

कार्यालय महालेखाकार (लेखा परीक्षा) II महाराष्ट्र, नागपुर

संख्या - एल बी ए ए -II/मुख्यालय/नि प्र/2014-15

दिनांक: 29/4/2015

प्रति,

आयुक्त,

परभणी महानगर पालिका परभणी

जिल्हा परभणी

विषय - आपके कार्यालय के 01/11/2011 से 31/03/2014 तक के लेखाओं का निरीक्षण प्रतिवेदन/पूरक नमूना लेखापरीक्षा टिप्पणी।

महोदय,

आपके कार्यालय के लेखाओं की लेखा परीक्षा निरीक्षण प्रतिवेदन / पूरक नमूना लेखा परीक्षा टिप्पणी आपको भेजी जा रही है। इसे जारी करने की तिथि से एक माह के अंदर इसका अनुपालन इस कार्यालय को भेजा जाना वांछित है। नमूना लेखा परीक्षा टिप्पणी का अनुपालन भी तैयार रखा जाए तथा उसे अगले स्थानीय लेखा परीक्षा दल को सत्यापन के लिए प्रस्तुत किया जाए।

कृपया इस पत्र की पावती भेजे।

भवदीय

हस्ता/-

वरिष्ठ लेखा परीक्षा अधिकारी

दिनांक 29/4/2015

संख्या - एल बी ए ए -II/मुख्यालय/नि प्र/2013-14/ 4

निरीक्षण प्रतिवेदन/अनुपूरक लेखा टिप्पणी निम्नलिखित को भी सूचना एवं आवश्यक कार्यवाही हेतु भेजे जा रहे हैं

निदेशक, नगर प्रशासन, शासकीय वाहतूक भवन, 3री मंजिल सर पोचखानवाला मार्ग वरली मुंबई

400025

सचिव, शहरी विकास विभाग मंत्रालय मुंबई

मुख्य लेखा एवं वित्त अधिकारी, परभणी महानगर पालिका, परभणी

वरिष्ठ लेखा परीक्षा अधिकारी

Accountant
29/4/15

सहा. लेखा परीक्षक
संबंधित विभाग प्रमुख
मुख्यालय परभणी
मुख्यालय इटवाले
मुख्यालय परभणी

29/05/2015

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29/5/15

1333
28/5/2015

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**INSPECTION REPORT ON ACCOUNTS OF OFFICE OF
COMMISSIONER, PARBHANI CITY MUNICIPAL CORPORATION, PARBHANI
FOR THE PERIOD FROM 01/11/2011 TO 31/03/2014**

PART I (A): - INTRODUCTORY

A test check of accounts of office of the Municipal Commissioner, Parbhani City Municipal Corporation, Parbhani for the period from 01/11/2011 to 31/03/2014 was conducted locally by the Local Audit Party No. III consisting of Shri. S. G. Nagdeote, AAO, Shri A.S. Modak, AAO, and Shri C. G. Bhoskar, Sr. Auditor of office of the Accountant General (Audit)-II, Maharashtra, Nagpur between 09/02/2015 and 30/03/2015. The audit was supervised by Shri D. R. Mishra, Sr. Audit Officer.

Parbhani City Municipal Corporation (PCMC) is an Urban Local Body established on 01/11/2011 by the State Government vide notification No. MUM.1111 / Pr.Kr. 201 / NV-17 dated 01/11/2011 under the Bombay Provincial Municipal Corporation Act, 1949 for the purpose of carrying out developmental activities keeping in view the living environment of the people in the jurisdiction of Parbhani city. Following rules and regulations govern the working of PCMC, Parbhani.

1. Bombay Provincial Municipal Corporation Act, 1949
2. Development Control Regulation, 1986
3. Maharashtra Regional & Town Planning Act, 1966
4. National Municipal Accounts Manual etc.

DISCLAIMER STATEMENT

This Inspection Report has been prepared on the basis of information furnished and made available by the Municipal Commissioner, Parbhani City Municipal Corporation, Parbhani. Office of the Accountant General (Audit)-II, Maharashtra, Nagpur disclaims responsibility for any mis-information and or non-information on the part of auditee unit.

PERSONNEL

The following persons held the charge of post of the Municipal Commissioner, Parbhani City Municipal Corporation, Parbhani from during the period covered by audit:

Name / Designation	From	To
1. Shri. Sudhir Shambarkar	01-11-2011	04-09-2012
2. Shri. S.P. Singh	05-09-2012	12-09-2012
3. Shri. A.A. Mahajan	13-09-2012	to date

INTERNAL AUDIT

Internal Audit wing of PCMC had not conducted the post-expenditure audit of any of the departments / wings of Municipal Corporation till date.

APPROVAL OF ANNUAL ACCOUNTS

Annual financial statements / accounts of the Municipal Corporation for the years 2011-12 to 2013-14 were not prepared and submitted to General Body as well as to Directorate of Municipal Administration for approval.

EXPENDITURE

The department not furnished the figure of expenditure incurred on Pay, TA and Contingencies during the last three years i.e. 2011-12, 2012-13 and 2013-14 despite issue of an Audit Memorandum and repeated reminders.

EXPENDITURE ON SCHEMES

The details of schemes-wise grants received and expenditure incurred during last three years (i.e. 2011-12, 2012-13 and 2013-14) could not be obtained despite issue of an Audit Memorandum and repeated reminders, as the Accounts Wing of PCMC maintain a neither Grant Register nor separate Cash Books to know schemes-wise position of various funds received from State and Central Government. PCMC though had various bank accounts for different schemes, no bank reconciliation was carried out to assess the balances at respective year end.

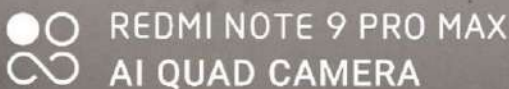
PART I (B) : OUTSTANDING PARAS FROM PREVIOUS INSPECTION REPORTS

-Nil-

PART I (C) : PERSISTENT IRREGULARITIES

-Nil-

PART II : CURRENT INSPECTION REPORT



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PART II (A) : MAJOR IRREGULARITIES

Para 1 : Blocking up of investment of Rs. 104 crore due to execution of work of Water Treatment Plant of Parbhani water supply scheme without acquiring land.

M/E

water supply

Under centrally sponsored Urban Infrastructure Development Scheme for Small Towns (UIDSSMT), Parbhani City Municipal Corporation (PCMC) had taken up the work of augmentation to Parbhani water supply scheme. As the existing source of water inadequate, the proposed work envisaged tapping water from Yeldari dam 55 km away from Parbhani. As per Detailed Project Report(DPR) prepared in the year 2006, this work gross costing Rs 1,40,33,59,300 was expected to cater to the water demand till the year 2038. The scope of the work was construction of head work (intake channel, intake well, connecting main, jack well and pump house), raw water pumping machinery, raw water rising main, break pressure tanks (BPTs), raw water gravity main, water treatment plant (WTP), pure water pumping machinery, pure water rising main, Elevated Service Reservoir (ESR) and distribution system.

Under UIDSSMT Central contribution was 80 per cent, 10 per cent contribution from State Govt. and reaming 10 per cent from PCMC. State Level Sanctioning Committee approved the project on 24/12/2008 for Rs 104.76 crore. During the years 2009 to 2011, PCMC received Rs 83.58 crore from Centre, Rs 10.42 crore from State and its own contribution was to be Rs 10.44.

As per the meeting on UIDSSMT works held in Mantralaya on 05/05/2009, one of the important condition was that the land / site required for the project should be in possession of the Local Body so as to ensure completion of work in optimum time. In the DPR, PCMC had given a certificate that land required for WTP, MBR, ESRs and BPT was in its possession.

Tenders were called for and no response was received to the first notice inviting tender, hence the work was split in to two phases with Phase I containing items of head work to Water Treatment Plant (WTP) and Phase II containing items of WTP to distribution system. On second notice inviting tenders (dated 20/03/2009), M/s Maharashtra Agency, Aurangabad emerged as L1 bidder for Phase I with quotation of 99.45 per cent above the cost put to tender Rs 54,30,32,716 (estimated on MJP DSR 2006-07), i.e. Rs 108,30,78,752. Work order was given to M/s Maharashtra Agency on 27/08/2009 with stipulated Period of completion being 18 months (i.e. on 26/02/2011) vide agreement no. B-1/1/2009-10.

The contractor could finishe work worth Rs 66,50,31,137 (4th R A Bill), which was 61 per cent of total work at the end of stipulated period of completion of work. The PCMC on 10/02/2012 extended the period till 26/08/2012 and the contractor could finish work worth Rs 22,28,79,622

(4th and 5th R A Bills). The work could not be completed within extended period also.

It was observed from the contractor's letters dated 04/02/2011, 02/07/2011 and 30/12/2011 that (i) site for WTP was not available hence the work of laying pipe could not be completed, (ii) site for Break Pressure Tank of 125.8 lakh litres capacity was not available as proposed at Mankeshwar, (this land was handed over to contractor in April 2011) (iii) work had to be intermittently stopped as PCMC did not get timely permissions from PWD Sub-divisions at Jintur and Parbhani to lay pipes by the road-side.

The details of work done and payment made are tabulated below.

R.A.Bill no.	Dates of measurement	Cost of work done (Rs)	Details of payment
1	18/11/2009	21,03,20,025	Chq. No. 588402 / 5004SBH dated 18/11/2009 for Rs 201131143
2	23/02/2010	20,47,79,064	Chq. No. 588405 / 5004 dated 24/02/2010 for Rs 195564006
3	06/07/2010	10,63,54,597	Chq. No. 588415 / 5004SBH dated 07/07/2010 for Rs 50000000 and chq. No. 588416 / 5004SBH dated 20/08/2010 for Rs 49441548
4	16/08/2010	14,35,77,451	Chq. No. 000003 / 5224 Axis Bank dated 20/08/2010 for Rs 134241071
5	31/05/2011	19,10,47,613	Chq. No. 509943 / 3431 for Rs 60000000 dated 01/08/2011 and chq. No. 178450 / 3431 for Rs 117205518 dated 14/02/2012
6	03/04/2012	3,18,32,009	Chq. No. 4061 dated 12/04/2012 for Rs 29722614
7	19/06/2013	15,50,73,841	Not paid yet.
Total work done		1,04,29,84,600	

Out of total government grant received amounting to Rs 94 crore, Rs 88.79 crore was spent on Phase I so far.

As on date of audit (March 2015), the work was in suspended stage since June 2013, after incurring expenditure of Rs 88.79 crore. Further, liability of Rs 15.51 crore was also created for work executed, measured but not paid. PCMC had failed to acquire land for the WTP and the contractor (through his letters) had expressed a logical inability to complete the work.

If the land for WTP had been acquired in time, Phase I work would have been completed by February 2011. However, despite passage of more than four years after stipulated completion period the work was incomplete. The paramount work of acquisition of WTP site would not only complete Phase I work by laying of remaining pipes, but also allow Phase II to commence, which would begin only after establishing WTP. As period of execution of Phase II is 48 months, the project in totality would take off only after completion of four years from the date of acquisition of WTP land. Thus, the project would see its completion not earlier than 2019, i.e. a decade later

from its start. Clearly, the goods were not delivered despite passage of so much time and investment of hefty amount of public money.

Thus, PCMC gave a false certificate as to the availability of land for the project in the DPR. Knowing this fact well, PCMC still had sufficient time to acquire land required for the project before commencement of work in November 2009, as the DPR was prepared as early as in the year 2006. It was not understood as to how PCMC convinced UIDSSMT authorities of availability of required land, which was one of the important pre-requisites to commence the project of such a huge proportion.

When brought to notice, the Commissioner, PCMC stated that acquisition of land for WTP was under process and the matter was also raised with the GoM for early action, as soon as the land was acquired, the work of WTP would be executed.

Reply is not acceptable since commencement of work when the sites for execution of work were not acquired led to the project remaining incomplete even after incurring expenditure of Rs 104.30 crore (including liability to pay Rs 15.51 crore) for almost two years now. The project would see completion after four years from date of land acquisition for WTP i.e. not earlier than in the year 2019. Till this period, the investment incurred would remain blocked and the citizens of Parbhani would be deprived of getting the benefit of piped water supply. Further, deterioration in structures and machineries/ equipment due to weathering / wear & tear can not be ruled out. This may result into extra expenditure on replacements/repairs etc.

This is brought to notice of Urban Development Department of Govt. of Maharashtra(GoM) for comments.

The documents in the records of PCMC for any eventuality and in case of the work. These documents were not produced for audit scrutiny.

The Measurements were recorded on 19/06/2013 for the Sub-work costing Rs 1,24,78,278 as per 7th R.A bill. As the electrical components in the Sub-work were not commissioned and billed a part rate of 40 per cent of agreed cost only was considered. Considering 49.47 per cent of the cost of the Sub-work comes to Rs 2,44,22,910 (one of total claim of Rs 25,36,75,343 as 7th R.A Bill).

The 7th R.A Bill was not yet paid, but was recorded and liability was created for PCMC to make payment. Though, this Sub-work belonged to Phase I of the Water Supply Project, billing and commissioning of its components could not be done unless the project (Phase I) is complete.

Para 2 : Parbhani water supply scheme : installation of heavy electrical machinery worth Rs 2.45 crore without possibility of its utilisation for a long period

M/E
Water Supply

In Phase I of Parbhani water supply scheme, Sub-work no. 6 of Raw water pumping machinery 440 BHP VT pumps comprising of electrical components was sub-let by the contractor M/s Maharashtra Agencies to M/s Jyoti Ltd.

