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**Audit and Inspection Note on the accounts of
Municipal Committee Malagarh, Distt Solan (H.P)**

period 4/79 to 3/80

part-I

1. Last Audit Note :- Audit and Inspection Note for the period from 4/74 to 3/79 was issued vide this office endorsement No. v(9) fin (LAD) vol-III dated 24.10.1980 and the same was received in the Municipal committee's office on 27.10.80. But the annotated copy of the audit note has not so far been sent to this office. The same may be submitted in an interleaved form as laid down in rule 249(2)(a) of the Himachal Pradesh Municipal Account code, 1975. without any further delay.

PART II

2. Present Audit :- The present test audit and examination of accounts for the period from 4/79 to 3/80, the results of which are embodied in the succeeding paragraphs, was conducted by Sh. Jaswant Singh, from 2.3.81 to 27.3.81. The accounts for the months of 5/79, 7/79, 11/79 and 3/80 were selected for detailed check. Dates of octroi selected for detailed check of octroi accounts were from 10th to 15th of the selected months.

The record asked for was duly produce in audit.

3. Financial position :- The financial position of the municipal funds is exhibited below in a comparative form :-

	1978-79	1979-80	
Opening balance	88,974-90	1,64,028-03	
Income	4,35,423-78	4,09,211-85	
Total	5,25,398-68	5,73,239-88	
Expenditure	3,61,370-65	4,16,778-91	appear
Closing balance.	1,64,028-03	1,56,460-97	ken

The increase in income and expenditure during 1979-80 was due to the receipt of more grants-in-aid, recovery of rent etc and execution of various development works. Light charges establishment respectively.

The Municipal committee had neither invested any amount of its funds nor taken during the period under audit.

The main sources of income were octroi, rent of municipal buildings, license fee, grants-in aid etc.

4. Audit Fee :- The fee for the test and examination of the funds for the period to 3/80 worked out to Rs 400-00 (Rs four hundred) as detailed in appendix 'A' to this audit. The secretary Municipal committee was requested vide requisition No. 405/ 5/81 dated 2.4.81 to credit the audit fee into the government treasury under head 765- other Administrative services - other services fee for govt. audit Himachal Pradesh.

pradesh." under intimation to this department .

These could
be utilised
the financial
ending
31.3.80

5. Grants :- Grants- in - aid received from the government during the year 1979-80; for the execution of various development works are detailed in the attached statement as appendix. B of this audit note . A perusal of the statement revealed that all the grants were received on 31.3.1980 but in the subsequent financial year 1980-81 ~~but~~ almost all these grants have either been utilised fully or partly (the requisite works have either been completed or were in progress-) The committee may ensure that the said grants are utilised according to the terms and conditions of the sanctioning letters and unspent balances of grants , if any, should be refunded to the Government account. Where the work had not been started within the stipulated period and completed within two years. the sanction of the competent authority for the extension of period of utilisation may be obtained .

The utilisation certificates of grants (which have duly been utilised may also be sent at every early date .

6. Arrears (a) An ~~amount~~ amount of Rs 8957-67 ~~xxxxxx~~ Rent on account of arrears of rent of municipal buildings plots etc as on 28.3.81 (as detailed below) was still outstanding . The progress of recovery was not satisfactory immediate steps should be taken to recover the arrears under intimation to this department .

Time of the tenant lessee	Year to which arrears pertained.	Amount xxxxxx	Remarks .
Sh. Ranji Dass	78-79	0-08	No specific action appeared to have been taken for the recovery this may be explained .
Sh. Har chand singh s/o Sh. B ara singh	78 -79 79-80	900-00	
Sh. Mohan Lal	78-79	0-08	- "
Sh. Bhagat Ram	78-79	0-08	- "
Sh. Gurdas s/o Sh. Sant Ram.	79-80	50-00	- "
Sh. Aranjian Dass	77-78	288-00	- "
Sh. Chanan Mal	78-79 79-80	72-00	- "
Sh. Gurbax singh teacher.	79-80	200-00	- "
Sh. Ram parkash s/o.	78-79	450-00	- "
Sh. Anshi Ram	79-80	-	- "
Sh. Jagdish chand s/o	77-78	-	- "
Sh. Rakha Ram	78-79 79-80	162-00	- "
Sh. Mukha Bind. Gautam.	79-80	2308-00	- "
Sh. Jagdish chand s/o	73-74 to 74-75		
Sh. Prab Dayal			

Kumari Devi W/O Sh.	78-79	648-00	- "
Sh. Ram S/O. Sh. Radha	79-80	100-00	- "
Hari Singh S/O Sh.	79-80	324-00	- "
Om parkash S/O Sh.	76-77 to 79-80	1188-00	- "
Ranjit Singh S/O	79-80	240-00	- "
Sh. Mast Ram.	79-80	427-43	- "
Sh. Tilak Raj S/O. Sh. Kastu-	77-78 78-79	1600-00	- "
Total		8957-67	

The matter is also brought to the personal notice of the president for immediate action.

(b) The page wise totals and progressive totals of arrears on 1.4.79, demand for 79-80, collection during 1979-80, and arrears on 31.3.80. of rent demand and collection register for the year 1979-80 had not been struck due to which the collection made as per rent demand and collection register during the year 1979-80 could not be reconciled with that of Rs 52,422-15 posted in the classified abstract for the year 1979-80. The omissions may be accounted for and compliance shown at the next audit positively for necessary check.

