendix 4.1.5

(Referred to in paragraph 4.1.9.1; page 54)

Houses covered under Property tax and *Samekit kar*

Area Name	Total number of census houses	As per ULBs Houses levied (in No.)			Difference	% shortfall
		Property+ Samekit kar	Only Samekit	Total(Property+ Samekit kar)		
Deepika (M)	7,234	4,890	868	5,758	1,476	20.40
Ratanpur (NP)	6,093	622	3,047	3,669	2,424	39.78
Takhatpur (NP)	4,792	673	2,088	2,761	2,031	42.38
Kawardha (M)	11,238	4,072	4,695	8,767	2,471	21.99
Dongargarh (M)	10,063	2,252	4,076	6,328	3,735	37.12
Kumhari (M)	9,069	3,114	2,910	6,024	3,045	33.58
Durg (M Corp.)	63,362	46,125	2,578	48,703	14,659	23.14
Balod (M)	6,337	1,568	2,650	4,218	2,119	33.44
Palari (NP)	2,059	1,458	123	1,581	478	23.22
Tundra (NP)	1,756	927	528	1,455	301	17.14
Raipur (M Corp.)	242,121	1,29,096	62,000	1,91,096	51,025	21.07
Kharora (NP)	2,310	1,144	722	1,866	444	19.22
Saraipali (NP)	5,341	1,304	2,167	3,471	1,870	35.01
Bagbahara (NP)	5,391	3,722	188	3,910	1,481	27.47
Bastar (NP)	2,877	239	1,644	1,883	994	34.55
Total	**3,80,043**	**2,01,206**	**90,284**	**2,91,490**	**88,553**	

Appendix 4.1.6

(Referred to in paragraph 4.1.9.1; page 54)

Short recovery of Property Tax

(₹ in lakh)

Name of Municipal Body	Place	Year	Demand	Recovery	Outstanding
Municipal Corporation	Durg	2015-16	719.00	554.29	164.71
	Bilaspur	2015-16	1415.49	1253.07	162.42
	Jagdalpur	2015-16	517.47	346.67	170.80
	Raipur	2015-16	3488.66	3395.76	92.90
Municipal Council	Kumhari	2015-16	105.78	27.99	77.79
	Khairagarh	2015-16	35.21	3.67	31.54
	Dongargarh	2015-16	32.09	18.75	13.34
	Ratanpur	2015-16	10.77	7.26	3.51
	Takhatpur	2015-16	20.34	3.30	17.04
	Kawardha	2015-16	50.00	37.14	12.86
	Balod	2015-16	25.52	21.05	4.47
	Saraipali	2015-16	18.87	14.97	3.90
	Bagbahara	2015-16	16.85	7.46	9.39
	Deepika	2015-16	90.64	58.18	32.46
	Ahiwara	2015-16	44.80	38.05	6.75
Nagar Panchayat	Kharora	2015-16	18.85	14.56	4.29
	Tundra	2015-16	16.13	0.36	15.77
	Saragaon	2015-16	3.05	0.98	2.07
	Bastar	2015-16	3.20	2.83	0.37
	Palari	2015-16	14.35	4.15	10.20
Total			**6647.07**	**5810.49**	**836.58**

Appendix 4.1.7

(Referred to in paragraph 4.1.9.2; page 55)

Short recovery of *Samekit Kar*

(₹ in lakh)

S. No.	Name of Municipal Body	Place	Year	Demand	Recovery	Outstanding
1	Municipal Corporation	Durg	2015-16	495.21	331.54	163.67
2		Bilaspur	2015-16	481.79	295.91	185.88
3		Jagdalpur	2015-16	172.01	124.55	47.46
4		Raipur	2015-16	1234.98	965.94	269.04
5	Municipal Council	Kumhari	2015-16	108.17	29.96	78.21
6		Khairagarh	2015-16	47.70	5.41	42.29
7		Dongargarh	2015-16	81.71	23.51	58.2
8		Ratanpur	2015-16	51.15	19.51	31.64
9		Takhatpur	2015-16	35.86	10.17	25.69
10		Kawardha	2015-16	64.64	43.42	21.22
11		Balod	2015-16	40.47	19.78	20.69
12		Saraipali	2015-16	29.02	11.61	17.41
13		Bagbahara	2015-16	17.29	12.35	4.94
14		Deepika	2015-16	46.62	33.46	13.16
15		Ahiwara	2015-16	37.92	18.32	19.6
16	*Nagar Panchayat*	Kharora	2015-16	13.34	8.48	4.86
17		Tundra	2015-16	22.99	0.69	22.30
18		Saragaon	2015-16	15.41	5.39	10.02
19		Bastar	2015-16	18.30	10.98	7.32
20		Palari	2015-16	15.42	5.62	9.8
Total				**3030.00**	**1976.60**	**1053.40**

Appendix 4.1.8

(Referred to in paragraph 4.1.9.3; page 55)

Shortfall of water connections

Area Name	Total number of Households (census 2011)	No of water connection	SLB 100%
Durg	57451	22544	39.24
Raipur	215227	73046	33.94
Kumhari	5762	1638	28.42
Dongargarh	8623	4058	47.06
Ratanpur	5403	1136	21.02
Takhatpur	3881	1596	41.12
Kawardha	9647	7536	78.12
Balod	5308	3165	59.63
Saraipali	4579	1990	43.46
Bagbahara	4326	1724	39.85
Dipka	6293	380	6.04
Palari	1713	346	20.20
Tundra	1591	392	24.64
Kharora	1961	1127	57.47
Bastar	2220	420	18.92
Total	**333985**	**121098**	**36.26**