As per the estimate prepared by Maharashtra Jeevan Pradhikaran (MJP), the scope of this Sub-work was as under :

Providing, erecting, commissioning and testing Vertical Turbine (VT) pumpset of following HP of Kirloskar or Jyoti make with all required electrical equipments like panel board / ACB / OCB all types of sluice valves, NRVs at delivery upto mentioned (site) complete. 4 X 440 BHP VT Pumps 4 no.s (including 100 % standby) discharging 846.93 cum / Hr against Head 84 m. (Cost as per detail items enclosed.)	Rs 1,51,87,689
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The detailed items of this Sub-work were providing, erecting, commissioning and testing of VT pumps, CIDF Sluice Valves, CIDF Reflux Valves, Kinetic Air Valves, MSDF Pipes & Specials, Pressure Guages, Motors, LT Panels, Motor Starters, Transformers, Sub-station, 11 KV VCB Panel, Relay & Metering panel, Outdoor ACB Panel, Cables, Earthing, Hand Operated Crane, etc.

M/s Maharashtra Agencies submitted the Sub-work designs and drawings prepared by M/s Jyoti Ltd. in October 2012 to PCMC, which were approved by MJP on 06/02/2013. Apart from these details, documents of sub-contract, bills of work done by the sub-contractors, Guarantee / Warrantee of the heavy electrical equipment components installed, defect liability of M/s Jyoti Ltd. etc. were not on record. These documents were of utmost importance and needed to be maintained in the records of PCMC for any eventuality and in aid of the work. These documents were not produced for audit scrutiny.

The Measurements were recorded on 19/06/2013 for the Sub-work costing Rs 1,22,78,220 as per 7th R A bill. As the electrical components in the Sub-work were not commissioned and tested, a part rate of 80 per cent of agreed cost only was considered. Considering 99.45 per cent above rate, cost of the Sub-work comes to Rs 2,44,88,910 (out of total claim of Rs 15,50,73,841 in 7th R A Bill).

The 7th R A Bill was not yet paid, but was recorded and liability was created for PCMC to make payment. Though, this Sub-work belonged to Phase I of the Water Supply Project, testing and commissioning of its components could not be done unless the project (both Phases) is complete.

Phase I is still incomplete and Phase II has 48 months completion period by conservative

estimate the project in totality would take off not earlier than 2019. In such a situation testing and commissioning of electrical components in the Sub-work remained suspended. These electrical components costing Rs 244.89 lakh remained without use for almost two years after their installation and would remain without any utilisation for a long time to come. This would result not only in lapse of guarantee / warrantee of these components and defect liability on part of M/s Jyoti Ltd. the sub-contractor (if any) but also in their deterioration with age.

When pointed out, the Commissioner, PCMC stated that all requisite documents such as sub-contract agreement executed between M/s Maharashtra Agencies and M/s Jyoti Ltd under aegis of PCMC to carry out the Sub-work, guarantee / warrantee on the heavy electrical equipments from M/s Jyoti Ltd., defect liability clause and bills received by M/s Maharashtra Agencies from M/s Jyoti Ltd for execution of work, etc would be obtained from the contractor and put on record.

Reply is not acceptable since installation of heavy electrical pumping machinery without any possible utilization for a considerable period has led to blocking up of Rs 2.45 crore. Further, its deterioration with age and lapse of its guarantee / warrantee / defect liability entailing further avoidable expenditure on their replacements/repairs can not be ruled out. This is brought to notice of UDD of Govt. of Maharashtra for comments.

Further CVC Circular dated 17/02/2011 states that

- BQs taken towards security of Mobilisation Advance should be atleast 110 per cent of the advance so as to enable recovery of principal as well as interest amounts.
- The Mobilisation Advance should not be paid in less than two instalments in order to keep check on the contractor maintaining the full amount of advance, when work is delayed considerably.

The Phase II of work of augmentation to Parikhani Water Supply Scheme under UIDSSMT was awarded to M/s R & B Infra Project Pvt. Ltd., Mumbai at 111.73 per cent above the cost per tender of Rs 41,30,32,716/- on 17/02/2012. The contract was a B-1 tender, which did not provide for Mobilisation Advance to be paid to the contractor by the PCMC.

The issue of Mobilisation Advance arose in the Pre-bid Conference held on 24/10/2011 wherein PCMC stated that such advance could not be given as per B-1 contract conditions, however the issue would be placed before the General Body.

3

Para 3 : Payment of Mobilisation Advance of Rs 2 crore defying contract conditions

Government of Maharashtra has explicitly disallowed Mobilisation Advance to be paid to contractors. Central Vigilance Commission (CVC) has time and again issued guidelines regarding payment of Mobilisation Advance. As per CVC Circular dated 10/04/2007,

M. Engle
Water Supply

- The Commission discourages payment of interest free Mobilisation Advance to contractors.
- However, if felt necessary it should be clearly stipulated in tender document upfront and its recovery should be time based and not linked with progress of work. This is to curb misuse of such advance.
- Part Bank Guarantees (BGs) against the Mobilisation Advance should be taken in as many numbers as the proposed recovery instalments and should be equivalent to the amount of each instalment. This would ensure that at any time even if the contractor's money on account of work done is not available with the organisation, recovery of such advance could be ensured by encashing the BG for the work supposed to be completed within a particular period of time.
- There should be a clear stipulation of interest to be charged on delayed recoveries.
- Utilisation Certificate from the contractor for the Mobilisation Advance should be obtained.

Further CVC Circular dated 17/02/2011 states that

- BGs taken towards security of Mobilisation Advance should be at least 110 per cent of the advance so as to enable recovery of principal as well as interest amounts.
- The Mobilisation Advance should not be paid in less than two instalments in order to keep check on the contractor misutilising the full amount of advance, when work is delayed considerably.

The Phase II of work of augmentation to Parbhani Water Supply Scheme under UIDSSMT was awarded to M/s R. & B Infra Project Pvt. Ltd., Mumbai at 111.73 per cent above the cost put to tender of Rs 41,30,32,716/- on 13/01/2012. The contract was a B-1 tender, which did not provide for Mobilisation Advance to be paid to the contractor by the PCMC.

The issue of Mobilisation Advance arose in the Pre-bid Conference held on 24/10/2011 wherein PCMC stated that such advance could not be given as per B-1 contract conditions, however the issue would be placed before the General Body.

10

On 07/09/2012 the contractor applied for Mobilisation Advance in order to procure material required for the work with the condition that the advance might be deducted @ 10 per cent from his bills. On 28/09/2012 PCMC General Body (Decision no. 41) approved the same. The contractor was paid the Mobilisation Advance of Rs 2 crore on 29/09/2012 alongwith payment of his 2nd R A Bill for Rs 1.77 crore.

In this regard, the following observations were made –

1. The Mobilisation Advance of rupees two crore was given to the contractor, although the contract document did not have any provision for the same.
2. The Mobilisation Advance was given interest-free without any written agreement as to terms of re-payment, re-payment tenure, rate of penal interest in case of late re-payment, etc. Further, in order to safeguard its interest and in aid of timely work execution, PCMC did not take corresponding Bank Guarantee from the contractor.
3. The work was lost measured on 28/09/2012 and 3rd R. A bill was paid (gross upto date work done worth Rs 4.35 crore and net amt. Rs 54.84 lakhs). Scrutiny of R. A bills revealed that the contractor had so far only supplied the material required for the work. Despite payment of the Mobilization Advance, work had remained stranded for more than 2 ½ years now. Thus, after receiving the Mobilization Advance of 2 crore, the contractor did not execute much work. The payment of Mobilization Advance instead of supplementing the pace of work, turned out to be an undue source of financial benefit to the contractor.
4. Instead of deducting 10 per cent of Mobilization Advance amounting to Rs 20 lakh from R A Bill no. III, only Rs 5,48,379/- was deducted.

The Commissioner, PCMC in reply stated that necessary Bank Guarantee and utilization certificate for the amount of advance would be obtained from the contractor.

Reply is not tenable as payment of Mobilization Advance of rupees two crore without charging any interest and without any provision for the same in the contract document was highly irregular and proved to be an undue source of financial benefit to the contractor.

The matter is brought to notice of UDD, Govt. of Maharashtra for comments.

Para 4 : Non-recovery of Rs 93.14 lakh as Labour Welfare Cess from bills of contractors

As per the provisions of Building and Other Construction Labour Welfare Cess Act, 1968 read with Building and Other Construction Labour (Employment and Service Conditions) Act, 1998, one per cent Labour Welfare Cess on the amount of construction cost (excluding cost of land) is required to be deducted from the bills paid to the contractors

M/Engg
Water supply

GOM vide Industry, Energy and labour Department circular No. BCA-2007 / Pr.Kr.123 / Labour 7A dated 26/10/2009 and Rural Development Department circular No. Misc-2009/ Pr.Kr.123 / Labour 7 dated 30/10/2009 reiterated deduction of Labour Welfare Cess @ one per cent of the total cost of work (excluding cost of land) from the bills of executing agencies / contractors and its remittance to Maharashtra Labour Welfare Board, Mumbai.

Further Chief Engineer, Project Management Consultancy Services, Maharashtra Jeevan Pradhikaran, Pune vide letter no 231 / 2011 dated 14/12/2011 while analysing 'above' quotation received in tendering process of work of augmentation to Parbhani Water Supply Scheme under UIDSSMT (Phase II) has instructed PCMC to recover Labour Welfare Cess from the bills payable to contractor and deposit the same with Government of Maharashtra.

Running account bills of work of augmentation to Parbhani Water Supply Scheme under UIDSSMT (Phase II) revealed that Labour Welfare Cess was not being deducted despite explicit instructions. The last R A Bill (numbered III) was paid with gross upto date work done worth Rs 4.35 crore. Accordingly, Labour Welfare Cess amounting to Rs 4.35 lakh should have been recovered.

Similarly, Labour Welfare Cess was not being deducted from R A Bills relating to Phase I of the above work, which was entrusted to contractor in August 2009. The last Running account bill (numbered VI) was paid with gross upto date work done worth Rs 88.79 crore. Hence, Rs 88.79 lakh should have been recovered as Labour Welfare Cess from the bills.

The Commissioner, PCMC in reply stated that Labour Welfare Cess was not deducted from Phase I work as it was not included in the estimate and that in case of Phase II work it would be deducted henceforth.

The reply is not tenable as deduction of Labour Welfare Cess was a mandatory deduction to be made as prescribed by Government of India and was not to be loaded in the estimate. It was needed to be deducted from payment made to the contractors and deposited in an account earmarked by GoM in aid of welfare of labourers.

Non-deduction of Labour Welfare Cess amounting to Rs 93.14 lakh was thus highly irregular and is brought to notice of UDD of Govt. of Maharashtra for comments.

As per Rule 129-B of Maharashtra Civil Service (Pension) Rules 1992, (1) If the payment of pension has been authorized after six months from the date when the payment became due and it is clearly established that the delay in payment was due to delay in administrative paper work, a sum of 10 per cent per annum on the amount of pension in respect of the period beyond six months shall be paid (2) On an application made by the pensioner the concerned Administrative Department in Maharashtra shall consider the request for payment of interest and where the Department is satisfied that the delay in the payment of pension was caused on account of administrative paper work, that department shall make a recommendation to the Finance Department for the payment of interest. (3) If the recommendation of the Department is accepted (2) is accepted by the Finance Department, the Department concerned shall issue Government sanction for the payment of interest. (4) In all cases where the payment of interest has been authorized with the concurrence of the Finance Department, the Department concerned shall be the responsibility and take disciplinary action against the Government servant or servants concerned who are found responsible for the delay in the payment of pension and interest the amount of interest required to be paid from the Government servant, or servants concerned, including the concerned officer, who are found responsible for the delay in the payment of pension.

Records revealed that PCMC had not forwarded pension cases to the office of the Accounts General (A&E) II, Maharashtra Neger, being person authorizing authority of following retired Government servants.

Sr	Name of the retired Government Servant	Date of Retirement	Pension Contribution (Rs.)		Leave salary contribution (Rs.)	
			Due	Paid	Due	Paid
1	Shri. P. V. Joshi	30/08/2013	1,52,730	1,52,730	1,52,730	1,52,730
2	Shri. P. A. Gokhad	31/08/2013	7,08,931	Nil	7,08,931	Nil
3	Shri. H. A. Mahi	31/10/2012	1,95,781	Nil	1,95,781	Nil
4	Shri. K. M. Joshi	31/12/2012	3,43,481	Nil	3,43,481	Nil
5	Shri. J. D. Deshpande	31/01/2013	2,48,730	Nil	2,48,730	Nil
6	Shri. B. S. Dhar	30/05/2013	2,07,731	Nil	2,07,731	Nil
7	Shri. K. G. Joshi	31/03/2013	1,54,730	Nil	1,54,730	Nil
		31/03/2014	1,07,490	Nil	1,07,490	Nil
		30/06/2014	2,72,401	Nil	2,72,401	Nil

Para 5: Non finalization of pension cases due to non remittances of Rs 52.02 lakh as pension/leave salary contribution

As per Rule 129-B of Maharashtra Civil Services (Pension) Rules 1982, (1) if the payment of pension has been authorized after six months from the date when its payment became due and it is clearly established that the delay in payment was attributable to administrative lapse, interest @ 10 per cent per annum on the amount of pension in respect of the period beyond six months shall be paid (2) On an application made by the pensioner the concerned Administrative Department in Mantralaya shall consider the request for payment of interest and where the department is satisfied that the delay in the payment of pension was caused on account of administrative lapse, that department shall make a recommendation to the Finance Department for the payment of interest. (3) If the recommendation of the Department made under sub-rule (2) is accepted by the Finance Department, the Department concerned shall issue Government sanction for the payment of interest. (4) In all cases where the payment of interest has been authorized with the concurrence of the Finance Department, the Department concerned shall fix the responsibility and take disciplinary action against the Government servant or servants concerned who are found responsible (for the delay in the payment of pension and recover the amount of interest required to be paid from the Government servant, or servants concerned, including the concerned officer, who are found responsible for the delay in the payment of gratuity).

Records revealed that PCMC had not forwarded pension cases to the office of the Accountant General (A&E) II, Maharashtra Nagpur, being pension authorizing authority of following retired Government servants.