(c) Lease money :- As per demand and collection register lease money amounting to 3370-00 was due from the following leasees pertaining to the year 1978-79 & 1979-80. These shops No. 1 to 3 were located out on year to year basis. As per auction condition No. 1 1/12 th of the bid money was required to be paid on the spot and 1/4 th of the total amount at the time of approval of the auction and vide respective agreement of 5/79, monthly rent was required to be paid by the 7th of each month failing which municipal committee may get the said shops vacated. But during audit it was noticed that the lessees failed to make the requisite payments on the prescribed date and the committee did not take any action. This resulted in arrears of the Municipal committee's due. The reasons for not taking any timely action may be explained. Further fruit shop No. 2 was auctioned at Rs 3550-00 for 1979-80 in favour of Sh. Norata Ram whereas the same was auctioned at Rs 6850-00 during 1978-79. Reasons for auctioning the shop No. 2 at such a lesser amount, which resulted in a loss of at least Rs 3300-00 may be explained.

- (1) Sh. Charanjit Singh (shop No.1) Amount still due 581-00 for 78-79
- (2) Sh. Raghuraj Dayal (Shop No.3) 1114-00 for 79-80
- (3) Sh. Kawal Krishan (shop No.1) 1675-00 -do-
S/O Sh. piare Lal. 3370-00

Immediate steps may be taken to effect the recovery of Rs 3370-00 under intimation to this office.

(a) Teh Baza i:- Teh sa zari register was not properly maintained in as much as column No. 9 was lying blank. This was quite irregular. The omission may be explained. During the course of audit it was noticed that the following plot holders who paid teh bazari in 3/79 did not pay teh bazari during 1979-80 which apparently resulted in a loss to the municipal funds. The responsibility for the same may be fixed and loss made good or otherwise justified.

Name	Charged teh bazari for .	At the Rate of .	Amount not charged.	Period for which not charged .
Bansal fruit Co, Malagarh	20 Sq Yds.	20.00 for 7/79	160-00	8/79 to 3/80
Sh. Joginder singh	8 sq.yds.	8/- for 7/79	64-00	-do-
Sh. Ram singh	"	"	64-00	-do-
Sh. Shayam sunder	3 su.yds.	3-00	12-00	12/79 to 3/80.
Sh. Ram parkash	8 sgs.yds.	8-00 for 7/79	64-00	8/79 to 3/80 .
Sh. Jaswant Raj	Rehri	5-00	60-00	79-80
Sh. Shayam Lal	9 Sq.yds.	9.00	108-00	-do-
sh. Mansha Ram	Rehri	5-00	60-00	-do-
Smt Devki Devi	5 sq.yds.	5-00	60-00	-do-
sh. Raj Kumar	Rehri	5-00	60-00	-do-

7. Cattle pound :- Rs 30-00 were received vide R.No. 6/25 dated 18.7.79 (in form p-3) on account of penalty in respect of three Buffaloes impounded on 18.7.79 vide entry No. 95 to 97 of the impound register. But the credit of the said amount into the municipal funds was not forthcoming and the amount has thus been misappropriated. The matter is therefore, brought to the notice of the president M.C. for immediate necessary action intimation to this office.

8. Non crediting of Govt share office :- Sh. R.D Sharma, Asstt. Engineer H.P.P.W.D and the veterinary Asstt. surgeon were paid Rs 100-00 and Rs 30-00 per month as remuneration for performing the duties of Municipal Engineer and meat inspector respectively during 1979-80. As this was a recurring fee, one third Govt share of fee, as required under S.R. 12 was requested to be credited but the same had not been credited into the government account. The secretary ~~M.C.~~ (should ensure the early credit of 1/3rd share of fee government account under intimation to this office.

9. Licences:- The licence registers had not been properly maintained in as much as column number -9 of the register was lying blank. The omission may be explained and accounted for during

the course of audit it was noticed that the following licences of 78-79 failed to get the licences issued / renewed during the subsequent year of 1979-80 and for which the reasons were not explained and the prescribed column number 9 of the register was lying blank. as the concerned official did not taken any action in the matter. This resulted in a loss of licence fee to the municipal funds, the responsibility for which may be fixed and loss made good or otherwise justified.