Appendix 4.1.9

(Referred to in paragraph 4.1.9.3; page 56)

Short recovery of Water Tax

(₹ in lakh)

Name of Municipal Body	Place	Year	Demand	Recovery	Outstanding
Municipal Corporation	Durg	2015-16	477.64	402.19	75.45
	Bilaspur	2015-16	1059.59	448.15	611.44
	Jagdalpur	2015-16	517.78	294.40	223.38
	Raipur	2015-16	2482.41	2078.75	403.66
Municipal Council	Kumhari	2015-16	45.91	25.98	19.93
	Khairagarh	2015-16	68.65	19.61	49.04
	Dongargarh	2015-16	106.86	32.16	74.70
	Ratanpur	2015-16	16.43	9.75	6.68
	Takhatpur	2015-16	42.64	18.62	24.02
	Kawardha	2015-16	142.61	76.98	65.63
	Balod	2015-16	96.11	48.49	47.62
	Saraipali	2015-16	30.24	20.56	9.68
	Bagbahara	2015-16	37.19	14.59	22.60
	Deepika	2015-16	9.11	1.62	7.49
	Ahiwara	2015-16	14.97	11.65	3.32
Nagar Panchayat	Kharora	2015-16	29.13	18.95	10.18
	Tundra	2015-16	20.9	0.74	20.16
	Saragaon	2015-16	11.56	0.22	11.34
	Bastar	2015-16	6.33	3.36	2.97
	Palari	2015-16	18.46	4.65	13.81
Total			**5234.52**	**3531.42**	**1703.10**

Appendix 4.1.10

(Referred to in paragraph 4.1.9.4; page 56)

Failure to levy User Charges

Name of ULB	Institutions	No. of Institutions	Basis	Rate per month (amt. in ₹)	Total per month (₹ in lakh)
Bilaspur Municipal Corporation	Mangal Bhavan	33		10000	3.30
	Hotels	42	1. Rooms less than 25	1000	0.42
	Hospitals/nursing homes	87	1. Beds less than 20	5000	4.35
	Commercial institutions				
	Showroom	9	1. More than 500 sq.ft	1500	0.14
	Petrol Pump	10	2. More than 500 sq.ft	1500	0.15
	Malls	3	3. Approx- 50000 sq.ft per mall	1.50 per sq.ft	2.25
Total Bilaspur Municipal Corporation					**10.61**
Jagdalpur Municipal Corporation	Residential	9643	Less than 500 sq.ft	20	1.93
		3670	501- 750 sq.ft	30	1.10
		5289	751-1000 sq.ft	50	2.64
		3313	More than 1000 sq.ft	100	3.31
	Restaurant	45		500	0.25
	Commercial institutions	1163	Less than 100 sq.ft	100	1.16
		447	101- 300 sq.ft	300	1.04
		113	more than 300 sq.ft	750	0.85
	Hospitals/nursing homes	3	1. Beds less than 20	5000	0.15
			2. 21-100 beds		
			3. More than 100		
Total Jagdalpur Municipal Corporation					**12.43**
Total revenue loss per month = (10.61+12.43) = 23.04					
Revenue Loss of eight month (From August 2015 till March 2016) = 8 months x 23.04 =184.32					

Appendix 4.1.11

(Referred to in paragraph 4.1.9.5; page 57)

Short collection of Advertisement Tax

(₹ in lakh)

S. No.	Name of work	Year	No. of contractors	Agreement Amount	Amount Deposited	Short Deposition
1	Tubeler Pole	2010-11	15	399.73	340.96	58.77
2	Hoardings	2011-12	47	86.89	79.51	7.38
		2012-13	51	104.65	82.37	22.28
		2013-14	41	165.03	122.74	42.29
		2014-15	98	247.68	72.13	175.55
		2015-16	113	377.38	309.02	68.36
3	LED Boards	2011-12	3	2.26	1.68	0.58
		2012-13	1	0.78	0	0.78
		2013-14	5	4.5	3.15	1.35
		2014-15	5	5.37	4.24	1.13
		2015-16	5	4.57	4.06	0.51
Total				**1398.84**	**1019.86**	**378.98**

Appendix 4.1.12

(Referred to in paragraph 4.1.9.6; page 58)

Short Recovery of Rent and Premium of shops/Markets etc.

(₹ in lakh)

S. No.	Place	Rent	Premium
Municipal Corporation			
1	Durg	55.62	0
2	Bilaspur	3.84	0
3	Jagdalpur	22.74	1410.76
4	Raipur	64.1	0
Municipal Council			
5	Kumhari	60.35	24.15
6	Khairagarh	3.81	13.21
7	Dongargarh	14.66	0
8	Ratanpur	0.83	0
9	Takhatpur	5.18	0
10	Kawardha	5.50	867.48
11	Balod	15.91	18.19
12	Saraipali	3.41	20.28
13	Bagbahara	4.17	22.99
14	Deepika	19.2	0
15	Ahiwara	28.91	20.00
Nagar Panchayat			
16	Kharora	0.92	12.12
17	Bastar	0.42	0
18	Palari	10.53	24.50
Total		**320.10**	**2433.68**
Grand Total (Premium + Rent)		**2753.78**	

Appendix 4.1.13

(Referred to in paragraph 4.1.9.6; page 59)

Short deposit by contractors

(₹ in lakh)