Sr	Name of the retired Government Servant	Date of Retirement	Pension Contribution (Rs)		Leave salary contribution (Rs)	
			Due	Paid	Due	Paid
1	Shri. P.G.Jadhav	30/06/2012	1,57,230	1,57,230	1,35,468	1,35,468
2	Shri. P.A.Gaikwad	31/08/2012	3,08,921	Nil	2,15,033	Nil
3	Shri. M.A.Matin	31/10/2012	1,90,343	Nil	1,18,650	Nil
4	Shri. K.M.Jadhav	31/12/2012	3,43,403	Nil	2,29,832	Nil
5	Shri. J.D.Deshmukh	31/01/2013	3,46,730	Nil	2,32,297	Nil
6	Shri. B.S.Dhere	30/06/2013	3,03,613	Nil	2,35,623	Nil
7	Shri. M.G.Dahale	31/08/2013	4,16,301	Nil	2,73,448	Nil
8	Shri. B.S.Deshmukh	31/12/2013	3,54,029	Nil	2,43,736	Nil
9	Shri.D.N.Kalane	31/05/2014	3,67,490	Nil	2,43,121	Nil
10	Shri. P.S.Bansode	30/06/2014	2,71,661	Nil	2,14,912	Nil
11	Shri. H.D.Sable	25/06/2014 (Death)	00	Nil	00	Nil
			30,59,721	1,57,230	21,42,120	1,35,468

From the table it is seen that PCMC had not paid pension and leave salary contribution to Government leading to non-finalisation of pension cases, which in turn resulted in financial hardship to pensioners. For the plight of the pensioners only PCMC could be held responsible

In audit details of PCMC employees that had retired and whose pension cases remained un-finalized were called for alongwith similar details of employees who had come on deputation / foreign service to PCMC and their pension and leave salary contribution were to be remitted to Government account.

In reply, the Commissioner, PCMC stated that on 25/03/2015 nine out of 11 pension cases were forwarded to office of AG(A&E), Nagpur and in one case, pension and leave salary contributions were deposited with Government. Further progress may be intimated to audit.

Completion criteria	Schedule
Setting up of waste processing and disposal facilities	By 31 December 2007 or earlier
Monitoring the performance of waste processing and disposal facilities	Cont. in all months
Implementation of existing landfill sites as per provisions of these rules	By 31 December 2007 or earlier
Identification of landfill sites for future use and closure of same	By 31 December 2007 or earlier

Records revealed that on 13/06/2006 Maharashtra Pollution Control Board (MPCB) gave prohibitive notice under Section 15 of Environment (Protection) Act, 1986 to PCMC for dumping of the MSW directly in open, without scientifically processing / treating it. GOM vide TDD resolution dated 16/10/2006 prescribed scientific processing of MSW and developer to provide land fill site for the purpose by 30/06/2007. Further, GOM vide DDD letter dated 22/06/2013 reiterated the prime responsibility of Local Bodies to scientifically process the MSW and develop adequate infrastructure for the purpose, in line with decision of High Court in writ petition no. 1240/1995.

PCMC Council Body on 10/03/2007 decided to construct an MSW management and structure on land owned, own and transfer (DOT) basis on 240 Ha. land at Barwadi, Ghodghod Road, Pashan. As per the notice inviting tender, Pashan city produced 80 to 100 MT MSW daily. PCMC Council Body on 09/10/2007 approved offer of M/s Systems Technology (P) Ltd. New Mumbai. (Agreed) with work as mentioned in above table on 11/10/2007 to carry out the

15

PART II (B) : OTHER IRREGULARITIES

✓ **Para 6 : Illegal disposal of municipal solid waste over the years and failure to encash bank guarantee worth Rs 10 lakh**

Kalam Lai

The Municipal Solid Wastes (Management & Handling) Rules, 2000 issued by Government of India apply to every municipal authority responsible for collection, segregation, storage, transportation, processing and disposal of municipal solid waste (MSW). The Twelfth Finance Commission (12FC) while extending special grants to Urban Local Bodies emphasized the need for solid waste management and earmarked grant for the purpose.

Rule 4 of these rules stipulated the following implementation schedule for the development of infrastructure and services for the solid waste management.

Completion criteria	Schedule
Setting up of waste processing and disposal facilities	By 31 December 2003 or earlier.
Monitoring the performance of waste processing and disposal facilities.	Once in six months.
Improvement of existing landfill sites as per provision of these rules.	By 31 December 2001 or earlier.
Identification of landfill sites for future use and making sites ready for operation.	By 31 December 2002 or earlier.

Records revealed that on 13/06/2006 Maharashtra Pollution Control Board (MPCB) gave prosecution notice under Section 15 of Environment (Protection) Act, 1986 to PCMC for disposing off the MSW directly in open, without scientifically processing / treating it. GOM vide UDD resolution dated 16/10/2006 prescribed scientific processing of MSW and developing a proper land fill site for the purpose by 30/06/2007. Further, GOM vide UDD letter dated 22/04/2013 reiterated the prime responsibility of Local Bodies to scientifically process the MSW and develop adequate infrastructure for the purpose, in line with decision of High Court in writ petition no. 1740 / 1998.

PCMC General Body on 10/08/2007 decided to construct an MSW management infrastructure on build, operate, own and transfer (BOOT) basis on 2.40 Ha., land in Borwand, Gangakhed Road, Parbhani. As per the notice inviting tender, Parbhani city produced 60 to 100 MT MSW daily. PCMC General Body on 09/10/2007 approved offer of M/s Hydroair Tectonics (PCD) Ltd, Navi Mumbai, (Agency) with whom an agreement was entered into on 12/10/2007 to complete the project in 15 months on joint venture basis.

The processing capacity of the proposed project was 150 MT MSW daily. The Agency was to employ the technique of accelerated aerobic bio-conversion under controlled conditions to treat MSW to produce fertilizer and Refused Derived Fuel (RDF). PCMC had to collect MSW and provide it to Agency on daily basis at site and latter was to process it.

The cost of project was Rs 750 lakh of which PCMC was to contribute 25 per cent (Rs 187.50 lakh from 12FC funding), Agency 25 per cent (Rs 187.50 lakh) and rest 50 per cent (Rs 375 lakh) was to be raised by Agency by way of loan. The fund from all three sources was to be culled in a joint account and expenditure incurred therefrom towards execution of work. The period of operation of project on joint venture basis was 30 years.

As per contract condition 2, Agency was to obtain authorization from MPCB, approval from State Screening Committee, technical sanction for various estimates from competent authorities and administrative approval from 12FC within the first three months. Within 15 days of completion of work as per condition 2, Agency was bound to submit a work programme based on PERT / CPM techniques. PCMC was expected to check progress of work vis-à-vis submitted work programme. Further, condition no. 10 stipulated Agency to furnish a bank guarantee worth Rs 10 lakh to Council and keep the same valid by renewing it every year, till repayment of loan. PCMC was empowered to put an end to the contract with Agency by tendering a month's advance notice.

Pace of work execution was not satisfactory as per the provisions of contract, hence PCMC on 20/08/2008, 05/10/2010, 30/12/2010 and 03/01/2011 issued notices to Agency to speed up the work.

In the meanwhile MPCB vide letter dated 30/04/2013 stated that PCMC had dumped unprocessed MSW at Borwand without valid MPCB authorization over the years hence the site was to be discontinued with immediate effect being unsuitable for further such use. The letter further stated that it was indispensable for PCMC to earmark another site for the purpose under approval of MPCB and submit a definite course of action to be followed in this direction with bar chart.

In DO letters dated 24/09/2013 and 27/01/2014 MPCB reprimanded PCMC for not heeding to instructions contained in letter dated 30/04/2013 and stated that 64 MT unprocessed MSW per day was being illegally dumped at Borwand. PCMC had neither identified an alternate site nor obtained authorization from MPCB authorities in the wake of which impending stringent action was notified.

It was observed that on 02/02/2014 PCMC applied to MPCB for authorisation for site at Borwand despite explicit and strong directives of MPCB to discontinue with it.

PCMC General Body on 01/03/2014 decided to cancel the contract with M/s Hydroair Tectonics (PCD) Ltd, Navi Mumbai and issued letter to Agency to that effect on 12/08/2014.

PCMC till date of audit could neither get a No Objection Certificate from the District Collectorate for land fill site at Borwand nor authorization from MPCB.

In this regard following observations were made :

1. There was undue delay in adopting to the prescription of Municipal Solid Wastes (Management & Handling) Rules, 2000, to set up an infrastructure to treat MSW as soon as was practical for PCMC.
2. There was an undue delay on part of PCMC to terminate the contract with M/s Hydroair Tectonics (PCD) Ltd, Navi Mumbai. It was not understood why the contractual condition of one month advance notice was not invoked to terminate the contract earlier and rope in another agency to expeditiously establish the essential infrastructure.
3. PCMC did not effectively monitor progress of work to timely enforce provisions of contract. As a fall out of such neglect, PCMC failed to encash Rs 10 lakh bank guarantee from the defaulting Agency.
4. A 'risk and cost' clause was not incorporated in the contract to ensure financial and performance commitment from Agency.
5. Despite strict directives from MPCB, PCMC continued with the already saturated Borwand site. MPCB had explicitly warned of stringent criminal action against PCMC for illegally using Borwand site for disposing untreated MSW.

In reply, the Commissioner, PCMC accepted that as M/s Hydroair Tectonics Ltd failed to execute work as per contract conditions, PCMC could not provide funds for the project and Bank Guarantee of Rs 10 lakh remained to be encashed. He further stated that action of getting authorization from MPCB was underway, search for an alternate site was being done and that as alternate site was not decided new agency to carry out work could not be appointed.

Reply is not acceptable as the action taken by PCMC to dispose off MSW without any authorization from MPCB since the year 2007 is illegal. Thus led to pollution thereby threatening the ecology in the areas surrounding Borwand. MPCB had warned of criminal action against PCMC for illegally using Borwand site There seems a high likelihood that course of action of

PCMC may end in regret. Further, PCMC failed to encash the bank gurantee Rs. 10 lakh for default on the part of agency. This is brought to notice of GOM for comments

maintenence of General Provident Fund (GPF) account of for the employees. The individual GPF account in respect of each employee should show the amount of the subscription, the Municipal contribution and interest accrued thereon. For the purpose, a PF Ledger in Form 89 and a Broad Sheet (in Form 90) are to be maintained. Transactions are to be entered into the Ledger as soon as practicable but not later than the last day of the month in which they take place. A PF Cash Book is also to be maintained in Form 100 to show the balance of the credit of GPF Account.

Scrutiny of records relating to GPF in PCMC led to following observations:

- Records for the month of March 2014 revealed that out of 492 employees with PCMC, subscription in respect of only 121 employees (i.e. less than 25 per cent employees) was being deducted from their monthly salary.
- The GPF subscription was less than the prescribed minimum 4 percent of Basic Pay plus Grade Pay in all these cases, except one employee.
- The GPF subscription deducted from employee's salary every month was not being credited to GPF Account as per the norms laid. The position of interest on previous year's GPF closing balance, GPF subscription of current year and interest thereon for the last two years was as under which was not credited to the GPF Account till the date of audit (March 2014).

Month	Amount of GPF Subscription (Rs.)	
	2012-13	2013-14
Q.A.	1046,007	36,33,436
April	72,300	72,400
May	72,100	72,400
June	72,000	72,400
July	70,500	72,100
August	70,200	71,700
September	69,800	71,400
October	69,500	71,100
November	69,200	70,800
December	68,900	70,500
January	68,600	70,200
February	68,300	69,900
March	68,000	69,600
Total (over last year)	5,45,200	7,15,000
Interest on GPF	2,45,800	2,45,800



(17)

Para 7: Irregularities in maintenance of General Provident Fund

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Rule 134 of the Maharashtra Municipal Account Code, 1971 prescribes for methodology for maintenance of General Provident Fund (GPF) account of for the municipal employees. The individual GPF account in respect of each incumbent should show the amount of his subscription, the Municipal contribution and interest accrued thereon. For the purpose, a PF Ledger (in Form 98) and a Broad Sheet (in Form 99) are to be maintained. Transactions are to be entered into the Ledger as soon as practicable but not later than the last day of the month in which they take place. A PF Cash Book is also to be maintained in Form 100 to show the balance at the credit of GPF Account.

Scrutiny of records relating to GPF in PCMC led to following observations.

- Records for the month of March 2014 revealed that out of 691 employees with PCMC, subscription in respect of only 121 employees (i.e. less than 18 per cent employees) was being deducted from their monthly salary.
- The GPF subscription was less than the prescribed minimum 6 per cent of Basic Pay plus Grade Pay in all these cases, except one employee.
- The GPF subscription deducted from employee's salary every month was not being credited to GPF Account as per the norms *ibid*. The position of interest on previous year's GPF closing balance, GPF subscription of current year and interest thereon for the last two years was as under which was not credited to the GPF Account till the date of audit (March 2015).

Month	Amount of GPF Subscription (Rs)	
	2012-13	2013-14
O.B.	3046,007	36,55,426
April	32,600	23,400
May	32,100	23,400
June	32,000	23,400
July	30,500	22,100
August	30,400	21,500
September	29,800	21,400
October	29,800	21,300
November	29,800	21,300
December	29,800	21,300
January	29,000	19,000
February	22,100	18,900
March	21,900	18,800
Total (current year)	3,49,800	2,55,800
Interest on current year	15,938	11,483
Interest on OB	2,43,681	2,92,434

Grand Total	36,55,426	42,15,142
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- PCMC had maintained the GPF Account in State Bank of India, Parbhani bearing account no. 52071286207. The aggregate amount of GPF at the end of 2012-13 with interest was Rs.36,55,426 against which the bank scroll showed Rs.3,93,864 (difference of Rs.32.61 lakh). Similarly, at the end of 2013-14, GPF balance was Rs.42,15,142 and bank scroll showed balance of Rs.1,26,349 (difference of Rs 40,88,793).

- Thus, balance in GPF Bank Account was considerably small, pointing out to a suspected misappropriation of the long accumulating fund corpus. This required adequate clarification with reasons for improper maintenance of GPF account.