Licence register for dangerous and offensive traders

Name of the licences	Business	Amount of licence fee.	Remarks
Sh. Ganga Ram Lachman Dass Malagarh	cotton dealer	10-00	licence for 80-81 stood issued / renewed
M/S Mohan Lal Kishori Lal Malagarh	dealer Soap	100-00	-
M/S Ram Nath gurcharan Dass Malagarh	cotton dealer	10-00	- do-
M/S Rakesh kumar & co. Malagarh.	Karyana & cotton dealer.	10-00	Account renewed for 80-81
M/S. Ralla Ram chooru Mull jain Malagarh.	cotton dealer.	10-00	-do-
M/S Amer & Co. Malagarh	-do-	10-00	-do-
M/S Baboo Ram piara Lal Malagarh	-do-	10-00	-do-
M/S Jandish Ram Sharma Malagarh.	-do-	10-00	-do-
M/S Roshan Lal Malagarh	-do-	10-00	-do-
M/S piara Lal Muni Lal Malagarh.	-do-	10-00	-do-
M/S Diwanra Dass	-do-	10-00	-do-
<u>Food Licences</u>			
Sh. Ganga Ram S/O. Sh. Mathu Ram Malagarh.	Karyana dealer	5-00	-do-
M/S Jagan Nath Ashok kumar Malagarh.	flour Mill.	5-00	-do-
M/S Roshan Lal Rakesh kumar Malagarh.	Karyana dealer.	5-00	-do-
M/S Mohinder kumar Ram Gopal Malagarh	Malwai.	5-00	-do-
M/S Kehho Ram chander Mani Malagarh	Karyana dealer.	5-00	-do-
M/S Harinder kumar Jaspal singh Malagarh	Karyana dealer.	5-00	-do-
M/S Rameswar Dutt, Hari om Malagarh.	-do-	5-00	-do-
M/S Bhagar Ram sharma Malagarh	-do-	5-00 for 80-81	-do-

10 Bus parking fee/ teh bazari at M.C Bus stand Malagarh :- The Municipal committee had been charging bus parking fee @ Rs 1-00 each bus at its bus stand. But in the following cases, the said fee had not been ~~charged~~ properly charged. This resulted in financial loss to the municipal funds. The matter may be which looked into and loss made good under intimation to this department.

Amount due. Amount charged. No of routes missing

Amount due	Amount charged	No of routes missing on this date.	Total	Amount of fee not realised.	Remarks.
64	60	-	60	4-00	Amount of loss realisation worked out on the basis on the basis of total number of bus routes which touched the Halebgarh bus stand on 2.5.79 i.e. 58 charged from Buses as fee & 6 routes missed. Thus total number of routes -s on 2.5.79 comes to 64.
"	58	-	58	6-00	
"	59	-	59	5-00	
"	58	-	58	6-00	
"	60	-	60	4-00	
"	60	-	60	4-00	
"	57	5	62	2-00	
"	61	4	61	3-00	
"	58	4	62	2-00	
"	57	4	61	3-00	
"	62	-	62	2-00	
"	59	-	59	5-00	
"	62	-	62	2-00	
"	62	-	62	2-00	
"	62	-	62	2-00	
"	61	1	62	2-00	
"	62	-	62	2-00	
"	63	-	63	1-00	
"	61	2	63	1-00	
"	62	2	62	2-00	
"	61	-	61	3-00	
"	59	3	62	2-00	
"	61	1	62	2-00	
"	62	-	62	2-00	
79	63	3	62	1-00	worked out on the basis of collection on 1.7.79
63	57	4	61	2-00	i.e. 63 routes @ Rs 1-00 each.
63	59	2	61	2-00	
"	59	3	62	1-00	
"	58	4	62	1-00	
"	62	-	62	1-00	
"	57	4	61	2-00	
"	59	3	62	1-00	
"	59	3	62	1-00	
"	57	5	62	1-00	
"	53	9	62	1-00	
"	50	12	62	1-00	
"	55	6	61	2-00	
"	60	2	62	1-00	
"	55	7	62	1-00	
"	53	8	61	2-00	
"	56	6	62	1-00	
"	54	8	62	1-00	
"	54	8	62	1-00	
"	53	9	62	1-00	
"	53	7	60	3-00	
Nov 64	52	15	62	1-00	
79	52	8	60	2-00	
"	59	4	62	1-00	worked out on the basis of collections on 2.11.7
"	62	1	63	1-00	i.e. 64 routes @ Rs 1-00 each.
"	58	5	63	1-00	
"	61	1	62	2-00	
"	61	2	63	1-00	

Station	Lat	Long	Time
55	7	62-00	2-00
60	3	63	1-00
63	-	63	1-00
62	1	63	1-00
62	620	63	1-00
59	4	62	2-00
63	4	63	1-00
63	-	63	1-00
61	-	63	1-00
57	5	61	3-00
62	1	62	2-00
63	-	63	1-00
63	-	63	1-00
60	3	63	1-00
61	2	63	1-00
63	4	63	1-00
58	4	62	2-00
62	-	62	2-00
60	3	63	1-00
56	7	63	2-00
60	4	64	2-00
63	-	62	3-00
61	3	63	2-00
61	-	61	4-00
63	-	63	2-00
62	-	62	3-00
62	-	62	3-00
63	-	63	2-00
62	2	61	1-00
63	4	63	2-00
63	-	63	2-00
63	-	63	2-00
63	-	63	2-00
62	1	63	2-00
63	-	62	3-00
61	1	62	3-00
58	6	64	1-00
61	1	62	3-00
63	-	63	2-00
62	5	63	2-00
62	-	62	3-00
62	-	62	3-00
63	-	63	2-00

2-00 worked out on the basis of collections on 1.3.80 @ \$1-⁰⁰ each for 65 routes.

11. A normal fall in income from the Budget

17. Estimates :- Abnormal fall in income from the following causes of abnormals.
in the following cases causes of abnormal fall in income from the Budget estimates for the year 1979-80 were not intimated/ explained during the course of audit. This was not satisfactory. The matter needs special attention of the municipal committee for investigation under intimation to this office.