S. No	Name of Unit	Tender for	Name of contractor	Year	Contra-cted amount	Additional Liability like Electricity	Amount collected (contractor+ department)	Short deposit
Municipal Corporations								
1	Durg	Cycle stand	Harish Khoprade	2013-14	3.95	0	2.96	0.99
		Cycle stand	Vijay Chandak	2014-15	2.29	0	0.57	1.72
		Cycle Stand	Balram Nirmalkar	2014-15	3.99	0	2.91	1.08
		Cycle stand	Mohsin Ali	2015-16	4.21	0	2.11	2.10
2	Jagdalpur	Town hall	Nilesh Patel	2011-14	15.50	2.20	12.17	5.53
3	Raipur	Bazar Parking	Ravi Kumar	2013-14	13.78	0	5.37	8.41
		Bazar Parking	Krishna Murti Bhogal	2013-14	62.43	0	34.66	27.77
		Bazar Parking	Arif Khan	2013-14	22.85	0	14.22	8.63
		Bazar Parking	Amin Ahmad	2014-15	10.12	0	4.25	5.87
		Bazar Parking	Lalit Bundela	2014-15	4.71	0	0.78	3.93
		Bazar Parking	Lalit Bundela	2014-15	4.60	0	0.72	3.88
		Bazar Parking	Dinesh Dongre	2014-15	7.97	0	4.00	3.97
		Bazar Parking	Shila Chelak	2014-15	1.50	0	0.03	1.47
		Bazar Parking	Sham suddin Ansari	2014-15	22.61	0	7.90	14.71
		Bazar Parking	Santosh Gupta	2015-16	12.10	0	7.66	4.44
		Bazar Parking	Ashish Sawarkar	2015-16	15.02	0	11.85	3.17
		Bazar Parking	Rahul Rathor	2015-16	88.00	0	12.24	75.76
		Bazar Parking	Illiyas Aman	2015-16	25.40	0	21.95	3.45
		Bazar Parking	Vikas Shukla	2013-14	13.00	0	0	13.00
Municipal Councils								
4	Kumhari	Cycle stand	Mohit Kumar Patel	2015-16	24.01	0	12.01	12.00
5	Ratanpur	Cattle market	Anil Tamboli	2011-12	7.20	0	4.90	2.30
		Cattle market	NA	2012-13	3.75	0	0	3.75
		Cattle market	NA	2013-14	5.61	0	5.16	0.45
		Boating	Sunil Das Manikpuri	2011-12	3.30	0	2.95	0.35
		Boating	NA	2012-13	3.40	0	2.15	1.25
		Boating	Bhagvat Patel	2014-15	4.11	0	2.71	1.40
		Boating	NA	2015-16	0.92	0	0.87	0.05
6	Kawardha	Daily market	Sushil Singh	2012-13	13.33	0	9.03	4.30
		Cattle market	Dilip Singh Thakur	2012-13	2.35	0	0	2.35
		Kaanji house	Ram Singh Thakur	2011-12	0.43	0	0.21	0.22
		Agriculture land (20 acre)	Sourabh Jain	2012-13 to 2014-15	4.75	0	1.89	2.86
		Agriculture land (20 acre)	Sourabh Jain	2013-14 to 2014-15	2.38	0	1.44	0.94
7	Saraipali	Cattle market	Md. Roufik	2015-16	40.41	0	26.04	14.37
		Bus stand	Avesh Memon	2013-14	2.26	0	0.71	1.55
8	Balod	Daily market	Sharad Gupta	2013-14	5.65	0	4.25	1.40
Total					**457.89**	**2.20**	**220.66**	**239.43**

Appendix 4.1.14

(Referred to in paragraph 4.1.9.6; page 59)

Short recovery of installment of houses constructed under *Atal Awas Yojna*

(₹ in lakh)

S. No.	Name of unit	Year of allotment	Total houses constructed	Houses allotted		Total rent demand	Amount recovered	Amount to be recovered
				Allotted	non allotted			
1	Bilaspur Municipal Corporation	April 2007 to March 2016	400	335	65	88.32	4.12	84.20
2	Durg Municipal Corporation	July 2007 to March 2016	296	206	90	42.02	4.12	37.90
3	Jagdalpur Municipal Corporation	April 2004 to March 2016	260	260	0	78.00	8.63	69.37
4	Municipal Council, Kawardha	May 2007 to March 2016	150	73	77	23.65	0.12	23.53
5	Municipal Council, Kumhari	February 2008 to March 2016	100	93	7	27.90	17.65	10.25
6	Municipal Council, Dongargarh	April 2010 to March 2016	100	100	0	30.00	0.54	29.46
Total			**1306**	**1067**	**239**	**289.89**	**35.18**	**254.71**

Appendix 4.1.15

(Referred to in paragraph 4.1.9.6; page 60)

Recovery of beneficiary contribution under IHSDP *Yojna* not ensured

(₹ in lakh)

S. No	Name of unit	No of Houses constructed	No of houses allotted	Total demand	Recovery	Balance	rate per unit house
1	Municipal Corporation, Durg	1638	1205	399.11	69.01	330.10	1. ₹ 22020 each for 400 houses= ₹ 8808000 2. ₹ 38637 each for 805 houses = ₹ 31102785
2	Municipal Corporation, Jagdalpur	844	739	369.50	64.03	305.47	As fixed by ULB
3	Municipal Corporation, Bilaspur	4506	3375	576.47	0	576.47	1. ₹ 14920 each for 27 houses-₹ 402839 2. ₹ 12433 each for 441 houses =₹ 5482953 3. ₹ 20796 each for 399 houses = ₹ 8297604 4. ₹ 17330 each for 2508 houses = ₹ 43463640
4	Municipal Council, Balod	200	174	35.13	0	35.13	₹ 20192 each for 174 houses
5	Municipal Council, Kawardha	528	73	10.95	0	10.95	₹ 15000 each for 73 houses = ₹ 1095000
Total		**7716**	**5566**	**1391.16**	**133.04**	**1258.12**	