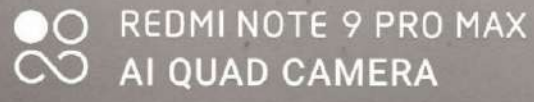
- The Ledger (for each individual) which was required to be completed / closed upto August of succeeding year after allowing the interest for that particular year was not closed for the year 2013-14 till date of audit. Further, the Ledger for the period under consideration did not bear signature of any authority as a token of correctness of the entries made therein. Due to this, the exact amount of GPF could not be verified.

- Broad Sheet was not maintained for GPF Account of any employee.
- PCMC did not maintain the GPF Cash Book.
- The yearly GPF Slips detailing the balance and monthly subscriptions were not being issued to the employees.

Thus, PCMC did not have proper GPF records. In most cases there was no GPF subscription from the monthly salary and where the monthly subscription was being collected, there was unduly long delay in crediting the same in GPF Account. PCMC had adopted a haphazard procedure for maintenance of GPF account. It was not understood as to how PCMC was settling the GPF Accounts of incumbents on their retirement.

When pointed out, the Commissioner, PCMC stated that due to delayed monthly salaries and late credit of GPF deductions in bank account the employees had opted out of GPF. A detailed enquiry would be instituted to probe difference between the actual total deductions and the GPF bank balance amount. The GPF accounts would be sorted out and produced at the time of next audit.

Progress made in this regard may be intimated to audit.



Para 8 : Payment of interest on delayed payment of DCRG and Leave Encashment

As per Rule 129-A of Maharashtra Civil Services (Pension) Rules 1922, (1) if the payment of gratuity has been authorized after three months from the date when its payment became due and it is clearly established that the delay in payment was attributable to administrative lapse, interest on the amount of gratuity in respect of the period beyond three months shall be paid, (2) On an application made by the pensioner the concerned Administrative Department in Mantralaya shall consider the request for payment of interest and where the department is satisfied that the delay in the payment of gratuity was caused on account of administrative lapse, that department shall make a recommendation to the Finance Department for the payment of interest. (3) If the recommendation of the Department made under sub-rule (2) is accepted by the Finance Department, the Department concerned shall issue Government sanction for the payment of interest, (4) In all cases where the payment of interest has been authorized with the concurrence of the Finance Department, the Department concerned shall fix the responsibility and take disciplinary action against the Government servant or servants concerned who are found responsible (for the delay in the payment of gratuity and recover the amount of interest required to be paid from the Government servant, or servants concerned, including the concerned officer, who are found responsible for the delay in the payment of gratuity).

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Records revealed that following payments were made by PCMC towards interest on delayed payment to pensioners.

Sr. No	Amount of Voucher (Rs)	Voucher No. / Date	Interest on delayed payment of			
			DCRG (Rs)	Leave Encashment (Rs)	Commution (Rs)	Increment Arrears (Rs)
1	67,568	1245/ 16-8-2013	76,296	23,569	--	--
2	71,707	1246/ 16-8-2013	50,498	27,620	--	--
3	2,70,258	1247/ 16-8-2013	1,14,349	56,587	--	--
4	56,207	1248/ 17-8-2013	60,352	49,006	--	--
5	36,925	1249/ 17-8-2013	39,047	35,560	--	--
6	34,813	1250/ 17-8-2013	33,003	38,854	--	--
7	17,348	-----/ 22-11-12	9,799	1,410	9,311	1,028
Total			291,087	2,31,196	9,311	1,028

PCMC made these payments without any concurrence of Finance Department. More over no responsibility was fixed and disciplinary action taken against Government servant (s) causing delay in payment of gratuity. As per norms, interest paid on account of delay was needed to be recovered from the officers / officials responsible for such delay.

delay in payment of gratuity. As per norms, interest paid on account of delay was needed to be recovered from the officers / officials responsible for such delay.

In this connection, the circumstances and authority under which the interest was paid, (especially when there was no provision for interest payment on delayed payment of Leave Encashment, Commutation and Pay Arrears) were called for in audit.

In reply, the Commissioner, PCMC stated that ex-post-facto approval of interest paid on delayed payment of Leave Encashment, Commutation and Pay Arrears would be obtained from CiM.

The reply is not tenable since interest was not payable on delayed payment of leave encashment, commutation and pay arrears. In respect of interest paid on delayed payment of gratuity responsibility needed to be fixed and interest amount be recovered from official responsible for delayed payment.

The matter is brought to notice of UDD for comments.

Bank	11/2014 to 12/2014	11,300
Bank	01/2015 to 12/2014	12,300
Bank	01/2015 to 12/2014	22,350
Savings Acct.	10/2013 to 12/2014	1,77,150
SI	07/2014 to 12/2014	31,300
Mahesh Bank	01/2013 to 12/2014	261,300
Yashwanth Bank	01/2013 to 12/2014	1,06,300
Alhambra Bank	01/2013 to 12/2014	61,300
Janakaram Society	01/2013 to 12/2014	47,300
Maheshwari Society	02/2013 to 10/2014	1,96,300
Smart Society	07/2014 to 12/2014	10,300
SB of Hyderabad	07/2014	27,300
Coast	12/2014	1,300
GIS	12/2014	11,300
Grand Total		1,00,15,813

When reasons for non-crediting of huge salary deductions in respective heads were called for, PCMC stated that salary grants were being received late hence the delay in crediting the salary deductions. PCMC further stated that part of Profession Tax, GIS, LIC and Salary Bonus were credited, however, no records in support were produced for verification.

Reply is not tenable. Non-crediting of huge salary deductions is a serious matter and PCMC had made it a matter of routine practice to retain such deductions over a considerable long period. Program should be crediting the above amount in respective accounts may be initiated to rectify.

Para 9 : Non-crediting of salary deductions amounting to Rs one crore

As per Maharashtra Panchayat and Municipal Council Act 1965, in a Municipal Corporation all salary deductions are required to be credited to respective heads immediately after they are made.

Records relating to salary revealed that till December 2014, various salary deductions totaling to Rs.1,00,15,812 had not been credited to Government Account or respective head of accounts. These deductions pertained to the period as early as April 2011 and are detailed below.

Head of Account	Period involved	Uncredited amount (Rs)
Pro. Tax	07/2014 to 12/2014	9,36,470
GPF	04/2011 to 12/2014	23,58,798
LIC	09/2014 to 12/2014	45,12,867
PDCC Bank	01/2013 to 02/2014	11,02,000
Jintur Bank	01/2013 to 09/2013	30,000
Kisan Bank	11/2014 to 12/2014	11,000
Peoples Bank	01/2013 to 12/2014	12,500
Baroda Bank	01/2013 to 12/2014	92,550
Sangli Urban	01/2013 to 12/2014	89,600
Suwarna Bank	10/2013 to 12/2014	1,77,150
SBI	07/2014 to 12/2014	31,500
Mahesh Bank	01/2013 to 12/2014	2,04,200
Yashwant Bank	01/2013 to 12/2014	1,06,000
Allahabad Bank	01/2013 to 12/2014	68,000
Jankalyan Society	01/2013 to 02/2014	47,000
Maheshwari Society	02/2013 to 10/2014	1,06,050
Smarth Society	07/2014 to 12/2014	18,000
SB of Hyderabad	07/2014	23,607
Court	12/2014	5,000
GIS	12/2014	83,520
Grand Total		1,00,15,812

When reasons for non-crediting of huge salary deductions in respective heads were called for, PCMC stated that salary grants were being received late hence the delay in crediting the salary deductions. PCMC further stated that part of Profession Tax, GIS, LIC and Jintur Bank were credited, however, no records in support were produced for verification.

Reply is not tenable Non-crediting of huge salary deductions is a serious matter and PCMC had made it a matter of routine practice to retain such deductions over a considerably long period. Progress made in crediting the above amount in respective accounts may be intimated to audit.

24

Para 10 : Outstanding recovery of Property, Mobile Tower and other taxes.

PCMC is required to recover property tax, water tax etc. from citizens of Parbhani regularly on time towards services rendered by it. The Commissioner, PCMC should ensure recovery of taxes not less than 70 per cent during a year.

(A) Scrutiny of records revealed that an amount of Rs.1324.14 lakh was outstanding for recovery towards Property tax and other taxes as on 31/01/2014 as detailed below.

(Rupees in lakh)

Tax inspec Kulkarni	Sr. No	Type of Tax	Previous outstanding	Demand during 2013-14	Total	Recovery made	Balance to be recovered	Percentage of recovery
	1	Property Tax	376.95	227.13	604.08	329.24	274.84	54.50
	2	Education Cess	29.36	14.40	43.76	20.52	23.24	46.89
	3	EGS Cess	7.36	5.75	13.11	7.60	5.51	57.97
	4	Water Cess	951.39	287.34	1238.73	218.18	1020.55	17.61
		Total			1899.68	575.54	1324.14	

From the above it was observed that percentage of recovery of all taxes were ranging between 17.61 to 54.50% and specially recovery of Water Tax was (only 17.61 per cent) were is very poor. Thus, PCMC failed to effect adequate recovery of taxes from the citizens of Parbhani.

(B) Outstanding recovery of Mobile Tower Tax Rs.1.14 crore

As per rule 45 of Maharashtra Regional & Town Planning Act 1966, development charges are recoverable from the Companies of Mobile Tower. Accordingly, demand should be assessed and raised from time to time from the Mobile Tower owners.

Records for the period ending March 2013 and March 2014 revealed that against 92 mobile towers in Parbhani, a considerable amount of tax was outstanding for recovery as under:

(Rs. in lakh)

Year	Old Outstanding	Current Demand	Total demand	Recovery made	Outstanding	Percentage recovery
2012-13	142.94	52.20	195.14	49.20	145.94	25.21
2013-14	145.94	58.20	204.14	90.42	113.72	44.29

On this being pointed out, the Commissioner, PCMC stated that the action for recovery was in progress through special drives and balance amount would soon be recovered.

Further progress of may be intimated to audit.

35

Para 11 : Outstanding recovery of shop rent.

Section 272 of Maharashtra Municipal Councils, Nagar Panchyats and Industrial Township Act, 1965 provides that rent on shopping blocks / centres should be recovered. From the licensee for carrying out of business activities. Accordingly, the rent should be assessed yearly demand for recovery of rent should be raised from the licensee..

Scrutiny of records revealed that a huge amount of shop rent was outstanding as under:

(Rs. in lakh)

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Year	Old outstanding	Current demand	Total demand	Recovery made	Outstanding	Recovery per cent
2011-12	49.17	33.43	82.60	35.97	46.63	43.54
2012-13	46.63	35.08	81.71	38.61	43.10	47.25
2013-14	43.10	32.25	75.35	58.77	16.58	75.97

PCMC had 482 shops and 45 shopping platform (otas). The monthly rent being charged was as low as Rs 15 (for shopping platforms at Kranti Chowk vegetable market) and Rs 30/- (for shops at old Mondha vegetable market, Fish market, New meat market, etc.) per sqm. The date from which above rates came into effect was not provided.

In reply the Commissioner, PCMC stated that efforts were being made to recover the outstanding at the earliest and revision of rates of rent was under consideration with PCMC General Body.

Further progress in this regard may be intimated to audit.

Section 26(A) of BMC Act provides power to Commissioner for demolition or reconstruction of constructed buildings or sheds infringing rules or by-laws.

Further, any person who contravenes any of the provisions of the Act or any requirement or obligation imposed by a bye-law as decided by authority under Regional & Town Planning Act, 1968 and Section 17 Authority shall take suitable action including award of penalty under section 33 of the MRTP Act and Section 26(A).

Records revealed that during years 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, 2023-24, 2024-25, 2025-26, 2026-27, 2027-28, 2028-29, 2029-30, 2030-31, 2031-32, 2032-33, 2033-34, 2034-35, 2035-36, 2036-37, 2037-38, 2038-39, 2039-40, 2040-41, 2041-42, 2042-43, 2043-44, 2044-45, 2045-46, 2046-47, 2047-48, 2048-49, 2049-50, 2050-51, 2051-52, 2052-53, 2053-54, 2054-55, 2055-56, 2056-57, 2057-58, 2058-59, 2059-60, 2060-61, 2061-62, 2062-63, 2063-64, 2064-65, 2065-66, 2066-67, 2067-68, 2068-69, 2069-70, 2070-71, 2071-72, 2072-73, 2073-74, 2074-75, 2075-76, 2076-77, 2077-78, 2078-79, 2079-80, 2080-81, 2081-82, 2082-83, 2083-84, 2084-85, 2085-86, 2086-87, 2087-88, 2088-89, 2089-90, 2090-91, 2091-92, 2092-93, 2093-94, 2094-95, 2095-96, 2096-97, 2097-98, 2098-99, 2099-00, 2100-01, 2101-02, 2102-03, 2103-04, 2104-05, 2105-06, 2106-07, 2107-08, 2108-09, 2109-10, 2110-11, 2111-12, 2112-13, 2113-14, 2114-15, 2115-16, 2116-17, 2117-18, 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Para 12 : Non-observance of provisions of MRTP Act in issue of Occupancy Certificate, conducting inspections and non imposition of penalty on irregular construction

T/P

Under the provisions of section 253 of Bombay Provincial Municipal Corporation (BPMC) Act, 1949, applications are being received in PCMC to erect buildings or to make additions etc. to the existing buildings. As per provisions contained in section 261 and 262, Municipal Corporations shall inspect progress of work and enforce provisions concerning building works.

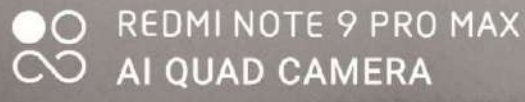
Municipal Commissioner may, at any time during erection of a building or execution of any such work as aforesaid or at any time within three months after completion thereof by written notice specify any matter in respect of which the erection of such building or execution of such work may be in contravention of any provision of this act or of any rule or bye-law and require the person erecting or executing (or who has erected or executed such building or work is not at the time of the notice the owner thereof, then the owner of such building or work) to cause anything done contrary to any such provision rule or bye-law to be amended, or to do anything which by any such provision, rule or bye-law may be required to be done but which has been omitted to be done.