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Budget Estimates Income - actually received. - during 79-80
 octroi - Rs 2,00,000/- x/- Rs 2,15,571-00
 licence fee under section 119) 430-00
 Rents. Rs 52,422-00
 food licences 1000-00 Rs ~~1000-00~~ 637-00

12. Octroi :- The octroi is the main source of income of the Municipal committee. During the course of audit it was noticed that they had been much carelessness in realising the octroi from the importers of goods within the committee area. due to the non collection of transit passes in form 02 as well as non indication of the time (in the prescribed column) at the time of passing of goods from the export check post sub para No. a) non - weighing of the goods at the time of charging the octroi as there was no arrangement of the weighing pans and weights at most of the check posts (para No. 13) non charging of octroi at the approved rates (sub para No. b etc)

Besides the octroi receipts in form o-4 were not being filled up properly in as much as column No 2&3. Mode of the carriage of the goods imported was also not being indicated on the said receipt. This was quite irregular as the correctness / genuineness of the octroi charged could not be verified in audit. The supervision/ checking of the octroi supdt/ inspector was not upto the work. The omission may be accounted for. The committee should take suitable steps in eradicating the leakage of income from octroi if any as well as for proper realisation of the octroi in the light of the following audit para :-

(c) Transit passes in form 02:- The audit of the issue of transit passes in form --02 revealed that the time of the passing of the goods from the export check posts, signatures of the Muhar-vide instances given below, was not indicated in the prescribed column. This was against the provision of rule 54 of the Himachal Pradesh Municipal Account code- 1975. As such the genuineness / correctness of the transit of goods actually passing from the export check post could not be verified in audit. The reason for not charging the octroi, in such cases, in accordance with the provisions of rule 54(2) (b) and (c) of the Himachal Pradesh Municipal Account code, 1975 may be given. The amount of octroi involved may either be made good from the official at fault or its non charging justified.

Dated	Time	Name of	Name	Name	Parti-	Amount	Remarks
	import	unport	of	of	culars	of oct-	
		Barrier	export	the	of goods.	roi.	
		No.	Barrier	in-		invol-	
			No.	porter.		-ved.	
8.5.79	3.15P.m	4	2	Jain & Co 1 Bag	sugar 4	7-41	Neither first
				Nalagarh.	tinghee.		of goods at

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Not given	4	6	Not indicated wine worth Rs 2560/- by truck No. HPA/7547	128-00
4-11 P.M	4	2	sh. Gian chand 10 Bags wine worth Rs 1280/-	64 /-
Not indicated	4	2	join & co Nalagarh. Biri & Biscuits worth Rs 1200/-	36-00
5.79 -	6	5-	sh Diwan singh 220 Bags. cement 110 Q HEA 977	58-25

5.79 -	6	4	-	Lime stone 400 Q	7-50
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indicated nor transit pass was signed
by the Mahant.
Time of import of goods not
indicated on the transit pass.

Time of export not indicated.
Destination of goods was also not
indicated.
Time of export was also not indic-
-ted.

Import time firstly shown as
2.40 P.M and then changed to 7p.M
and export time 7.15 P.M. This
appeared to have been done in order
to avoid payment of octroi as
when the goods were not exported
from check post No. 5, within 2
hours, as required under rule 54
(3) of M.A code, 1975 the transit
pass holder was liable to pay
octroi of Rs 58-25. Instead the
import time was changed. Further
the original copy of the transit
pass was written by carbon.
Impression whereas the same should
have been in copying pencil. The
posted receipt also don't tally
with the carbon copy in respect of
col. No. 08) i.e. the place Chanoli
written but no impression on the
counter fail carbon copy.

As per the original receipt No.
99/22 the carbon impression of
80Q stones in truck No. 454/HUB
worth octroi of Rs 6-00 passed
from post No. 58 in favour of sh.
sampur singh from Batta to
Kananan, was also existing. This
needs to be looked into.

11.5.79	12-30 P.M	6	5	Sh. Tulsi Dass	200 B ags cement 100 Q HYA 6745	52-50	As per transit pass the goods were exported from post No. 5 at 2-45 P.M i.e. after one hour but octroi as required vide rule 54(3) of the M.A. Code, 1975 was not charged. This should be charged from the official at fault.
16.7.79	11-05 P.M	4	5	Sh. Sampu-ran singh	700 stones HB 454	5.25	-do-
15.7.79	"	4	5	Sh. Shinda	700 stones 6095/PUR	5-25	-do-
15.7.79	1-30	4	5	-	700 stones	5-25	Neither time of export of goods indicated nor transit pass was signed by the Muharir.
13.5.79	5 P.M	6	2	Sh. Poski Ram.	800 Q. B azri	6-00	-do-
14.7.79	6-30 P.M	4	5	Sh. Shinda	800 stones	6-00	-do-
"	7-35 "	4	5	Sh. Hari singh	800 stones HPM/2852	6-00	-do-
15.7.79	2.15 P.M	"	5	Sh. Sampu-ran singh	-do- HB 454	6-00	-do-
"	4-25 "	"	5	Sh. Shinda	-do- PUR 6695	6-00	-do-
"	4.35 P.M	4	5	Sh. Sampu-ran singh.	-do- HB 454	6-00	-do-
"	4-40 "	"	5	Sh. Hari singh.	-do- HPM 2852	6-00	-do-
"	5 P.M	"	5	Sh. -do-	-do- HB 454	6-00	-do-
"	7-05 P.M	"	5	-do-	-do- HPM 2852	6-00	-do-
"	7-30 "	"	"	-do-	-do- HB 454	6-00	-do-
"	7.35 P.M	"	"	-do-	-do- PUR 6695	6-00	-do-
"	8-10 P.M	"	"	-do-	-do- HPM 2852	6-00	-do-
14.7.79	5 P.M.	6	5	Sh. Jit singh	200 B ags cement 100 Q HYA/7511	52-25	-do-
"	"	"	"	Sh. Pritam singh	200 B ags cement 100 Q HYA/7511	52-25	-do-

