

## CHAPTER V

### 5.1 Dues outstanding from Government

Cess on land, irrigation, water and stamp duty levied by the respective departments of Government are transferred to the ZPs for onward disbursement to GPs in the form of assigned revenue.

Grant in Aid in the form of land equalization and stamp duty to the extent of Rs 18.34 crore was not received by Satara and Solapur ZPs from Government.

In reply it was stated that the matter had been referred to Government for release of grants.

### 5.2 Non transfer of school to municipal corporation

Twenty one primary schools under the control of ZP Ahmednagar were to be transferred to Ahmednagar Municipal Corporation (AMC) in June 1999. Despite lapse of a period of three years ZP Ahmednagar had not transferred these schools to the AMC (March 2003). Further, under Section 42 (i) of the Bombay Primary Education Act, 1947, 50 *per cent* expenditure was recoverable from the AMC. As schools were not handed over to AMC, ZP Ahmednagar had to bear the additional burden of 50 per cent amounting to Rs 2.84 crore on pay and allowances of primary teachers for the period from July 1999 to March 2003.

In reply the ZP stated that the proposal to transfer the schools to AMC would be got approved by the General Body and necessary action taken for recovery of 50 *per cent* cost.

**Non-transfer of 21 primary schools to the municipal corporation resulted in ZP Ahmednagar incurring additional expenditure of Rs 2.84 crore.**

### **5.3 Non payment of electricity bills**

As per orders of Government, electricity bills of street lights of GPs were to be paid by the PSs under 100 *per cent* Government grant.

**Delay in payment of electric bills resulted in levy of Rs 30.34 lakh towards penalty.**

In four PSs<sup>1</sup> in ZP Kolhapur, outstanding electricity bills of street lights of 416 GPs to the tune of Rs 1.56 crore were not paid as of March 2003. The MSEB had levied Rs 30.34 lakh on account of delayed payment charges.

It was replied that payment of grant to the GPs was not made in time as grants were not received by the PSs in time.

### **5.4 Loss of revenue due to non-revision of rent**

**Loss of revenue of Rs 3.59 crore due to recovery of rent at pre-revised rates.**

ZP Thane allotted 133 plots situated in five blocks on rental basis to various private parties in 1977. According to Government instructions of January 1992 rent was to be revised periodically. The standing committee of ZP Thane in its meeting held on 13 March 2002 approved the revised rates of rent. However rent was continued to be recovered at old rates in Ulhasnagar and Murbad blocks resulting in loss of revenue of Rs 3.59 crore for periods between March 1980 and March 2003.

### **5.5 Non recovery of rent**

**Recovery of rent of Rs 17.56 lakh remained outstanding.**

A shopping complex consisting of 24 shops constructed by the ZP Osmanabad from ZP Cess Fund was let out on rent during the period between May 1991 and March 2002 by obtaining requisite security deposits. The rent of Rs 17.56 lakh due from the tenants was, however, not recovered for periods falling between May 1991 and July 2003.

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<sup>1</sup> Bhudargad, Chandgad, Gaganbavada, Panhala.

In reply it was stated that the matter was taken up with the revenue authority for recovery. Reports on further progress in the matter was awaited (March 2004).

#### **5.6 Inoperative vehicle insurance fund.**

**An amount of Rs 20.93 lakh under Insurance Fund remained unutilised.**

In accordance with Section 94 of the Motor Vehicles Act, 1939, ZP Sangli created Vehicle Insurance Fund in June 1989 for meeting liability arising out of use of motor vehicles of the authority towards third parties including liability under Workmans Compensation Act. The fund was established with an initial amount of Rs 1.00 lakh and the ZP made contribution to the fund at the rate of Rs 100 per vehicle per year. The annual contribution was discontinued from 1995-96 after depositing Rs 12.00 lakh in the fund. The fund with an accumulated balance of Rs 20.93 lakh had not been operated till 31 March 2003. From the year 1996-97 onwards, third party insurance was taken for all the vehicles in the ZP with the Director of Insurance, GOM. As such, the utility of the fund was required to be reviewed and closed if not required under the orders of Government.

#### **5.7 Outstanding loan recovery under District Village Development Fund (DVDF)**

**DVDF loan of Rs 3.13 crore and contributions of Rs 0.69 crore to the fund were recoverable from GPs in five ZPs.**

According to Section 133 of the Bombay Village Panchayat Act, 1958, District Village Development Fund (DVDF) was to be created with contribution from every GP at 5 *per cent* of their total receipts. The proceeds of the fund were to be utilised for advancing loans to the GPs for development activities in the village. The loan was recoverable in 10 annual instalments, along with interest at the rate of 5 *per cent* per annum. In addition, penal interest at the rate of 2 *per cent* per annum was leviable in case of default. Recovery of loan was to commence after a moratorium period of one year.

Scrutiny of records relating to DVDF in 5 ZPs<sup>2</sup> revealed that loan of Rs 3.13 crore was outstanding from GPs as on September 2004. Audit scrutiny further revealed that contribution of Rs 68.80 lakh as per the Act towards DVDF was outstanding from GPs under the 6 ZPs<sup>3</sup> as of 31 March 2003.