Under section 263(2) no person shall occupy or permitted to occupy any such building or use or permitted to use the building or part thereof affected by any work until (a) permission has been received from the Commissioner in this behalf, or (b) The Commissioner has failed for 21 days after the receipt of the notice of completion to intimate his refusal or the said permission.

Section 263(A) of BPMC Act provides power to Commissioner for demolition or alteration of constructed huts or sheds infringing rules or bye-laws.

Further, any person who contravenes any of the provision of bye-laws of (Development Control Rule of city-II or any requirement or obligations imposed on him by virtue of these bye-laws be punished by a fine as decided by authority and as stipulated in section 52 of the Maharashtra Regional & Town Planning Act, 1968 and Section 399 of BPMC Act for development work. The Authority shall take suitable action including demolition of unauthorized work as stipulated under section 53 of the MRTP Act and Sections 267 and 478 of BPMC Act.

Records revealed that during years 2011-12, 2012-13 and 2013-14, PCMC issued 1818 building permits and as against these only four Occupancy Certificates were issued as tabulated below.



Year	No. of Building Permits issued	No. of Occupancy Certificates issued
2011-12	678	00
2012-13	671	02
2013-14	469	02
Total	1818	04

PCMC had not enforced the above provisions by linking mandatory issue of Occupancy Certificate with other essential services (say providing No Objection Certificate for electricity connection only to properties with Occupancy Certificates).

In audit action taken by PCMC against the persons occupying buildings without Occupancy Certificates and details of inspection carried out by PCMC were called for. The Commissioner, PCMC stated that due to shortage of concerned officers with PCMC, it was not possible to enforce the provisions mentioned above and conduct inspections.

2. Further records revealed that PCMC did not have any Development Control byelaws for planned development of Parbhani city and relied on GOM sanctioned Development Control and Promotion Regulations, 2013 for Municipal Councils. As a result, it did not have any penal provisions in cases of infringement of rules during building construction. PCMC did not have any statistics as to the number of houses / constructions in city without seeking its permission. It was observed that houses constructed without valid Building Permit from PCMC were regularized in due course of time without imposition of any penalty. Thus in such cases, not only PCMC was deprived of the Building Permits fees, but also of the amount of penalty leviable.

Inaction by the PCMC defeated the very purpose of City Survey and Town Planning Department's existence.

This is brought to notice of UDD for comments.

Para 13 : Shrinking Property Tax collection net

Tax:map
Kulkari

PCMC is required to recover Property Tax from its citizens regularly and in time towards services rendered by it. With time the net of tax levying should gradually expand proportionate to rising population and new constructions in order to accommodate them. This should result in obvious increase in tax collection.

Records revealed that during last three years PCMC had issued building permits. Despite such addition to the number of buildings in the city, the Property Tax collection did not expand, as can be seen from the yearly demand below.

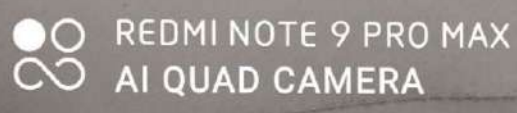
Year	No. of Building Permits issued	Demand of Property Tax during the year
2011-12	678	Rs 241.86 lakh
2012-13	671	Rs 227.13 lakh
2013-14	469	Rs 227.13 lakh

It was observed that the demand came down from Rs 241.86 lakh in year 2011-12 to Rs 227.13 lakh in subsequent year and then remained constant, defying the expected increase. Obviously, during these years, the new construction was not being included in the tax-net. Steps need to be taken to revamp the tax structure so as to make it more realistic, based on authentic data. Further, the tax-net should be comprehensive, ever-expanding covering all new construction. This area gains more importance especially as Property Tax is the major source of revenue for the cash strapped PCMC.

The Commissioner, PCMC stated that exercise of revision of Property Tax was underway and on its completion it would be levied on all structures.

Reply is not acceptable as declining yearly trend in Property Tax demand instead of rising one was not based on actual number of building and thus was irregular. Further, exercise of revision of property tax has not relation to buildings more numbers of properties under tax net.

This is brought to notice of UDD for comments



Para 14 : Irregular tendering of Parbhani Water Supply Scheme (Phase II) at higher rates

M. Engz
Water supply

Government of Maharashtra (GoM) in Urban Development Department (UDD) circular no. UID-2009 / Pr.Kr. 158 / NV-133 dated 10/08/2009 laid down norms of acceptance of tenders for works under Urban Infrastructure Development Scheme for Small Towns (UIDSSMT). This circular states that as per GoM norms of 1993¹, tender rates obtained for a work above 10 per cent of its estimate recasted on current DSR were being referred to GOM for approval; now in such cases for UIDSSMT works, instead of referring to GOM, item-wise rates should be got analysed in detail from Maharashtra Jeevan Pradhikaran (MJP) and under technical consultation with MJP, decision to re-call tender should be taken at Local Body (LB) level in the financial interest of LB.

The Phase II work of augmentation to Parbhani water supply scheme under UIDSSMT was estimated to cost Rs 41.71 crore based on MJP DSR 2006-07. Numerous notices inviting tender (NITs) for the work received very high quotes and hence were rejected. In response to fifth NIT dated 07/10/2011, M/s R&B Infra Project Pvt. Ltd., Mumbai emerged as L1. After negotiations, the bid was accepted at Rs 87,91,42,913 and on 13/01/2012 work order was issued.

Chief Engineer, MJP, Pune vide letter no. 231 / 2011 dated 14/12/2011 carried out detailed rate analysis and arrived at current estimate cost of the work as Rs 77,47,83,137/- based on MJP DSR of 2011-12. An amount of Rs 10,43,59,776 was considered separately on request of PCMC as possible price escalation in the period of work execution owing to royalty charges, cost of material / labour and transportation. The total cost of the work was thus evaluated as Rs 87,91,42,913 (Rs 77,47,83,137 + Rs 10,43,59,776). Further the Chief Engineer, MJP had explicitly stated in his letter that this evaluated cost of work required approval from GOM before its adoption by PCMC.

In response to fifth NIT, the L1 agency M/s R&B Infra Project Pvt. Ltd., had quoted rates 185 per cent above the cost put to tender (Rs 41.71 crore). This was reduced to 139 per cent above (Rs 99,23,57,803) after negotiations. However, this was still 12.88 per cent above the evaluated cost (Rs 87,91,42,913). After further negotiations with the contractor, the work was awarded at the evaluated cost of Rs 87,91,42,913.

¹ GOM circular No. GEN-1093 / 2365 / Pr.Kr.126 / 93 / NV-14 dated 20/10/1993



As per GoM circular dated 20/10/1993, the comparison of quotation is to be made with the estimated cost based on current DSR. The basic intention of such comparison is to take into account the price escalation in differential period in cost of work based on old and current DSR. However, it was observed in present case that to the estimated cost based on current DSR (MJP DSR 2011-12) of Rs 77,47,83,137, an extra amount of Rs 10,43,59,776 was added which was unwarranted. The work was awarded at the evaluated cost of Rs 87,91,42,913. This cost was still 13.5 per cent above the estimate cost based on MJP DSR 2011-12 and hence not being within the accepted norms, needed GoM approval. The case was referred to UDD vide letter dated 27/12/2011 and latter returned it referring to UDD circular of 10/08/2009 that decision be taken at LB level. Thus the evaluated rate of Rs 87,91,42,913 which was 13.5 per cent above the estimate current cost did not get GoM approval.

The Commissioner, PCMC stated that the case was referred to the Government and as per decision of General Body Meeting of 02/01/2012, the work was awarded.

The reply is not tenable on the following grounds :

1. An explicit GoM approval was not obtained as per advice of the Chief Engineer, MJP.
2. As per GOM circular dated 20/10/1993, comparison of the quoted bid was to be made with the estimate cost based on current DSR and the quoted bid beyond 10 per cent of the current estimate cost needed GOM approval. The quoted bid in this case was 13.5 per cent above the current estimate cost.
3. The evaluated cost included an additional amount of Rs 10.44 crore for price escalation which was unwarranted.

The matter is brought to notice of UDD for comments.

Para 15 : Short-recovery of stamp duty by Rs 4.30 lakh

Agreements of works contract executed by Municipal Corporation with contractors are subject to payment of stamp duty as per Article 63 of Bombay Stamp Act, 1958 with effect from 01/05/2006.

M. Engr
Water supply

As per Article 63, for work contracts below or upto Rs. 10 lakh, stamp duty of Rs.100 should be paid and for contracts above Rs. 10.00 lakh, stamp duty of Rs. 100 should be paid for every Rs. one lakh or part thereof subject to maximum ceiling of Rs. 5.00 lakh on a single work contract.

The work of augmentation to Parbhani Water Supply Scheme under UIDSSMT was awarded in two phases. As per the Notice Inviting Tender in both phases, the stamp duty was payable 'as per Government rules and regulations'. Thus the stamp duty was payable by the contractors as per the norms *ibid*. However, records relating to tendering procedure revealed that stamp duty was short paid by Rs 4,30,300 as detailed below.

(Amount in Rs.)

Phase	Contractor	Amount of contract	Stamp duty payable	Stamp duty paid	Short payment
I	M/s Maharashtra Agencies, Aurangabad	Rs 1,08,30,78,752	Rs 5,00,000	Rs 2,18,000	Rs 2,82,000
II	M/s K & B Infra Project Pvt. Ltd., Mumbai	Rs 87,91,42,913	Rs 5,00,000	Rs 3,51,700	Rs 1,48,300
Total amount of short payment of Stamp Duty					Rs 4,30,300

When pointed out, the Commissioner, PCMC accepting the short payment stated that henceforth, the Stamp Duty would be charged as per Article 63 of Bombay Stamp Act, 1958.

The loss of revenue to Government of Maharashtra in form of Stamp Duty amounting to Rs 4.30 lakh is brought to notice of UDD for comments.

Para 16 : Unjudicious utilization of Thirteen Finance Commission grant

The Urban Development Department, Government of Maharashtra vide Govt. Resolution dated 25/10/2010 issued guidelines for utilization of Thirteen Finance Commission (TFC) grant at Municipal Corporations level. According to the guidelines, following nature of works of infrastructural facilities were permissible to be undertaken for execution from TFC grant.

A/C
Simple

1. Solid waste management works
2. Water supply and sanitation works (water / electric bills allowed to be paid)
3. Works of development of social basic facilities
4. Works related to improvement of Municipal Corporations.
5. Other permissible works (payment of pay arrears and pension to staff may be paid with prior permission of State Government)

Record revealed that Rs 2.87 crore out of Rs 3.52 crore received under TFC during 2011-12 was utilized on payment of electric bills and pay arrears of retired staff. Similarly entire amount of Rs 3.38 crore received under TFC during 2012-13 was utilized on payment of salary to staff, electric / water bills and public contribution towards Sujal Nirmal Yojana. Thus the entire amount of TFC grant was spent on payment of salary, electric bills, water bills, etc. and works of providing various types of infrastructural facilities to Parbhani city was ignored during these two years resulting in unjudicious expenditure of TFC grant.

Further, it was seen that Rs 1,41,88,131 (Rs 31,09,823 in 2011-12 and Rs 1,10,78,308 in 2012-13) was utilized on making payment of pay arrears to staff without obtaining a prior approval of the State Government.

Thus apathy towards development of infrastructural facilities in Parbhani city and disbursing of pay arrears / pension to staff without obtaining prior approval of State Government from TFC funds was in violation of GR *ibid*.

The Commissioner, PCMC in reply stated that the above payments were of urgent nature and hence had to be made and added that *ex-post-facto* approval of expenditure of TFC funds on pay arrears and pension would be obtained from State Government.

The matter is brought to notice of UDD for comments.

Para 17 : Creation of extra liability of Rs.2.23 crore due to delay in paying electric bills

PCMC operates and maintains public street light system of Parbhani urban area for which it receives monthly electric bills from Maharashtra State Electricity Distribution Company Limited (MSEDCL). The timely payment of such bills should be ensured to avoid interest / delayed payment charges.

Records revealed that Rs 13.02 crore was due on account of electric bill to MSEDCL, Parbhani as on November 2014 towards public street light system of five zones of Parbhani city which included Rs 2.23 crore as interest on previous arrears of Rs 10.61 crore.

Had the PCMC paid the electric bills, in time, creation of extra liability of Rs 2.23 crore in the form of interest on arrears could have been avoided.

(B) :- Further it was observed that PCMC lifts water from Purna Irrigation Project, Basmatnagar for supplying drinking water to Parbhani city. For the purpose PCMC receives monthly water bills from Purna Irrigation Project. Regular and timely payment of water bill should be ensured in order to avoid interest / delay payment charges.

However record revealed that PCMC had not paid water bills regularly in time from 1999-2000 till date. This resulted in creation of extra liability of Rs 2.91 crore in the form of penalty. The department had paid Rs 2.60 crore out of Rs 7.70 crore water bills received till date as detailed below.