6.7.79	6 P.M	6	5	Sh. Ram sarky	2 Q Mangoes	3-75	-do-
6.7.79	2.30 P.M	"	"	Sh. Sampuran Singh.	800 stones HB/454	6-00	-do-
6.7.79	6.45 P.M	"	"	Sh. Ravi Bhushan	Biri worth 600/-	18.00	-do-
	8.10 P.M	"	"	Sh. Chand singh.	210 Bags cement 105Q	55.13	-do-
	"	"	"	Sh. Nirkkoo Ram	-do-		
6.11.79	3.55 P.M	2	6	Sh. Sakin	Wood "Mochha" 80Q	55.13 120/-	-do-

The date of import of ~~get~~ goods at post NO.2 was originally 6.11.79 but charged to 10.11.79 on the carbon copy whereas on the original foil it was still 6.11.79. As per entry No. 309 of the transit pass register it is entered on 10.11.79. This apparen-ly shown that the ~~get~~ goods were exported after the expiry of minimum time and thus octroi as required rule 54(3) ibid was not charged. This omission may be accounted for and now made good from the official at fault. Neither export /import time of goods from the octroi posts had been given.

15.11.79	Not charged.	2	6	Anar & co. Thro-ugh Sh. hoshan Lal.	cigarettes worth Rs 56-00	16.80	
1.3.80	-do-	5	4	Sh. Ram kishore Mehatpur.	wine worth Rs 25000/- HPA/366	1250.00	The time at the import check post. No 5 was not

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indicated. at the time of issue of transit pass but later on shown as 5.P.M. 1. on the original copy and the impression on the carbon copy was still not forthcoming. The omission may be accounted for.

(b) In the following cases octroi was not charged at the prescribed rate due to the reasons mentioned against each case. This was quite irregular and resulted in a loss of Rs 63-25 to the municipal funds which should be made good.

Date	Octroi post No.	Name of the importer.	Particulars of goods imported in the M.C area	Amount charged plus 50% surcharge.	Amount charged plus 50% surcharge.	Remarks
12.7.79	1	Sh. Chaman Lal.	5 kgs sweet golian."	63p	15p	48p
14.7.79	1	Sh. Baldev Ram	3 kgs.-do-	37p	15p	22 p
"	4	Sh. Viond Kumar.	16 cases of wine worth Rs 18 10/-	97-50	60-50	30/- original -ly the carbon copy fail was for 16 cases worth Rs 18 10/- but later on charged to 11 cases worth 12 10, by overwriting with out assigning any reasons and attestation which can not be admitted in audit.
11.7.79	5	Sh. Sukhdev Singh.	Potatoes weight 160 kgs.	2.40	0-60	1-80 The original weight had been charged from 160

Rs to 400s
by overwriting
of which can
not be admitted
in audit.

11.7.79 5 Sh Laxmi 1000 3-00 1-50 1-50
chand tiles.
"Sh. Chaman Lal
20 fruit 6/- 3-00 3-00
Jawan.
15.7.79 "Sh. Shiv 200s -do- 0-60 30p 30p
Kumar. 10s -do- 0-30 15p 15p
" -
12.7.79 5 Sh. Mohar 20Kgs 0-60 0-30 0-30
Chand -do-
" -do- 0-60 0-30 0-30
14.7.79 5 Sh. -do-
12.7.79 5 Sh. Piar 200 tiles
Lal . 0-60 0-30 0-30
10.7.79 5 Sh. Sohan 11 Q 3-30 1-20 2-10
Lal wheat

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As per receipt No.
carbon copy impression
of 11Q wheat had been
changed to 4 Q by ink
which could not be
admitted in audit.

15.11.79 5 Sh. Amar 124 "Nag"
Nath & Co. Gur." 74-40 55-80 18-60
37.20 Q
@30%
instead
of 40%
each.

The octroi Muzam had
charged octroi on the
basis of 30% per
"Nag" for 124 "Nag" of
Gur supplied by M/S
Roshan Lal Rakesh ku-
mar, Kalka. This was r
not correct because vi
vide another octroi
receipt No. 194/197
dt 11.11/79. of Amar
Nath Kalka & Co. weight
charged was at the r
rate of 40% per "Nag"
of Gur. As such char-
ged was at the rate of
less for 12.40Q for
12.4 "Nag." of "Gur"
further goods were
imported from Kalka
and octroi was to be
charged at octroi
Rest. No. 6 on Kalka
Nalagarh road whereas
it had been charged at
at post No. 5 on
Ropar, Nalagarh road.
This may be justified

X The reasons for the
same were not given/
explained during
Audit

14.3.80 5 MIDE. 400 Liters 8-40 4.20 4-20
Nalagarh Machine
oil. 63-25

charged @ 70% instea-
d @ 1-40% vide item
No. 91 of the octroi
schedule.