Appendix 4.1.16

(Referred to in paragraph 4.1.9.7; page 62)

Financial unsustainability of ULBs

(₹ in lakh)

Name of the Municipal Body	Total Own Revenue	Assigned revenue from State Government	Gross Revenue (2+3)	Total Expenditure	Revenue Deficit (4-5)
1	2	3	4	5	6
Bilaspur	3316.96	2230.80	5547.76	6479.93	932.17
Raipur	9780.11	4176.66	13956.77	15312.78	1356.01
Dongargarh	173.97	80.52	254.49	292.41	37.92
Kumhari	147.54	152.4	299.94	300.48	0.54
Ratanpur	74.44	90.98	165.42	173.61	8.19
Saraipalli	125.62	73.62	199.24	200.39	1.15
Takhatpur	76.06	29.55	105.61	258.94	153.33
Tundra	9.55	18.31	27.86	32.68	4.82
Saragaon	9.47	25.59	35.06	35.82	0.76

Appendix 4.1.17

(Referred to in paragraph 4.1.9.8; page 62)

Shortage of Staff

S. No.	Name of Municipal Body	Place	Sanction Strength	Actual Working	Vacant	% of Shortage of staff
1	Municipal Corporation	Durg	808	732	76	9.41
2		Bilaspur	1154	1087	67	5.81
3		Jagdalpur	425	368	57	13.41
4		Raipur	2244	1880	364	16.22
5	Municipal Council	Kumhari	51	36	15	29.41
6		Khairagarh	40	37	3	7.50
7		Dongargarh	87	80	7	8.05
8		Ratanpur	43	40	3	6.98
9		Takhatpur	49	27	22	44.90
10		Kawardha	125	106	19	15.20
11		Balod	51	45	6	11.76
12		Saraipali	67	63	4	5.97
13		Bagbahara	74	40	34	45.95
14		Deepika	14	11	3	21.43
15		Ahiwara	46	35	11	23.91
16	Nagar Panchayat	Kharora	11	6	5	45.45
17		Tundra	9	5	4	44.44
18		Saragaon	7	3	4	57.14
19		Bastar	9	6	3	33.33
20		Palari	10	7	3	30.00
Total			**5324**	**4614**	**710**	

Appendix 4.1.18

(Referred to in paragraph 4.1.10.2; page 63)

Outstanding liabilities of selected ULBs

(₹ in lakh)

Name of Municipal Body	Place	Labour Welfare Cess	Electricity	GPF/CPF	Royalty	Water charges	Salary/ EPF etc	Total
Municipal Corporation	Durg	163.89	279.82	187.22	0	650.07	0	1281
	Bilaspur	0	713.85	0	0	0	3.14	716.99
	Jagdalpur	0	30.00	181.51	0	0	0	211.51
	Raipur	0	0	0	258.00	0	0	258.00
Municipal Council	Khairagarh	14.26	0	0	0	0	0	14.26
	Balod	0	37.65	18.62	0	0	0	56.27
	Ahiwara	0	17.78	0	0	0	0	17.78
	Dongargarh	0	46.56	34.16	0	0	0	80.72
	Takhatpur	0	49.50	9.66	0	0	0	59.16
	Saraipali	0	61.90	0	0	0	0	61.90
	Bagbahara	0.54	66.51	32.56	0	0	40.40	140.01
Nagar Panchayat	Kharora	1.32	3.19	3.23	0	0	0	7.74
	Tundra	3.50	0	0	0	0	0	3.50
	Bastar	3.52	0.97	0	0	0	0	4.49
	Palari	2.61	18.14	0	0	0	0	20.75
Total		**189.64**	**1325.87**	**466.96**	**258.00**	**650.07**	**43.54**	**2934.08**

Appendix 4.1.19

(Referred to in paragraph 4.1.10.3; page 65)

Excess payment of EPF contribution to placement Staff

(₹ in lakh)

S. No.	Name of Municipal Body	Place	Year	Contractor or self	Payment made	Employees share not deducted (12%)
1	Municipal Corporation	Durg	2011-12	Contractor	7.03	0.84
			2012-13	Contractor	6.03	0.72
			2013-14	Contractor	6.39	0.77
			2014-15	Contractor	17.07	2.05
			2015-16	Contractor	19.37	2.32
			Total		**55.89**	**6.71**
2		Jagdalpur	2011-12	Self	214.15	25.70
			Total		**214.15**	**25.70**
3		Raipur	2013-14	Contractor	124.18	14.90
			2014-15	Contractor	79.87	9.58
			2015-16	Contractor	195.42	23.45
			Total		**399.47**	**47.93**
4	Municipal Council	Ratanpur	2011-12	Self	28.44	3.41
			2012-13	Self	28.97	3.48
			2013-14	Self	30.64	3.68
			2014-15	Self	30.66	3.68
			2015-16	Self	37.36	4.48
			Total		**156.07**	**18.73**
5		Kawardha	2011-12	Self	6.40	0.77
			2012-13	Self	10.26	1.23
			2013-14	Self	12.94	1.55
			2014-15	Self	14.30	1.72
			2015-16	Self	29.45	3.53
			Total		**73.35**	**8.80**
6		Balod	2011-12	Self	25.26	3.03
			2012-13	Contractor	37.03	4.44
			Total		**62.29**	**7.47**
7		Bagbahara	2013-14	Self	39.78	4.77
			2014-15	Self	34.29	4.11
			2015-16	Self	37.00	4.44
			Total		**111.07**	**13.32**
8		Ahiwara	2011-12	Self	7.84	0.94
			2012-13	Self	25.81	3.10
			2013-14	Self	15.98	1.92
			2014-15	Self	8.00	0.96
			2015-16	Self	0.00	0.00
			Total		**57.63**	**6.92**
Grand Total					**1129.92**	**135.60**