Sr. No	Year	Quantity of water used (L)	Total water bill (Rs)	20 % surcharge (Rs)	Amount of penalty (Rs)	Total amount of water bill (Rs)	Water bill paid (Rs)
1	1999-2000	5,75,678	16,00,257	3,20,050	32,00,516	51,20,824	59,000
2	2000-01	5,73,676	20,65,235	4,13,046	41,30,470	66,08,751	0
3	2001-02	5,86,287	17,56,708	3,51,342	35,13,416	56,21,466	2,00,000
4	2002-03	6,20,333	14,30,955	2,86,192	17,69,565	34,86,712	0
5	2003-04	6,32,128	15,39,904	3,07,981	7,69,955	26,17,840	25,79,000
6	2004-05	5,54,760	26,63,076	5,32,616	13,31,543	45,27,235	15,00,000
7	2005-06	3,06,639	15,33,201	3,06,642	7,66,603	26,06,446	25,12,000
8	2006-07	5,74,681	31,43,747	6,28,750	15,71,877	53,44,374	29,35,000
9	2007-08	5,78,131	37,39,240	4,47,848	18,69,623	63,56,711	10,34,000
10	2008-09	6,07,730	40,11,018	8,02,204	20,05,512	68,18,734	12,00,000
11	2009-10	6,41,020	42,30,732	8,46,144	21,15,369	71,92,245	17,94,000
12	2010-11	6,23,640	36,23,796	7,24,759	18,11,900	61,60,455	14,00,000
13	2011-12	6,63,300	22,77,467	4,55,494	11,38,736	38,71,697	25,00,000
14	2012-13	6,92,565	29,08,773	5,81,755	14,54,390	49,44,918	32,00,000

15	2013-14	6,40,765	26,91,213	5,38,241	13,45,608	45,75,062	29,86,000
16	April to June 2014	1,64,295	6,90,039	1,37,008	3,45,021	11,73,068	21,50,000
Total					2,91,40,104	7,70,26,538	2,60,49,000

Had PCMC paid water bills regularly in time, creation of extra liability of Rs. 2.91 crore in the form of penalty could have been avoided. Thus PCMC has created an extra liability of Rs. 5.14 crore (Rs. 2.23 crore to Rs. 2.91 crore) due to non payment of electric bills & water bill to MSEDLL & Purna Irrigation Project respectively.

When pointed out, the Commissioner, PCMC stated that a detailed reply on the issue would be furnished at a later date.

Further, reply is awaited.

These works were of securing effluent and collection of these works out of capital nature for execution during Vaishkya Purna Scheme was highly irregular and violated Government order.

In spite, the process for execution of these works under Vaishkya Purna Scheme were called along with their Administrative Approval, Technical sanction, Estimate, Measurement Book, Estimating bills, etc. The Commissioner, PCMC stated that the work was done only on getting approval from the District Collector and General Body of PCMC in 10/04/2014. No records were produced for further scrutiny.

The reply is not feasible as the work execution started the 01 October 2014. Further, records of the works executed were not produced to audit.

The matter is brought to notice of the UED for necessary

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Para 18 : Irregular work of repair to Parbhani Water Supply Scheme under Vaishistya Purna Scheme

M. Enj
Water Supply.

The Directorate of Municipal Council Administration, Mumbai vide order No.DMCA/V.P.V.A./09-10/P.K.14/08/Section-11 dated 30/03/2010 had categorically stated that works under taken for execution under Vaishistya Purna Scheme should be of capital nature so that Municipal Corporation may become financially independent.

Records revealed that PCMC had undertaken the work of repairing of Parbhani Water Supply Scheme costing Rs 38.03 lakh under the above scheme during the year 2011-12. The 1st RA bill amounting to Rs 7.38 lakh was paid to the contractor and work was still to be completed. Similarly the work of repairing to Rahati Water Works costing Rs 9.29 lakh was also undertaken under the above scheme during the same year, wherein the contractor was paid Rs 7.48 lakh upto 2nd RA bill and work was still incomplete.

These works were of recurring nature and selection of these works not of capital nature, for execution through Vaishistya Purna Scheme was highly irregular and violated Government order.

In audit, the reasons for execution of these works under Vaishistya Purna Scheme were called along with their Administrative Approval, Technical Sanction, Estimate, Measurement Books, Running bills, etc. The Commissioner, PCMC stated that the work was done only on getting approval from the District Collector and General Body of PCMC on 10/01/2011. No records were produced for further scrutiny.

The reply is not tenable as the work execution flouted the Government norms. Further, records of the works executed were not produced to audit.

The matter is brought to notice of the UDD for comments.

Para 19 : Non production of 12th Finance Commission records

M. Eys

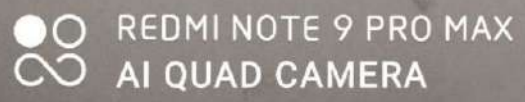
The Urban Development Department vide resolution dated 28/07/2009 had categorically stated that all Municipal Corporations should utilize 56.50 per cent of fund received under Twelfth Finance Commission strictly on solid waste management programme and remaining 43.50 per cent on other works such as water supply, drainage, rain water harvesting etc. It was observed from the Utilization Certificate (UC) that PCMC was in receipt of Rs. 1.52 crore and Rs. 0.98 crore under Twelfth Finance Commission during 2011-12 and 2012-13, respectively. However, the UCs did not bear the subject on which expenditure was incurred.

In this connection PCMC was asked to furnish all files / documents relating to expenditure incurred from Twelfth Finance Commission for verification, but despite many oral and written requests, PCMC failed to produce them to audit.

The Commissioner, PCMC stated that the expenditure from Twelfth Finance Commission was incurred only on the works approved in PCMC General Body Meetings. However, no related records were produced for audit scrutiny.

Reply is not tenable as no records were produced for audit scrutiny of the claim of the PCMC. Same may be produced for audit scrutiny.

Further, reply is awaited.



Pava 20 : Poor implementation of Ramai Awaas Yojana

Ramai
Waghmare

Government of Maharashtra in Social Justice and Special Assistance Department resolution dated 29/09/2011 stipulated a detailed guideline for implementation of 'Ramai Gharkul' a housing scheme for beneficiaries of SC, ST and Nav Boudha communities. As per guidelines, the Collector was responsible for selection of beneficiaries and thereafter, scheme was to be implemented by the respective Municipal Corporations. An amount of Rs. 2.00 lakh in three installments was to be given to the selected beneficiary in advance for construction of house as per specifications.

It was observed that following amount was released to PCMC for implementation of the scheme.

Year	Fund sanctioned
2010-11	-Nil-
2011-12	Rs 93 lakh
2012-13	Rs 1000 lakh
Total	Rs 1093 lakh

The target and achievement during 2010-11 to 2012-13 under the scheme was as under.

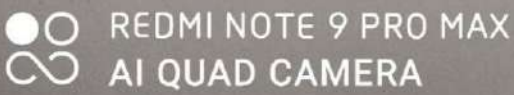
Year	Target	Achievement
2010-11	162 Gharkuls	-Nil-
2011-12	205 Gharkuls	-Nil-
2012-13	822 Gharkuls	-Nil-

Thus, during 2010-11 to 2012-13 PCMC received Rs 10.93 crore and the Collector, Parbhani identified 367 beneficiaries for the years 2010-11 and 2011-12 and furnished their list to PCMC vide letter dated 14/12/2011 for implementation of scheme. However, PCMC failed to give benefit of the scheme to the beneficiaries during these years despite availability of fund and the identified beneficiaries being. Similarly, 822 beneficiaries for the year 2012-13 remained to be benefitted under the scheme.

Non-implementation of scheme despite availability of fund and identified beneficiaries shows inefficiency on the part of PCMC.

In reply, the Commissioner PCMC stated that the works could not be carried out owing to PCMC elections in 2011-12 and MLC elections in 2012-13. Further, there was no fund for 2010-11 and names of beneficiaries were declared in December 2011.

The reply is not tenable as imposition of code of conduct for both the elections could only have lasted a definite period and was in general knowledge of PCMC. Poor implementation of the scheme is brought to notice of UDD for comments.



Para 21 : Irregular expenditure of Rs.42.70 lakh on work of Street lights and Solar Power Packs Navinaya Purna Yojana :-

The Planning Department of Government of Maharashtra vide letter dated 19/01/2012 had granted sanctioned to eight different works under 'Navinyana Purna Yojana' during the year 2011-12 as under.

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Sh. Rajeev

(Rs. In lakh)

Sr.No	Name of Work	Cost
1	Construction of District Scout Guide building	20.00
2	Providing RCC dust bins at various places in Parbhani	25.00
3	Maintenance, repairs and beautification of Hutatma Smarak Kranti Chowk, Parbhani	25.00
4	Purchase of breath alcohol Analyzer	11.10
5	Providing drinking water facilities to Animal Husbandry Societies	25.00
6	Construction of toilets in Ward No. 20, Nagar Parishad Selu, Parbhani	9.99
7	Construction of community Hall Self-Help Group in Nagar Parishad Pathri, Parbhani	13.66
8	Rural technical service extension programme	5.00

Records revealed that PCMC vide order dated 28/02/2012 placed as order with the Rate Contract firm, M/s Jain Irrigation System, Jalgaon for supply and installation of 200 LED street lights in Parbhani city costing Rs 31.40 lakhs and installation of Solar Power Packs at PCMC building costing Rs 5.34 lakh under 'Navinyana Purna Yojana' 2011-12. Accordingly, the supplier complied and payment was made to him. However, this order did not belong to the list of approved works under the scheme.

Thus, execution of work of supply and installation of LED street lights at Parbhani city and Solar Power Pack at PMC building under 'Navinaya Purna Yojana' 2011-12 was highly irregular.

The circumstances and the authority under which the above work had been carried out under 'Navinaya Purna Yojana' 2011-12 were called for in audit to which no reply was given. The Commissioner PCMC stated that works enlisted at serial no. 1, 2 and 3 in table above were done after getting due administrative approval from competent authority.

The matter is brought to notice of UDD for comments of the planning department may be obtained and furnished to audit.

Para 22 : Improper maintenance of Cash Book and other irregularities

The following irregularities were noticed in maintenance of Cash Book and other records in Accounts Department :

A/c
Downde

1. A Register of Grants, which is one of the mandatory records for Municipal Corporation was not maintained by the PCMC. In its absence, there was no way of knowing about the grants received by the PCMC. In such a situation, a list of grants which were routed from the District Collectorate to PCMC for the years 2011-12 to 2013-14 was obtained from office of the District Administrative Officer, Collector Office, Parbhani. While verifying the enlisted grants with General Cash Book the following grants were not found on record.

Name of Scheme	Year	Amount(Rs)	Date
Nagarothan(Town Dev.)	2011-12	1,53,40,000	15-7-2011
GIA (Sahayak Anudan)	2011-12	1,93,02,000	28-06-2011
-- do --	2011-12	1,89,80,000	30-07-2011
-- do --	2011-12	94,90,000	22-08-2011
-- do --	2011-12	94,90,000	23-09-2011
-- do --	2011-12	94,90,000	11-10-2011
Stamp Duty Grant	2011-12	89,65,000	31-03-2012
GIA (Sahayak Anudan)	2012-13	1,97,50,000	01-07-2012
RAMAI Gharkul Yojana	2012-13	10,00,00,000	04-06-2012
GIA (Sahayhak Anudan)	2012-13	98,75,000	08/2012
GIA (Sahayak Anudan)	2012-13	98,75,000	01-10-2012
Water Scarcity Grant	2012-13	30,00,000	17-12-2012
Stamp Duty Grant	2012-13	27,00,000	31-03-2013
Ramai Gharkul Yojana	2013-14	6,45,00,000	28-06-2013
SCP Scheme	2013-14	3,64,00,000	03/2014
Minority Grant	2013-14	20,00,000	03/2014
Nagri Dalit Wasti Sudhar Yojana Grant	2013-14	50,00,000	03/2014
Stamp Duty Grant	2013-14	18,75,000	03/2014
Total		34,62,32,000	

Further, it could not be ascertained from any other record whether the grant amounting to Rs 34.62 crore had been incorporated in the Government/PCMC Accounts or otherwise.

This is a serious lapse and as per the General financial Rules/MTR all monetary transactions should be entered in the Cash Book as soon as they occur.

2. Maharashtra Treasury Rules, 1968 (Rule 98), has laid down the procedure for receipt of Government money and payment of such money into the Government Account. The procedure laid down vouches for the safe practice in handling of government money and its proper documentation.

It is observed from the scrutiny of the General Cash Book written by the Municipal Corporation that the following procedure was not observed in its maintenance.

- The Cash Book should be closed regularly and completely checked. The head of the office should verify the entries of the Cash Book either himself or cause it to be verified by some responsible subordinate other than the writer of the cash book. The officer verifying should put his initials as a token of check and correctness.
- At the end of each month, the head of the office should verify the cash balance in the Cash Book and record a signed and detailed certificate to that effect mentioning therein the balance both in words and figures.
- Detailed abstract comprising of such details as funds received during the month, expenditure incurred, balances if any, cheques issued remaining uncashed, etc. should be drawn out at the end of each month.
- An Erasing or overwriting of entries in the Cash Book is strictly prohibited. If a mistake is discovered it should be corrected by scoring the incorrect entry and inserting the correct one in red ink between the lines. Such corrections should invariably be initialised and dated.

3. As per Maharashtra Municipal Account Code Chapter 29, monthly reconciliation between Cash Book closing balance and the closing balance of the Bank Pass Book should be done (in Form 5) regularly. This is of paramount importance so as to timely avoid any chances of misappropriation and in general facts as an effective tool for financial management. However, it was seen that the Accounts Department did not carry out bank reconciliation with cash book details.

4. Government of Maharashtra from time to time had instructed that separate cash book should be maintained for each scheme with a view to avoid diversion of funds from one scheme to other scheme.

Records revealed that PCMC was operating 51 accounts in banks in respect of various schemes sponsored by State and Central Government as detailed in Annexure A.

Though different bank accounts were being maintained for different funds, no separate cash books had been maintained and all the transactions of these schemes were routed through only one cash book, which was highly irregular. In absence of separate cash books, diversion of funds from one scheme to another, if any could not be ascertained in audit. Further it became difficult to assess the balance in a particular fund at any juncture.

In this regard PCMC failed to state in detail the *modus operandi* adopted to ascertain the status of funds at any given time and other such issues relating to proper management of various funds.

The Commissioner, PCMC stated that the matter of grants not appearing in the Cash Book would be scrutinized, different Cash Books would henceforth be maintained for different funds and other points of observations would be complied.

Progress made in this regard may be intimated to audit.

The following observations are made on the financial management of PCMC :-

A. Maharashtra Municipal Council Account Code read with Maharashtra Municipal Corporations Act prescribe that Local Bodies should prepare annual financial statements like Balance Sheet, Income and Expenditure Statement, Statement of Cash Flow, Receipts and Payments Account, Notes to Accounts, Disclosure of significant accounting policies (CA - 16 & 27). Such financial statements of the previous year should be audited by the Chief Auditor as soon as possible after the start of the financial year and he should prepare an Audit Report. The Audit Report should be presented by the Commissioner to the Municipal Corporation, Standing Committee, as soon as the audit is completed (CA - 28 and Clause 196).