Sh. Amrik Driver brought 33 Ks of Bamboos
in truck No. HPA/7725 from swarghat into the
Nalagarh Municipal area and had paid octroi

of 50 paise vide receipt No. 120/199 dated 15.11.79 at post No. 4. As per receipt, column No. 3 i.e. name and address of the owner had been kept blank. The carrying of only 33 lbs of bamboos by engaging a full truck from swarghat did not seem to be justified. It is suspected that a full truck load of bamboos having a capacity of at least 75 quintals was carried from swarghat and it was declared as 33 lbs only for the purpose of octroi at the barrier and the muharir concerned failed to realise the octroi on the actual weight and secondly reasons for not filling up column No. 2 i.e. Name and address of person incharge of goods were also not explained. This was apparently done to avoid the full payment of octroi which would have been about Rs 112-50 (Rs 1-00 per quintal for 75 quintals plus 50% surcharge). This resulted in expected loss of about Rs 112-00. The matter may be investigated by the Municipal committee and loss involved if, any made good. The

Similarly octroi of 50 paise for 3-50 quintals of fire wood was shown charged vide receipt No 68/883 dated 15.3.80. The goods were imported into the municipal area through check post No. 4 in truck No. HPA/7725 from swarghat which appeared to be quite doubtful as the requisite column No. 2 and 3, i.e. name and address of the incharge and owner of the goods was lying blank. Further in the official carbon copy of the said receipt, the carbon impression of the particulars was not legible and possibility of charging octroi on 3.50 quintals instead of the actual weight was not ruled out. The matter may therefore be investigated and loss due to charging of less octroi, if any, made good from the official at fault.

(d) As per register of transit passes maintained, into the following receipts in form 0-2 were issued for the export of goods (imported into the municipal area) within the prescribed time (as required under rule 54 (3) of the M.P. Municipal Account code, 1975.) but the importer failed to deposit the transit passes on the export octroi check posts. As such the demand of octroi due was created against the defaulter for compounding the cases. But only the preliminary notices were being shown issued to the defaulting persons for crediting the amount of octroi involved within seven days with explanation of circumstances as to why ten times octroi should not be charged. But cases were mostly compounded by charging the amount of octroi only and the condition of compounding the offence of not exporting the goods under transit passes as laid down in the preliminary notice was not being complied with. This omission resulted in a financial loss to the municipal funds which may be accounted for. Further after the issue of preliminary notices, no follow up action in the following cases, had been taken and the octroi amounting to Rs 464-85 was still in arrears. This was not satisfactory. The matter therefore, brought to the special notice of the municipal committee and other higher authorities for necessary action.

Remarks .

Amount of octroi involved .

Name of the articles for transit pass.

Import octroi post No.

Export octroi post No.

dated

-15-

Quantity of the articles.

3.4.79	5	petha	1 Q	1-50	
11.6.79	5	Sand	80Q	6-00	
24.6.79	5	Potatoes	1.60Q	2.40	
3.5.79	2	-do-	2.40 Q	3.60	
9.10.79	5	Tomatoes	5-00Q	7.50	
27.10.79	2	steel Almirah	0-80 Q	3-60	
8.7.78	5	stones	80 Q	6.00	
7.9.79	4	cement	5Q	2.63	
9.10.79	4	-do-	2.50 Q	1.32	
28.9.79	5	"Adrak"	4 Q	6.00	
29.10.79	2	Buffaloes	three	2.25	
29.10.79	5	tobacco	1.10 Q	4.95	
1.11.79	2	soap washinbg cloth	49.10 Q	220.45	
29.11.79	4	wood	3Q	28.50	
29.10.79	5	cement	1 Q		
			2.50 Q		
21.1.80	2	wine. "Desi"	worth	1-32	
20.1.80	4	Iron pipe	Rs2560/-	128.00	
1.2.80	6	cement	2.00	6.00	
2.2.80	6	-do-	5Q	2.63	
4.2.80	6	Iron rod	20Q	10.50	
19.3.80	2	Girder Iron	3 Q	9.00	
2.10.79	5	xxxxxx	3 Q	9.00	
	5	"Adrak"	1.00		
			0.80 Q		
Total				1-20	
				454-85	

As per miscellaneous demand and collection register page 45 the following amounts of octroi for the year 1979-80 were still outstanding against the defaulters and no concrete steps had been taken to recover the same. This was quite unsatisfactory and should be explained immediate steps may be taken to recover the outstanding amounts under intimation to this office.