Appendix 4.1.20

(Referred to in paragraph 4.1.10.3; page 65)

Avoidable payment of surcharge on Electricity bills

(₹ in lakh)

S. No.	Municipal Body	Place	Surcharge paid on Electricity bills
1	Municipal Corporation	Bilaspur	70.29
2	Municipal Council	Kumhari	2.38
3		Ratanpur	6.25
4		Takhatpur	13.04
5		Saraipali	28.17
6		Bagbahara	5.14
7	*Nagar Panchayat*	Bastar	0.40
Total			**125.67**

Appendix 4.1.21

(Referred to in paragraph 4.1.10.3; page 65)

Avoidable payment on Energy Development Cess

(₹ in lakh)

Name of Municipal Body	Place	Energy Development Cess
Municipal Corporation	Durg	30.02
	Bilaspur	53.01
	Jagdalpur	7.32
	Raipur	25.31
Municipal Council	Kumhari	0.61
	Khairagarh	2.13
	Dongargarh	7.07
	Ratanpur	5.01
	Takhatpur	2.79
	Kawardha	5.31
	Saraipali	6.02
	Bagbahara	2.24
	Ahiwara	2.19
Nagar Panchayat	Kharora	1.54
	Bastar	0.09
	Palari	0.93
Total		**151.59**

Appendix 4.1.22

(Referred to in paragraph 4.1.10.3; page 66)

Temporary Advances not adjusted

(₹ in lakh)

S. No.	Place	Year from which advances remained unadjusted					
		0-5 years	06-10 years	11-15 years	16-20 years	20 years and above	Total
Municipal Corporations							
1	Durg	10.32	35.57	0	0	0	45.89
2	Bilaspur	7.43	21.55	11.20	8.26	0.20	48.64
3	Jagdalpur	0.95	1.22	0	0	0	2.17
4	Raipur	37.58	98.27	70.88	9.00	8.38	224.11
Municipal Councils							
5	Kumhari	0.64	0.41	5.39	0	0	6.45
6	Dongargarh	0.25	0	0	0	0	0.25
7	Ratanpur	0	0.36	1.48	0.26	1.88	3.99
8	Kawardha	0.89	2.48	0	0	0	3.37
9	Balod	0	0.57	0	0	0	0.57
10	Saraipali	0.16	2.09	0.10	0.05	0.01	2.40
11	Bagbahara	4.07	1.77	1.38	0.22	1.57	9.03
12	Deepika	0.75	0	0	0	0	0.75
13	Ahiwara	0.95	1.22	0	0	0	2.17
Nagar Panchayat							
14	Kharora	0.75	0	0	0	0	0.75
15	Tundra	1.15	0.27	0	0	0	1.41
16	Bastar	4.31	0	0	0	0	4.31
17	Palari	2.58	0	0	0	0	2.58
Total		**72.78**	**165.78**	**90.43**	**17.79**	**12.04**	**358.84**

Appendix 4.1.23

(Referred to in paragraph 4.1.10.4; page 66)

Short deposit in *Sanchit Nidhi*

(₹ in lakh)

Place	Year	Revenue	5% of Revenue	Deposit	Short deposition
Durg	2012-15	4777.19	238.86	94.3	144.56
Bilaspur	2012-16	10646.53	532.33	0	532.33
Jagdalpur	2011-16	9532.75	476.64	157.22	319.42
Raipur	2012-16	35261.54	1763.08	0	1763.08
Kumhari	2012-16	656.19	32.81	17.42	15.39
Khairagarh	2012-13	93.24	4.66	2.87	1.79
Ratanpur	2012-15	208.42	10.42	5.96	4.46
Saraipali	2012-15	345.43	17.27	13.77	3.50
	Total	**61521.29**	**3076.07**	**291.54**	**2784.53**

Appendix 4.1.24

(Referred to in paragraph 4.1.10.4; page 67)

Loss of interest

(₹ in lakh)