Preparation of annual financial statements is of paramount importance for a Local Body which is to have unambiguous accounts, giving an overall clarity as to its financial state and transparency. It is a good practice that removes financial chaos and disorder from the system and financial health of the Local Body.

It was observed that PCMC did not prepare any of the annual financial statements as per description as given in years prior to it (when it was a Municipal Council).

B. Records further revealed that Budget Estimates prepared by PCMC for the years 2011-12, 2012-13 and 2013-14 had adopted varying figures of receipts and expenditures from previous year as decided in Annexure B enclosed. Apparently, the figures of previous year were manipulated to present positive state of affairs, which however were far from reality. In all these Budget Estimates balance of various funds decreased from development to other funds and year-end were not closed. Though Budget Estimates showed surplus receipts over expenditure, PCMC did not make various payments such as salaries, Tax and Government fund etc. as per provision of employees payments in contractive and so on.

Para 23 : Non-preparation of Annual Financial Statements, Annual Administrative Reports, preparation of faulty Budget Estimate and non-conducting of internal audit

Internal Audit

For a comprehensive administrative and financial control over its transactions / activities, a Municipal Corporation ought to adhere to provisions made in Maharashtra Municipal Account Code, Maharashtra Municipal Corporations Act, etc. and create such mandatory records as yearly budget estimates, annual financial statements, annual administrative report, etc. For the purpose it is essential to maintain not only the supporting records (such as a Grant Register) but also have internal control mechanism in place.

The following observations are made on the financial management of PCMC :

A. Maharashtra Municipal council Account Code read with Maharashtra Municipal Corporations Act prescribe that Local Bodies should prepare annual financial statements like Balance Sheet, Income and Expenditure Statement, Statement of Cash Flows, Receipts and Payments Account, Notes to Accounts, Disclosure of significant accounting policies (Ch. 26 & 27). Such financial statements of the previous year should be audited by the Chief Auditor as soon as possible after the start of the financial year and he should prepare an Audit Report. The Audit Report should be presented by the Commissioner to the Municipal Corporation, Standing Committee, as soon as the audit is completed (Ch. 28 and Clause 106).

Preparation of annual financial statements is of paramount importance for a Local Body in order to have unambiguous accounts, giving an overall clarity as to its financial status and transparency. It is a good practice that removes financial chaos and disorder from the system and financial health of the Local Body.

It was observed that PCMC did not prepare any of the annual financial statements since its inception or even in years prior to it (when it was a Municipal Council).

B. Records further revealed that Budget Estimates prepared by PCMC for the years 2011-12, 2012-13 and 2013-14 had adopted varying figures of receipts and expenditures from previous years as depicted in Annexure B enclosed. Apparently, the figures of previous years were manipulated to present positive state of affairs, which however were far from reality. In all these Budget Estimates balances of various funds (received from Government or otherwise) at the year-end were not shown. Though Budget Estimates posted surplus receipt over expenditure, PCMC did not make various payments (such as salaries, General Provident Fund subscription, pension contribution of employees, payments to contractors, etc.) in time.

C. PCMC did not maintain a Register of Grants in the Accounts Wing containing explicit details of the grants received by the Municipal Corporation during each financial year.

D. In accordance with the Maharashtra Municipal Corporations Act, Clauses 45(A), 47, 105, 106 and 107, the Chief Auditor with Municipal Corporation is responsible for auditing the accounts maintained by Municipal Corporation at the earliest after completion of a financial year and preparation of audit report for submission thereof to the Municipal Commissioner and Standing Committee / General Body of the Corporation. The Audit Report should also be submitted to the Director of Municipal Administration, etc. as soon as such audit is completed.

However, internal audit of PCMC was never carried out since its inception and hence no Audit Report was ever prepared.

E. The Municipal Commissioner should annually prepare a detailed Administrative Report in respect of activities and transactions of previous year in all department under Municipal Corporation as soon as possible after 01st April, with statements for receipts, expenditure and balances at the financial year end. The Administrative Report should be presented by him to the Standing Committee, in the format prescribed and containing details as directed by the latter. However, this was not done since the inception of PCMC or even before that.

In absence of above records, it was not understood as to how the financial status of PCMC could be assessed at any juncture and what methodology PCMC adopted to present its case to GoM, Urban Development Department. Further, PCMC did not have any internal control mechanism in place.

When reasons for not keeping the accounting records in desired formats, not preparing final accounts, administrative report and annual financial statement in line with the Government directives *ibid* were asked, it was stated that henceforth these records would be maintained.

The situation is brought to notice of the Directorate of Municipal Administration and UDD for comments.

Para 24 : Poor implementation of Development Plan

Maharashtra Regional Town Planning (MRTP) Act, 1966 makes mandatory for every planning authority to prepare a draft DP for the area under its jurisdiction. PCMC implements the Development Plan (DP) drafted in the year 1999 which should be reviewed after 20 years as per provision of DCR.

T/P

MRTP Act extends liability of acquisition of public sites reserved in DP with the Municipal Corporation (MC) irrespective of authority for development of the same. GoM (May 2006) further instructed all planning authorities to provide at least 20 per cent of their total budgetary expenditure for towards acquisition of reserved lands.

The DP drafted in 1999 identified 252 sites admeasuring 382.675 Ha, as reserved for public purposes in Parbhani city. Out of these, land acquisition of 217 reserved sites admeasuring 284.42 Ha, was proposed in six years in phase-wise manner as under.

Year	No. of sites	Area (Ha)	Cost of acquisition (Rs)
I	42	62.58	5,75,78,370
II	39	53.68	4,24,56,710
III	38	35.81	4,04,39,800
IV	34	40.84	3,23,15,220
V	29	21.29	2,04,25,250
VI	35	70.22	3,22,96,180
Total	217	284.42	22,55,11,530

The DP further proposed structured growth of Parbhani city by phase-wise developing the reserved sites by the Municipal Council / Corporation in 10 years' period as under.

Year	No. of sites	Area (Ha)	Cost of development (Rs)
I	17	18.88	2,94,94,600
II	27	35.45	7,06,16,200
III	29	55.18	9,32,88,800
IV	30	37.22	10,98,75,600
V	30	22.72	9,94,04,000
VI	31	33.59	11,63,82,000
VII	24	17.42	10,32,29,000
VIII	20	17.93	9,20,77,000
IX	18	58.62	9,36,59,000
X	08	10.99	2,93,69,000
Total	234	308.00	83,73,95,200

However, scrutiny of records and information provided by PCMC revealed that PCMC had not earmarked any fund for acquisition of reserved land as a result no land was acquired as required in the DP of Prabhani city.

After the DP of PCMCV came into existence only 10 sites were developed fully/partially and 6 cases were deleted from the DP out of 234 sites reserved under DP. This shows the laxity on the part of PCMC in implementing DP for Parbhani City. Poor implementation of DP was brought to notice but no reply was furnished by PCMC.

Matter is brought to notice of UDD for comments.

A test check of records of various works under PCMC revealed that contractual / purchases were made from open market without calling tender in the following cases :-

Case 1

1. Irregular procurement of hydraulic typers worth Rs. 1.50 crore. Record of Solid Waste Management Wing revealed that PCMC had purchased 30 lots of hydraulic typers of Age Group make costing Rs. 1.50 crore without calling tender. Typers number 20 and 10 were purchased respectively from M/s Sona Technology Park Agency, Bapat Vasahi and M/s Sahara Motion Parbhani, at the rate of Rs. 1,50,000 each after visiting and checking with the suppliers. Both suppliers submitted rates of typers which were accepted and order was placed with them. Further, PCMC had not made any enquiries about the quality of typers or the price for purchase of these typers.

This procurement of hydraulic typers costing Rs. 1.50 crore without calling tender was highly irregular.

In reply it was stated that rates of typers were confirmed by the Engineer, Sanitation, Parbhani and the Commissioner and that the purchase was approved by the PCMC Council.

Case 2

2. Purchase of Electrical Goods worth Rs. 31.85 lakh. Record of Solid Waste Wing revealed that PCMC directly procured various electrical goods for provision of street light system of Parbhani city from M/s Sona Sanath Multi Services, Bapat Vasahi, Bapat Vasahi, Bapat Vasahi. The agency supplied the electrical goods worth Rs. 31.85 lakh on 17/01/2013 and payment was made to agency on 17/01/2013.

It was stated that M/s Sona Sanath Multi Services, Parbhani is a dealer of electrical goods. The Industries, Energy and Labour Department had issued license of supply certificate in the said firm for various commodities and goods. This irregular purchase was made from an agency which is not a registered dealer of electrical goods at the specified address. It was stated that the purchase was made in the name of the agency.

In reply it was stated that the purchase was made in the name of the agency.

Para 25 : Adoption of irregular procurement / purchase procedure

As per Paragraphs 200 and 202 of Maharashtra Public Works Manual and instructions issued by Government of Maharashtra from time to time, whenever purchases are to be made over Rs. 50,000, tender should be invariably invited. The mechanism of calling tenders is to ensure competitive rates.

A test check of records of various wings under PCMC revealed that procurement / purchases were made from open market without calling tenders in the following cases :

1. **Irregular procurement of hydraulic tippers worth Rs. 1.59 crore** : Record of Solid Waste Management Wing revealed that PCMC had purchased 40 four-wheeler hydraulic tippers of Ape Piaggio make costing Rs.1.59 crore without inviting tenders. Tippers numbering 30 and 10 were purchased respectively from M/s Shree Vaidyanath Auto Agencies, Parli Vajinath and M/s Sahara Motors Parbhani, at the rate of Rs. 3,99,942 each after making oral enquiry with the suppliers. Both suppliers submitted rates of tippers which were accepted and order was placed with them. Further, PCMC had not made any enquiries about Rate Contract, if any in existence for purchase of these tippers.

Thus procurement of hydraulic tippers costing Rs 1.59 crore without inviting / calling for tender was highly irregular.

In reply it was stated that rates of tipper were confirmed by the Mayor, Standing Committee and the Commissioner and that the purchase was approved by the PCMC General Body.

2. **Purchase of Electricals Goods worth Rs. 31.93 lakh** : Records of Stores Wing revealed that PCMC directly procured various electrical goods for periodical maintenance of street light system of Parbhani city from M/s Swami Samarth Multi Services, Parbhani without inviting tender/Quotations. The agency supplied the electrical goods worth Rs 31,93,700 on 17/12/2012 and payment was made to agency on 15/04/2013.

It was observed that M/s Swami Samarth Multi services, Parbhani was not dealer of electrical goods. The Industries, Energy and Labour Department had issued license of electric contractorship to the said firm for erection, commissioning and installation of lighting system. Thus irregular purchase was made from an agency which did not have license of dealing in and selling electrical goods and no quotations/tenders were called for the same. //

In reply it was stated that purchase was made in view of demand placed by Electric Inspector.

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Store Section

3. Irregular purchase of furniture worth Rs 8.49 lakh : According to Industries, Energy and Labour Department of GOM circular dated 02/01/1992, Steel and Wooden furniture for office use is required to be procured from Maharashtra Small Scale Industries Development Corporation (MSSIDC) on priority basis. MSSIDC is a GoM undertaking providing marketing facilities to regional Small Scale Industries. "

Record revealed that PCMC had directly purchased the steel and wooden furniture worth Rs 8.49 lakh from M/s Mitesh Furniture, Parbhani in 2012-13 without inviting any tenders in contravention of the GoM instructions regarding procurement of furniture items from MSSIDC

In reply it was stated that the purchase was made only by calling tenders. However, PCMC did not produce any record in support of its reply.

Store Section

4. Irregular purchase of cloth worth Rs 7.18 lakh : According to Industries, Energy and Labour Department of GOM circular dated 02/01/1992, the cloth / dress of staff is required to be purchased from Maharashtra State Textile Corporation on priority basis. "

Record revealed that PCMC had purchased cloth / dress worth Rs 7,18,241 from M/s Rajnandani Parbhani on 30/05/2013 without inviting tenders which is highly irregular.

In reply it was stated that the purchase was made only by calling tenders. However, PCMC did not produce any record in support of its reply.

Non adherence to the purchase / procurement procedure in all above cases is brought to notice of UDD for comments.

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Para 26 : Discrepancies in the work of Installation of Traffic Light in Parbhani city

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The Collector, Parbhani vide order dated 28/03/2013 accorded Administrative Approval for installation of Traffic Signals at squares in Parbhani city under Navinaya Purna Scheme for 2012-13 and for the purpose released an amount of Rs 45 lakh to PCMC on 29/03/2013.

Accordingly tenders were called and M/s Trafi Tronics Company, Pune being the lowest bidder was issued the work order by PCMC on 18/11/2013. The 2nd and final bill amounting to Rs. 13,03,245 was paid to the contractor on 10/09/2014.

In this connection, following observations were made :

1. As against the District Collector's orders and Administrative Approval, PCMC added the work of installation of Close Circuit TV Cameras within the sanctioned cost of Rs 45.00 lakh under the Scheme. The work of installation of traffic signals at only four squares at the cost of Rs 40,99,807 and the work of installation of CC TV camera at Dr. Ambedkar square and Shivaji square, Parbhani costing Rs. 2,40,000/- was irregularly carried out.
2. As per terms and conditions of work order, the contractor was liable to complete the work within two months from the date of issue of work order, otherwise penalty @ Rs 600 per day was to be levied and recovered from the bill. Records revealed that extension up to 30/05/2014 was granted to the Contractor by City Engineer and not by the Commissioner, PCMC. As such extension given was not authentic and penalty @ Rs 600 per day for the period from 18/01/2014 to 30/05/2014 for 133 days amounting to Rs. 79,800 stood recoverable from the contractor.
3. The Chief Engineer, Public Works (Electrical) Dn., Mumbai vide letter No. 3464 dated 02/08/2013 accorded Technical Sanction to said work with a condition that the work should be carried out by an electrical contractor registered with Government of Maharashtra. However registration certificate of M/s Trafi Tronics Company, Pune was not on record.
4. The Performance Guarantee of a Nationalized Bank of 10 percent of the total cost of work valid for next five years amounting to Rs 4.50 lakh was not obtained from the contractor to ensure smooth commissioning / functioning of traffic lights for next five years.