Whome due	Amount of octroi	Remarks
Surinder contractor		
Ropar	545-10	for 61-62
D.O. P.W.D Ropar	484.28	-do-
Nachayat samiti Nalagarh	5000-00	for 63-64 Rs 4985-00 recovered on 26.2.81 Hence balance of Rs 15-00 may be recovered.
Resident kotla co.op		
Society, Ropar	22.84	for 64-65
D.O. Nalagarh	62-44	for 68-69
Stt. Engineer (B&R)		
W.D Nalagarh.	707.27	for 18.8.70
Stt. Engineer civil construction H.P.S.E.B Parwanoo	4.50	for 65-66
Stt Engineer Tube well)		
P.P.W.D Nalagarh	109.81	for 76-77

(f) As per monthly income data of octroi received on account of wine imported into the municipal area for consumption / sale by the wine contractor during 1979-80, it is noticed that there was a considerable fall in the octroi income during the months of 7/79 (Rs 124-15), 9/79 (Rs 315-00) 10/79 (Rs 70-00) and 12/79 (Rs 30-00) as compared with that received during the respective preceding months of 6/79 (Rs 695-80) 8/79 (Rs 937-65) and 11/79 (Rs 2031-20). The circumstances leading to variation were not explained during the course of audit and may be justified. The matter is brought to the notice of the municipal committee for looking into.

(g) Initially the octroi demand bill of Rs 12,391-38 for the year 1979-80 was prepared by the Municipal committee in respect of the material imported into the municipal area by the S.D.O. (Electricity) (H.P.S.E.B Nalagarh) but later on the said bill had been changed/ amended to Rs 7800-20 (payment stood received on 4.9.80) on certain objections raised by the Department. The octroi had been charged on the basis of the list of material supplied by the S.D.O. (Electricity) H.P. S.E.B, Nalagarh. The detailed account of the goods in a pass form D-4-A had not been kept by the municipal committee. Further instead of collecting the octroi by means of monthly bills it was being charged on yearly basis. This was against the provisions of rule 57(3)(2) such the correctness of the amount of octroi charged from S.D.O. (Electricity) H.P.S.E.B. Nalagarh and other such departments in respect of which the committee collects octroi by means of monthly bills or are specially exempted from the payments of octroi, could not be verified in audit. The omission may be accounted for and octroi realised justified fully.

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13. Inspection of Barriers (a) Octroi check Barriers No. 1 at Nalagarh bus stand and No. 5 on Nalagarh Roper road were inspected on 27.3.81 the following irregularities were noticed :-

(i) Barrier No. 1:- Inspite of audit objection No. 17 of the previous audit note for the period 4/74 to 3/79, the cash was still being kept in the drawer of the table which was more unsafe and ~~irregular~~ irregular. The provision of Himachal Pradesh M.A code 1975 of rule 49 and 50 were not being strictly followed.

(ii) Barrier No. 5:- The wooden cash book provided at the barrier was not safe and was unlocked. There was only one weight of 10kg lying at the barrier. The weighing scales were not being used and just lying in the corner of the octroi post room as there was no arrangement provided for fixing the scales. As a matter of fact, octroi was being charged on the basis of weight what so ever declared. This was quite irregular. The reasons for not keeping suitable set of scales and weight or a weighing machine (especially on barrier which collects maximum octroi being most important one) required under rule 50 ibid were not explained. The omission may be accounted for explained. The octroi supervisory staff failed to ensure the implementation. This is brought to the notice of the municipal committee for necessary action.

14. Work:- Major portion of expenditure was incurred on the execution of various municipal works carried out departmentally. But the requisite works register in form M.W. 18 had still not been mentioned. This was also pointed out in the previous audit note but the objection raised in this regard had not been complied with. The omission may be explained. The needful should now be done and compliance shown at the next audit positively.

In the execution of the following works, the audit observations/ irregularities, mentioned below may be accounted for; the expenditure incurred be justified or else the responsibility for the lapse be fixed and factual position intimated to this deptt.

(a) White washing and painting of four wine shops and one store:- The work was executed in accordance with the municipal committee's resolution No. 5 dated 30.4.79 and total expenditure of Rs 510-27 (against the revised estimate No. 1 of 1979 of Rs 519.00) was incurred. As per M.B No. 13 (page 13) - page 777 painting two coats had been charged for 636 sft @ Rs 12.85% (vide schedule rate of 1968 item No. 91) whereas the same should have been charged @ 1035% (vide schedule item No. 87) similarly primary coating on wood consisting of mixture had been charged for 358 sft (vide schedule rate of 1968 item No 83) instead of 7-85% sft vide item No 84 meant for priming coating by applying reading made primer paint (as ready made primer material paint was purchased vide bill No. 473 dt. 12.6.79. Thus charging of the higher rates than these prescribed was not justified. The amount involved may be worked out and made good or the payment of higher rate

* @ 14.05% sft

justified .

(b) Constructions of road from Ropar road to Cremation ground:- The work was executed by incurring of Rs 6114-39 and completed on 26.6.79 against the receipt of grant of Rs 6080-00 on 31.3.77. As the grant in-aid was utilised after the expiry of two years the requisite sanction of the competent authority was not shown during audit. This may be obtained and shown at the next audit .

As per M.B No. 12 (page-37) Rs 328.60 had been ~~been~~ shown incurred on the cutting / filling in earth work . in ~~pink~~ work including disposal of surplus soil within claim load of 11632 cft @ Rs 27-25 but there was not such provision in the estimate and neither revised estimate was prepared nor got approved from the competent authority . As such the expenditure incurred on the items not provided in the estimate may either be justified or responsibility of the official at fault be fixed and action be taken for ~~recovery~~ of the amount .

(c) Construction of retaining wall with cause-way in Gurudwara- Ran sheh- link road :-

The work had been executed completed on 31.10.79 by incurring total expenditure of Rs 11464-05 against the receipt of grant in aid of Rs 11000-00 on 31.3.79 .