Name of unit	Period	balance amount	amount invested	simple interest (%)	Fixed deposit rate (%)	Difference	No of years (march 2016)	Loss of interest
Municipal Corporation Durg	03/2011 to 03/2016	52.00	50.00	3.5	7.75	4.25	5	10.63
	03/2012 to 03/2016	98.81	45.00	3.5	7.75	4.25	4	7.65
	03/2013 to 03/2016	127.21	30.00	3.5	7.75	4.25	3	3.83
	03/2014 to 03/2016	61.23	35.00	3.5	7.75	4.25	2	2.98
	03/2015 to 03/2016	105.33	100.00	3.5	7.75	4.25	1	4.25
Municipal Council, Kumhari	03/2013 to 03/2016	7.07	7.00	3.5	7.75	4.25	3	0.89
	03/2014 to 03/2016	11.75	4.00	3.5	7.75	4.25	2	0.34
	03/2015 to 03/2016	19.25	8.00	3.5	7.75	4.25	1	0.34
Municipal Council, Ahiwara	03/2011 to 03/2016	5.12	5.00	3.5	7.75	4.25	5	1.06
	03/2012 to 03/2016	8.27	3.00	3.5	7.75	4.25	4	0.51
	03/2013 to 03/2016	10.76	2.50	3.5	7.75	4.25	3	0.32
	03/2014 to 03/2016	13.43	2.50	3.5	7.75	4.25	2	0.21
	03/2015 to 03/2016	16.36	3.00	3.5	7.75	4.25	1	0.12
Municipal Council, Saraipali	03/2011 to 03/2016	12.02	10.00	3.5	7.75	4.25	5	2.13
	03/2012 to 03/2016	13.15	2.00	3.5	7.75	4.25	4	0.34
	03/2013 to 03/2016	18.64	5.00	3.5	7.75	4.25	3	0.64
	03/2014 to 03/2016	23.33	5.00	3.5	7.75	4.25	2	0.42
	03/2015 to 03/2016	25.56	3.00	3.5	7.75	4.25	1	0.12
Municipal Council, Bagbahra	03/2013 to 03/2016	5.06	5.00	3.5	7.75	4.25	3	0.64
	03/2014 to 03/2016	7.27	2.00	3.5	7.75	4.25	2	0.17
	03/2015 to 03/2016	29.45	22.00	3.5	7.75	4.25	1	0.94
Municipal Council, Pallari	03/2011 to 03/2016	2.95	2.500	3.5	7.75	4.25	5	0.53
	03/2012 to 03/2016	6.60	4.00	3.5	7.75	4.25	4	0.68
	03/2013 to 03/2016	8.10	1.50	3.5	7.75	4.25	3	0.19
	03/2014 to 03/2016	9.22	1.00	3.5	7.75	4.25	2	0.08
	03/2015 to 03/2016	10.48	1.00	3.5	7.75	4.25	1	0.04
Municipal Council, Ratanpur	03/2011 to 03/2016	1.96	1.50	C.A	7.75	7.75	5	0.58
	03/2012 to 03/2016	3.07	1.50	C.A	7.75	7.75	4	0.47
	03/2013 to 03/2016	5.99	2.50	C.A	7.75	7.75	3	0.58
	03/2014 to 03/2016	8.30	2.50	C.A	7.75	7.75	2	0.39
	03/2015 to 03/2016	9.67	1.50	C.A	7.75	7.75	1	0.11
Municipal Council, Khairagarh	03/2011 to 03/2016	12.94	10.00	3.5	7.75	4.25	5	2.13
	03/2012 to 03/2016	14.16	4.00	3.5	7.75	4.25	4	0.68
	03/2013 to 03/2016	17.04	3.00	3.5	7.75	4.25	3	0.38
	03/2014 to 03/2016	19.10	2.00	3.5	7.75	4.25	2	0.17
	03/2015 to 03/2016	21.58	2.00	3.5	7.75	4.25	1	0.09
Nagar Panchayat, Kharora	03/2012 to 03/2016	2.20	2.00	3.5	7.75	4.25	4	0.34
	03/2013 to 03/2016	4.73	2.50	3.5	7.75	4.25	3	0.32
	03/2014 to 03/2016	7.74	3.00	3.5	7.75	4.25	2	0.26
	03/2015 to 03/2016	14.44	7.00	3.5	7.75	4.25	1	0.29
Nagar Panchayat, Bastar	03/2013 to 03/2016	1.10	1.00	3.5	7.75	4.25	3	0.13
	03/2014 to 03/2016	1.60	.50	3.5	7.75	4.25	2	0.04
	03/2015 to 03/2016	2.88	1.00	3.5	7.75	4.25	1	0.04
Total								**47.05**

Appendix 5.1.1

(Referred to in paragraph 5.1.2; page 73)

Statement showing the dues of rent and Shop premium

(amount in ₹)