### **5.8 Non-disposal of unserviceable cars**

**Unserviceable vehicles were not sold.**

Commissioner, Amravati Division had accorded (October 2002) permission to ZP Buldana to purchase 5 new cars against the 13 old unserviceable cars provided they were disposed of within 3 months from the date of purchase of the new cars. It was, however, seen that, no action was taken (October 2003) by the ZP for disposing of the old cars despite five new cars having been purchased at a cost of Rs 19.76 lakh in November 2002.

On being pointed out it was stated that action to dispose of the unserviceable vehicles by auction would be taken.

### **5.9 Misappropriation of Government money**

**Recovery of misappropriated funds of Rs 4.36 crore was**

Scrutiny of records of 9 ZPs<sup>4</sup> revealed that in respect of 1359 cases of misappropriation, recoveries amounting to Rs 4.36 crore were pending at the end of December 2003. No effective steps were taken by the ZPs/PSs for finalisation of the cases and for recovery of the losses.

The BDOs stated that action to recover the amount misappropriated by the officials of the GPs concerned was in progress.

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<sup>2</sup> Buldana, Chandrapur, Nagpur, Parbhani, Osmanabad.

<sup>3</sup> Buldana, Chandrapur, Nagpur, Parbhani, Osmanabad, Wardha.

<sup>4</sup> Buldana, Chandrapur, Nagpur, Osmanabad, Parbhani, Raigad, Ratnagiri, Thane, Wardha.

## **5.10 Arrears of taxes**

**5.10.1** According to Section 124 (1) of the Bombay Village Panchayat Act, 1958 and the Maharashtra Gram Panchayat Fee Rules, 1960 read with Government resolution of June 1989, the GPs have been empowered to levy and collect taxes/charges annually from the beneficiaries.

**Tax arrears of Rs 3.83 crore were pending recovery.**

In 87 GPs water charges and house tax amounting to Rs 2.76 crore as of 31 March 2002 were pending recovery from the beneficiaries (March 2003).

**5.10.2** Similarly in three ZPs<sup>5</sup> irrigation and water charges amounting to Rs 1.07 crore relating to the periods 2001-02 and 2002-03 were pending recovery (March 2003).

## **5.11 Non recovery of repairs & maintenance charges**

The cost of repairs and maintenance of hand pumps and electric pumps installed on bore wells of GPs carried out by the ZPs were required to be recovered from the GPs by the PSs and paid to the ZP.

**Rs 2.78 crore was pending recovery towards repairs and maintenance charges of pumps.**

Scrutiny of records of 6 ZPs<sup>6</sup> revealed that Rs 2.78 crore was outstanding against 56 PSs on account of recovery of cost of repairs and maintenance of hand and electric pumps (March 2003).

The ZPs stated that special efforts were being made to recover the arrears.

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<sup>5</sup> Buldhana, Chandrapur, Nagpur.

<sup>6</sup> Buldhana, Chandrapur, Nagpur, Osmanabad, Parbhani, Wardha.

### **5.12 Unauthorised utilisation of grants for construction of Sub Centres**

**Despite withdrawal of grant, expenditure of Rs 86.25 lakh was incurred.**

Directorate of Health Services (DHS), Mumbai had placed grants of Rs 1.59 crore in January 2003 with ZP Buldana for construction of sub centres under the Minimum Needs Programme- Removal of Regional Imbalance. However, the entire allocation of Rs 1.59 crore was withdrawn in February 2003 as the release of grants was based on incorrect data on backlog in construction of sub centres. ZP Buldana, however, drew the entire allocation of Rs 1.59 crore from the treasury in March 2003 and incurred expenditure of Rs 86.25 lakh to end of March 2003. As the DHS had withdrawn the allocation, the expenditure incurred on construction of sub centres was irregular. The ZP stated that the amount was drawn from the treasury before receipt of the orders of February 2003

The matter was referred (November 2003) to the DHS for comments which were awaited (March 2004).

### **5.13 Excess payment of grant to residential schools for handicapped**

**Excess payment of grants of Rs 11.18 lakh.**

The Social Welfare, Cultural Affairs and Sports Department vide resolutions of 16 March 1995 and 4 November 1995 prescribed that non-salary grant at the rate of 8 *per cent* of salary grant shall be paid to the residential schools for handicapped children in addition to salary grant.

Scrutiny of records of ZP Osmanabad revealed that excess payment of Rs 11.18 lakh on account of salary and non-salary grant was made to residential schools for handicapped during 1998-99 and 2001-2002. The ZP replied that the excess payment of grants would be recovered from the grants to be released.

## **5.14 Nugatory expenditure**

**5.14.1** Government issued instructions (January 1996 and March 2000) that the number of posts of teachers be assessed based on the strength of the students on roll as well as their average attendance on 30 September of the previous year. Any excess teacher strength beyond norms was not admissible for grant from Government.

**Expenditure of Rs 1.79 crore incurred on surplus teaching and non-teaching staff.**

Scrutiny of records of 5 PSs under ZP Nagpur, revealed that there was delay in transfer of 208 surplus teaching staff during the period from 1998-99 to 2002-03 resulting in nugatory expenditure of Rs 1.60 crore on pay and allowances of idle staff. Reasons for delay in transfer of teachers was attributed to late receipt of orders from the ZP.

**5.14.2** In respect of ZP Ahmednagar, Government had reduced strength of teaching and non teaching staff in July 2001 due to which 21 employees were rendered excess for periods ranging from 3 months to 4 years (March 2003) which resulted in nugatory expenditure of Rs 19.23 lakh on their pay and allowances.