When pointed out, the Commissioner, PCMC stated that Administrative Approval of traffic signals and CC TV cameras was obtained from the competent authority.

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However, records with Administrative Approval of traffic signals and CC TV cameras were not produced for verification.

The irregularity is brought to the notice of UDD for comments.

The irregularity is brought to the notice of UDD for comments. It was also directed that every Municipal Corporation should prepare its recruitment rules based on these model recruitment rules.

It was also directed that PCMC did not frame any recruitment rules / bylaws in order to recruit staff. As against the sanctioned strength of staff of 761, PCMC (as in May 2013) had 409 employees. This pointed out to huge vacancy of 352 posts, which worked out to more than 46 per cent of the sanctioned strength.

On account of the shortage of staff the day to day working of PCMC like maintenance of sanitary landfills, conducting inspections and imposition of penalty on irregular occupations etc. could not be carried out effectively. Expedient action was required to be taken to recruit additional staff in order to achieve smooth functioning of PCMC.

This is brought to notice of UDD for comments.

Para 27: Shortage of staff

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GOM vide Urban Development Department Circular No. *Tha Ma Pa* 2002 / 821 / Pr. Kr. 86/ NaVi-23, dated 02/07/2008 issued a 'Model Recruitment Rules' for the appointments to the various posts of the Municipal Corporation. It was also directed that every Municipal Corporation should prepare its recruitment rules based on these model recruitment rules.

Records revealed that PCMC did not frame any recruitment rules / byelaws in order to recruit staff. As against the sanctioned strength of staff of 762, PCMC (as in May 2013) had 409 men-in-position. This pointed out to huge vacancy of 353 men, which worked out to more than 46 per cent of the sanctioned strength.

Owing to the shortage of staff the day to day working of PCMC like ensure of occupancy certificates, conducting inspections and imposition of penalty on irregular construction etc. would not be carried out effectively. Expeditions action was required to be taken to recruit adequate staff in order to achieve smooth functioning at PCMC.

This is brought to notice of UDD for comments.

No.	No. of Vehicle	Name of Vehicle
9	MH-22-7831	Tractor
10	MH-22-7834	Tractor
11	MH-22-7835	Tractor
12	JCB	Digger some Brand
13	MH-22-7173	Ford Tractor
14	MH-22-7340	Water Supply Tractor
15	MH-22-7807	Van Vehicle Big
16	MH-22-923	Van Vehicle Small

PCMC further failed to produce details / records in support of number of persons employed in operating above vehicles, amount paid for fuel, oil, lubricants, wages, log books, heavy etc. of all above vehicles for staff strength.

The Commissioner PCMC stated that the Performance Accounts would be prepared in regard of all these vehicles.

Progress made in this regard may be intimated to UDD.

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Para 28 : Non-preparation of Proforma Accounts of heavy vehicles

As per Maharashtra Public Works manual monthly Proforma account is required to be prepared for all heavy vehicles / machinery and subsequently annually, in order to assess their viability by way of comparing their profit and loss.

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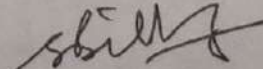
However, it was observed that PCMC had not prepared Proforma Accounts in respect of following heavy vehicles.

Sr. No	Registration No of Vehicle	Nature of Vehicle
1	MH-B-9017	Truck
2	MH-22-7094	Mahindra Tractor
3	MH-22-7095	Mahindra Tractor
4	Road Roller	Road Roller Big
5	MH-22-6485	HMT Tractor
6	MH-22-6472	Swaraj Tractor
7	MH-22-522	Tata 407
8	MH-22-523	Tata 407
9	MH-22-7853	Tata 407
10	MH-22-7854	Tata 407
11	MH-22-7855	Tata 407
12	JCB	Dozer come Bacon
13	MH-22-9172	Ford Tractor
14	MH-22-7340	Water Supply Tractor
15	MH-22-7837	Fire Vehicle Big
16	MH-22-923	Fire Vehicle Small

PCMC further failed to produce details / records in support of number of drivers/ staff engaged in operating above vehicles, amount paid for fuel, oil, lubricants, wages, log books, history etc. of all above vehicles for audit scrutiny.

The Commissioner PCMC stated that the Proforma Accounts would be prepared in respect of all these vehicles.

Progress made in this regard may be intimated to audit.


Sr. Audit Officer/LB-II

Statement showing various accounts being maintained by PCMC

Sr No	Name of Scheme	Name of Bank	Account Number
1	Tree tax	State Bank of Hyderabad	62139371165
2	Road Grant	---	62110225826
3	MP Grant	--do--	52071286127
4	Pay Grant	--do--	52071286047
5	Fire brigade Grant	--do--	62195823995
6	Water charges recovery Grant	--do--	52071295289
7	5% Reserve Fund	--do--	52071294626
8	GIA	--do--	62105775004
9	UIDSSMT	--do--	62180843431
10	Nagar Utthan	--do--	62195823327
11	13 th Finance Grant	--do--	62175389947
12	12 th finance Grant	--do--	62033681784
13	IWF	--do--	62033681740
14	Public Contribution	--do--	52071285894
15	MAHADA	--do--	62099316882
16	GPF	--do--	52071286207
17	Dalit Wasti Sudhar Yojna	--do--	62200823899
18	General Body	--do--	62203518089
19	Librari Grant	--do--	62177506637
20	Sujal Nirmal Yojna	--do--	62216352979
21	Akatmikash Vividh Yojna	--do--	62044608212
22	Suvarna Jayanti Yojna	--do--	62001805141
23	LBT	--do--	62234881912
24	Development Work Special Grant	--do--	62280951055
25	Ramai Gharkul Yojna	--do--	62265576162
26	Car Loan	--do--	62241652712
27	UD-6	State Bank of India	11183355690
28	UIDSSMT	--do--	11183359413
29	LBT	State Bank of India	32420870195
30	Maliriya ANM	--do--	30246868780
31	Vaidhanik Vikas Mandal	--do--	2250937098
32	FSD	State Bank of India	2250936811
33	General Body	--do--	3122422195
34	Minority	--do--	2250931982
35	LBT	--do--	3214150781
36	UIDSSMT	Axis Bank	910010028355224
37	Vishishtapurna Yojna	--do--	911010010743597
38	Vishishtapurna Yojna (Aurangabad)	--do--	165010100203838
39	LBT	--do--	91002002508511
40	Suvarna jayanti Yojna	Badoda Bank	132020100004265
41	General Body	--do--	13220100007285
42	Marathwada Vaidhanik Vikas Mandal	--do--	13220100009681
43	General Body	--do--	132201000010054
44	LBT	--do--	13220200000606
45	MLA Grant	IDBI Bank	637104000005982
46	LBT	--do--	637102000008570
47	LBT	Union Bank	323101010292163
48	LBT	Vijaya Bank	50890039100000
49	LBT	Uco Bank	24190210000205
50	Natural Calamities	Union Bank	323102010206509
51	Providing Latrines to the members of SC Community	Maharashtra Bank	60183678739

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Statement showing varying figures of previous years adopted in budget estimates

Revenue Opening Balance	Receipts			Expenditure		
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
As per Budget Estimates for 2013-14	22650011	47111156	319975634	----	----	----
As per Budget Estimates for 2012-13	3315511	20231570	----	----	----	----
As per Budget Estimates for 2011-12	1940580	----	----	----	----	----

Revenue	Receipts			Expenditure		
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
As per Budget Estimates for 2013-14	187591405	234503257	236704374	147607733	201838813	245156418
As per Budget Estimates for 2012-13	186201451	232632328	----	150267884	199662166	----
As per Budget Estimates for 2011-12	207602921	----	----	224527287	----	----

Capital	Receipts			Expenditure		
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
As per Budget Estimates for 2013-14	547390872	537942986	196753285	549501287	286760320	390999709
As per Budget Estimates for 2012-13	547390872	537589986	----	534826332	281300619	----
As per Budget Estimates for 2011-12	525500039	----	----	432038073	----	----

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Extraordinary Loans & Suspense Account	Receipts			Expenditure		
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
As per Budget Estimates for 2013-14	301320	912775	20474357	5206618	10793941	40841633
As per Budget Estimates for 2012-13	2208428	3076704	----	4645856	10665503	----
As per Budget Estimates for 2011-12	2208428	----	----	78690912	----	----

Loans	Receipts			Expenditure		
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
As per Budget Estimates for 2013-14	0	0	1777000	8506814	1101466	----
As per Budget Estimates for 2012-13	0	0	----	8506814	1101466	----
As per Budget Estimates for 2011-12	----	----	----	----	----	----

Total	Receipts			Expenditure		
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
As per Budget Estimates for 2013-14	757933608	820470174	775684650	710822452	500494540	676997760
As per Budget Estimates for 2012-13	739116262	793530588	----	698246886	492729754	----
As per Budget Estimates for 2011-12	735311388	----	----	735256272	----	----

(K) R. N. Jagan
 AAO/CS II

**OFFICE OF THE ACCOUNTANT GENERAL (AUDIT) II MAHARASHTRA,
NAGPUR**

No. LBAA-II (HQ)/PMC/2014-15/

Date: 09/07/2015

To
The Municipal Commissioner,
Parbhani Municipal Corporation,
Parbhani.

Subject: Regarding Inspection Report for the period from 01/04/2013 to 31/03/2015

With reference to your letter No. Bhandar/56 dated 21/05/2015 on the subject cited above it is stated that para No 25 stated in the letter is incorrect and it is actually para NO.26. Following remarks are offered in this connection .

Sr. No.	Para No. & Period of Audit.	Subject	Remarks
1	Para No. 26 (2) 2013-15	Adoption of irregular procurement of purchase procedure.	Electrical materials were supplied on 17/12/2012 and by this date all the festivals mentioned in the reply were already over. Hence, the procurement is irregular.
2.	No. 26 (3)		Since the material was required to be purchased from MSSIDC as per Govt. Circular dated 02/01/1992 calling for tenders and awarding the supply order to lowest tender is irrelevant. Further documents/instructions showing that the MSSIDC should apply/fill the tender may be furnished to audit.
3.	26 (4)		Purchase of uniform was in contravention of Govt Circular of 02/01/1992. Record showing no MSTC office in Parbhani or nearby district may please be furnished. Further, copy of notice given by the employees (Class-IV) organization may also be furnished to audit for verification.

Compliance in respect of above and other paras of the IR may be sent after approval of Municipal Commissioner .

sd -
Sr. Audit Officer/LB-II

No. LBAA-II (HQ)/PMC/2014-15/ 499

Date: 09/07/2015

Copy forwarded to information and necessary action to:-

- The Chief Accounts & Finance Officer, Parbhani Municipal Corporation, Parbhani.

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Sr. Audit Officer/LB-II

**OFFICE OF THE ACCOUNTANT GENERAL (AUDIT) II MAHARASHTRA,
NAGPUR**

No. LBAA-II (HQ)/PMC/2014-15/ 498

Date: 09/07/2015

To
The Municipal Commissioner,
Parbhani Municipal Corporation,
Parbhani.

Subject: Regarding Inspection Report for the period from 01/04/2013 to 31/03/2015

With reference to your letter No. Bhandar/56 dated 21/05/2015 on the subject cited above it is stated that para No 25 stated in the letter is incorrect and it is actually para NO.26. Following remarks are offered in this connection.

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3	26 (4)		Purchase of uniform was in contravention of Govt. Circular of 02/01/1992. Record showing no MSTC office in Parbhani or nearby district may please be furnished. Further, copy of notice given by the employees (Class-IV) organization may also be furnished to audit for verification.

Compliance in respect of above and other paras of the IR may be sent after approval of Municipal Commissioner.

[Signature]
Sr. Audit Officer/LB-II

Date: 07/07/2015

No. LBAA-II (HQ)/PMC/2014-15/

Copy forwarded to information and necessary action to:-

- The Chief Accounts & Finance Officer, Parbhani Municipal Corporation, Parbhani.

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Sd -
Sr. Audit Officer/LB-II
[Signature]
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OFFICE OF THE ACCOUNTANT GENERAL (HQ) II MAHARASHTRA
NAGPUR

No. LBAA-II (HQ) NWCMC/IR 2011-12/2015-16

Date: 24/07/2015

To
The Municipal Commissioner,
Parbhani Municipal Corporation,
Parbhani.

Subject: Regarding Inspection Report for the period from 2011-12.

Sir,

With reference to your letter No. PMC/ 259 dated 08/07/2015 on the subject cited above, the following remarks are offered:-

Sr No.	Para No. & Period of Audit.	Subject	Remarks
1	Para No. 12 (2011-14)	Non observance of provision of MRIP Act in issue of Occupancy Certificates, conducting inspections and non imposition of penalty on irregular construction.	Please furnish point wise reply in respect of the issues raised in the para.
2	Para No. 24	Poor implementation of Development Plan	Please furnish point wise reply in respect of the issues raised in the para.

Compliance may be furnished after approval of the Municipal Commissioner.

SD/-
Sr. Audit Officer LS-II

No. LBAA-II (HQ) NWCMC/IR 2011-12/2015-16/ 508

Date: 24/07/2015

Copy forwarded for information and necessary action to:-

1 Chief Accounts and Finance Officer, Parbhani Municipal Corporation, Parbhani

महानगर स्वयंसेवक संघाचे अध्यक्ष
अधिकाऱ्यांच्या कार्यालय
परिचर्याचे मुख्यालय
आले फेर सादर करावीत -
मुख्य अधिकारी
24/7/2015
24/7/2015

[Signature]
Sr. Audit Officer LS-II