S. No.	Name	Allocation Month	Offset Price	Offer Price	Payment	Premium Dues	Rent/ month	Due month	Rent Dues
				2011-12					
1	Harish Motwani	01/07/12	173000	385000	385000	0	800	-	-
2	M. Dhana Lakshmi	01/07/12	173000	472000	472000	0	800	-	-
3	Mukesh Ambubani	01/07/12	173000	411100	411100	0	800	42	33600
4	Ramesh Thakur	01/07/12	173000	625000	625000	0	800	-	-
5	Jahari Oraon	01/07/12	173000	375000	375000	0	800	42	33600
6	Anil Kumar Chhabda	01/07/12	173000	421000	421000	0	800	42	33600
7	Kamal Kishor Sharma	01/07/12	173000	500999	500999	0	800	42	33600
8	Kartikram Baghel	01/07/12	173000	391000	261250	129750	800	42	33600
9	Rajni Motwani	01/07/12	173000	415000	415000	0	800	-	-
10	Shishikaran Yadav	01/07/12	173000	800551	800551	0	800	-	-
11	Vrinda Bai Nayak	01/07/12	173000	442701	442701	0	800	-	-
12	Durga Prasad Thawaiet	01/07/12	173000	500000	500000	0	800	-	-
	Sub Total (2011-12)			**5739351**	**5609601**	**129750**	**-**	**-**	**168000**
				2012-13					
13	Pusnath Toppo	01/04/13	150000	169700	37500	132200	500	47	23500
14	Shruti Pandey	01/04/13	150000	166000	78750	87250	500	47	23500
15	Archana Dalmia	01/04/13	150000	166000	87500	78500	500	47	23500
16	Yogesh Kumar	01/04/13	150000	166000	79000	87000	500	47	23500
17	Dileep Kumar Vajpayee	01/04/13	150000	165000	75000	90000	500	47	23500
18	Lata Patel	01/04/13	150000	166000	79000	87000	500	47	23500
19	Deepa Gupta	01/04/13	150000	168000	79500	88500	500	47	23500
20	Manoj Sharma	01/04/13	150000	165000	78750	86250	500	47	23500
21	Neeta	01/04/13	150000	166000	79500	86500	500	47	23500
22	Vishwajeet Sarkar	01/04/13	150000	165300	165300	0	500	47	23500
23	Puni Ram Rajak	01/04/13	150000	165500	115500	50000	500	47	23500
24	Yuraj Singh	01/04/13	150000	168000	87500	80500	500	47	23500
25	Bhuneshwar Singh	01/04/13	150000	165000	98750	66250	500	47	23500
26	Nand Kumar Patel	01/04/13	150000	168999	105000	63999	500	47	23500
27	Girija Sinha	01/04/13	150000	166000	79000	87000	500	47	23500
28	P. Pal	01/04/13	150000	170000	87500	82500	500	47	23500
29	Sangeeta Jain	01/04/13	150000	166200	79100	87100	500	47	23500
30	Vishal Jain	01/04/13	150000	165000	78750	86250	500	47	23500
31	Sunita Agarwal	01/04/13	150000	165000	79000	86000	500	47	23500
32	Vijay Bhagat	01/04/13	250000	278000	232000	46000	500	47	23500
33	Lata Patel	01/04/13	150000	165000	79000	86000	500	47	23500
34	Dharma Kankarwal	01/04/13	150000	166000	166000	0	500	47	23500
35	Manish Kankarwal	01/04/13	150000	168555	168555	0	500	47	23500
36	Ram Awtar Agarwal	01/04/13	250000	275100	132500	142600	600	47	28200
37	Sharda Bhawate	01/04/13	250000	276200	276200	0	600	47	28200
38	Balram Prasad Sahu	01/04/13	250000	276200	276200	0	600	47	28200
39	Ravi Popatani	01/04/13	250000	278000	278000	0	600	47	28200
40	Srichand Talreja	01/04/13	250000	278000	278000	0	600	47	28200
41	Rakhi Lalwani	01/04/13	250000	275000	145250	129750	600	47	28200
42	Indra Kumar Poptani	01/04/13	250000	279000	279000	0	600	47	28200
43	Kavita	01/04/13	250000	280000	255000	25000	600	47	28200

44	Ashok Chauhan	01/04/13	250000	403000	403000	0	600	47	28200
45	Sandhya	01/04/13	250000	295000	136250	158750	600	47	28200
46	Jitendra Thawaiet	01/04/13	250000	278000	201000	77000	500	47	23500
47	Manoj Gupta	01/04/13	150000	185000	83750	101250	400	47	18800
48	Jai Jai Udasi	01/04/13	150000	192000	85500	106500	400	47	18800
49	Yogesh Kumar	01/04/13	25000	276500	131625	144875	600	47	28200
50	Manish Chauhatha	01/04/13	25000	278000	132000	146000	600	47	28200
51	Salesh Kumar Gaund	01/04/13	25000	276000	62500	213500	600	47	28200
52	Yashwant Vishwakarma	13/02/14	250000	277501	131875	145626	600	36	21600
53	Bharkha Udasi	13/02/14	250000	278000	70000	208000	600	36	21600
54	Prakash Sharma	13/02/14	250000	275765	70000	205765	600	36	21600
55	Bharkha Udasi	13/02/14	250000	280000	70000	210000	600	36	21600
56	Prakash Sharma	13/02/14	250000	276175	70000	206175	600	36	21600
57	Rekha Jadhav	13/02/14	150000	167765	42000	125765	600	36	21600
58	Ranjana Sai	13/02/14	150000	167400	46850	120550	600	36	21600
59	Abhay Kishor	01/05/13	241870	266100	126993	139107	900	46	41400
60	Manohar Chauhan	01/05/13	241870	268000	127468	140532	900	46	41400
61	Suresh Kumar Jatwar	01/05/13	241870	267200	67000	200200	900	46	41400
62	Basant Veer Upadhyay	01/05/13	241870	267000	127468	139532	900	46	41400
63	Keshri Sardhi	01/05/13	241870	266399	127068	139331	900	46	41400
64	Kavita Sarthi	01/05/13	241870	266100	60468	205632	900	46	41400
65	Yashwant Raj Singh	01/05/13	241870	268000	85468	182532	900	46	41400
66	N.R.Singh	01/05/13	241870	271565	68000	203565	900	46	41400
67	Minakshi Chauhan	01/10/13	198900	218800	60468	158332	350	41	14350
68	Minakshi Chauhan	01/10/13	198900	218790	49725	169065	350	41	14350
69	Kamlesh	01/10/13	198900	221000	49725	171275	350	41	14350
70	Rajendra Chauhan	01/10/13	198900	225000	105975	119025	350	41	14350
71	Anju Lata Chauhan	01/10/13	198900	225000	105975	119025	350	41	14350
72	Suresh Kumar	01/10/13	198900	222768	49725	173043	350	41	14350
73	Sandeep	01/04/13	336300	370000	176555	193445	1100	47	51700
74	Ranjeet Kumar Jatwar	01/10/13	173000	255000	143500	111500	800	41	32800
75	Gayatri Nagwansi	01/10/13	173000	245000	239000	6000	800	41	32800
76	Chandrapal Motwani	01/10/13	173000	572000	572000	0	800	0	0
77	Rajesh Miri	01/10/13	173000	251000	93500	157500	800	41	32800
78	Sunil Chauhan	01/10/13	173000	307000	307000	0	800	41	32800
79	Lalchand Mulchandani	01/10/13	173000	260000	260000	0	800	41	32800
80	Rahul Sahu	01/10/13	173000	351000	133500	217500	800	41	32800
81	Nujhat Praveen	01/01/13	150000	165000	165000	0	400	50	20000
82	Vikram Chauhan	01/01/13	150000	165000	78750	86250	400	50	20000
83	Gauri Bai	01/01/13	150000	165000	105000	60000	400	50	20000
84	Lochan Prasad	01/01/13	150000	170000	77500	92500	400	50	20000
85	Jitendra Thawaiet	01/05/13	180000	201000	201000	0	400	46	18400
86	Amritlal Khunte	01/05/13	180000	190000	190000	0	400	46	18400
87	Mayank Chauhan	01/05/13	180000	198000	45000	153000	400	46	18400
88	Deleep Kumar Bhagat	13/02/14	180000	204000	51000	153000	400	36	14400
89	Ramesh Kumar Thaiwaiet	13/02/14	50000	78000	39500	38500	200	36	7200
90	Sudhir Kumar	01/06/13	100000	110000	51000	59000	600	45	27000
91	Kamlesh	01/06/13	100000	110000	52500	57500	600	45	27000
92	Kiran Panda	01/06/13	100000	110000	51000	59000	600	45	27000
93	Masand	01/06/13	100000	110000	52500	57500	600	45	27000
94	Punam Jedhani	01/06/13	100000	111000	25000	86000	600	45	27000
95	Pushpa Matani	01/06/13	100000	112000	25000	87000	600	45	27000

96	Hira Bhojwani	01/06/13	100000	114000	25000	89000	600	45	27000
97	Vidhi Mishra	13/02/14	100000	121000	121000	0	600	0	0
98	Bhogendra Manhar	13/02/14	100000	168000	87500	80500	400	36	14400
99	Bharat Ram	13/02/14	100000	166504	166504	0	400	36	14400
100	Mita Panda	13/02/14	100000	154412	82200	72212	300	36	10800
101	Kiran Thethawar	13/02/14	100000	157000	43500	113500	300	36	10800
Sub Total (2012-13)				**19226498**	**10823990**	**8402508**	**-**	**-**	**2181400**
Grand Total				**24965849**	**16433591**	**8532258**	**-**	**-**	**2349400**

Appendix 5.1.2

(Referred to in paragraph 5.1.3; page 74)

Details of Employees and Employers Contribution

(amount in ₹)

S. No.	Month	Vr.No /Date	Bill amount	Wage payment as per applicable Collector rate	Employees contribution (12%)	Employers contribution
Employers contribution (13.61%)						
1	August 12	-	492420	356402	42768	48506
2	September 12	-	497216	359864	43184	48977
3	October 12	-	499975	373653	44838	50854
4	November 12	-	483099	361268	43352	49169
5	December 12	-	499970	373803	44856	50875
6	January 13	-	499514	373446	44814	50826
7	February 13	-	501862	375210	45025	51066
8	March 13	08-12/04/13	497207	371726	44607	50592
9	April 13	79-22/05/13	498417	396443	47573	53956
10	May 13	118-01/07/13	486857	387109	46453	52686
11	June 13	156-22/07/13	496217	394629	47355	53709
12	July 13	285-07/10/13	491636	390934	46912	53206
13	August 13	285-07/10/13	491636	390934	46912	53206
14	September 13	285-07/10/13	490724	390223	46827	53109
15	October 13	-	478879	397832	47740	54145
16	November 13	409-19/12/13	492369	409018	49082	55667
17	December 13	-	491595	408344	49001	55576
18	January 14	-	498185	413815	49658	56320
19	February 14	655-13/03/14	496474	412374	49485	56124
20	March 14	22-07/04/14	488252	405489	48659	55187
21	April 14	80-12/05/14	489575	430591	51671	58603
22	May 14	107-17/06/14	485496	426952	51234	58108
23	June 14	176-25/07/14	476557	419165	50300	57048
24	July 14	200-08/08/14	495389	435772	52293	59309
25	August 14	259-18/09/14	492431	433125	51975	58948
26	September 14	-	551104	442803	53136	60265
27	October 14	382-17/11/14	554622	449636	53956	61195
28	November 14	428, 429-09/12/14	556304	450995	54119	61380
29	December 14	491, 492-02/01/15	564005	457304	54876	62239
Employers contribution (13.36%)						
30	January 15	544, 545-03/02/15	562467	456055	54727	60929
31	February 15	631, 632-05/03/15	569098	457347	54882	61102
32	March 15	18, 20-07/04/15	544165	437349	52482	58430
33	April 15	86, 87-12/05/15	526797	444127	53295	59335
34	May 15	-16/06/15	551223	443015	53162	59187
35	June 15	-	482476	440602	52872	58864
36	July 15	-	485200	443089	53171	59197
37	August 15	-	487177	444895	53387	59438
38	September 15	-	474026	432885	51946	57833
Total			**1,92,20,616**	**1,56,88,223**	**18,82,585**	**21,25,166**

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