As per M.B No. 14 work of 396 cft @ Rs 103-40 % of dry coarsed dressed rouble stone masonry with hammer dressed stone and 1347 cft of boulder filling with hard stone had been shown done but in the estimate only 168 cft and 1184 cft respectively was provided for these items . As such the expenditure incurred on the items over and above that provided in the estimate may either be justified or made good .

Further as per stock register issue of cement and stone grit was Rs 27-90 per bag and Rs 117.50 % whereas it had been charged @ Rs 28.40 per bag for 102 cement bags and @ 127.50 % stone grit, for the work which may also be justified .

(d) Construction of street from I.T.I's Bldg. to the house of sh Ragbir singh ward No. 1

The work was executed and completed on 30.11.79 by incurring total expenditure of Rs 15,339.85 against the receipt of grant in-aid of Rs 13600-00 on 31.3.79 . The work estimate was for Rs 13937.00 -

As per M.B No 14, work of 286 cft worth Rs 710-00 for laying P.C 1.5.10 (1 1/2" gauge) hard stone blark in foundation, 2274 sft worth Rs 849.90 for 1/2" c- plaster 1.4 in drain and 638 sft worth Rs 788-00 for 2nd class brick work 3" thick in 1.3 had been shown done but as per estimate only 164 sft work worth Rs 709-00 for 2nd class brick work 3" thick in 1.3 was provided and neither the revised estimate was prepared nor got approved from the competent authority . As such the incur in

of expenditure on the items not provided in the estimate may be justified.

Further as per stock register (page- 39) 1250 cft sand stood issued against the said work but as per M.B No. 14, 1375 cft @ Rs 60-00 had been charged to the work. The excess charging of 125 cft sand may also be justified.

15. Expenditure :- (a) In accordance with the Tehsildar. "Nalagarh letter No. 80/79 dated 15.11.78, the value of the Dehati co-op transport society, building (constructed on the municipal land measuring 50x20" near old bus stand and leased out to the said transport society vide agreement dated 9.1.59 was got assessed at Rs 29000-00 from the Jr. Engineer, M.C Nalagarh. The municipal committee vide its resolution No. 4 dated 22.1.79 resolved to pay Rs 29000-00 to the government (for the recovery of Govt dues) provided its possession given to the M.C and the municipal dues were paid. The decision was intimated vide letter No. 91/M.C /MIG dated 29.1.79 and accordingly Tehsildar. Nalagarh vide its letter No. 483/WBN dated 21.5.79 intimated the sanction of the government regarding transferring of the said building to the M.C against payment of Rs 29000/- and further payment asked the committee to deposit the amount, which was credited into the Nalagarh treasury vide Tr. challan Nos. 21.22.23 and 24) dated 1.6.79 (vr. No. 1 of 6/79 as resolved in Municipal committee resolution No 2 dated 28.5.79. Then the Tehsildar. Nalagarh requested Dy. Commissioner, Solan vide letter No 501/WBN dated 2.6.79 for the issue of warrant of possession u/s 100 of H.P Land Revenue Act and sale certificate in favour of M.C Nalagarh. But in spite of the issue of reminders on 21.7.79 and 19.10.79 for giving possession of the building, the Asstt. collector Nalagarh fixed the date of auction of the Bldg for 12.12.79 (2P.M) for realising the government dues with a copy endorsed to the M.C vide No. 850/WBN dated 16.11.79 for information and the building was auctioned in favour of Sh. Vishnu Ram. The committee requested the Tehsildar, Nalagarh vide its letter No. 111/MC/MIG dated 29.2.80 to refund the amount of Rs 29000/- with interest accrued thereon and the refund was received on 3.10.80 (vide G.S. No 850/564) from the Tehsildar. Nalagarh. The committee vide its letter No. 817/M.C dated 9.10.80 claimed Rs 2128-13 on account of interest on Rs 29000/- for the period from 1.6.79 to 30-9.80 which was rejected vide letter No. Solan-6-II.D.R.A/72 3-5088 dated 8.12.80. As the committee sustained a financial loss of about Rs 2128-13 by way of interest the matter may be taken up with the government for decision.

(b) Rs 550-00 were paid to Sh. Padam Nath Nag. Advocate of Simla vide vr. No 28 of 7/79 on account of his fee for filing a revision petition against the decision of the session judge (as advised by the Municipal legal advisor) regarding recovery of octroi in a case municipal committee vrs. Jawahar Lal. The requisite case file was not made available to the audit. The amount of recovery of octroi involved, total expenditure incurred on its

recovery was also not intimated. The omissions may be supplied at the next audit. The judgement of the case may also be intimated to this department.

(c) Rs 918-40 were paid to M/S Enkay Enter prize, Nalagarh vide vr. No. 37 of 3/80 on account of cost of electric material etc. The purchase includes purchase of bulbs of different wattage but the requisite quotations were not invited. As such the benefit of purchasing the articles at the lowest competitive rates was not availed. This was irregular. The omission may be accounted for. In future purchases should be made only after inviting quotations and observing all the codal formalities.

16. Miscellaneous: (a) Asstt. Examiners Inspection note :- The various observations made in the Asstt. Examiner's inspection note (vide para No. (i) to (xiv) issued vide endst No. 7(a) fin (LA) Vol-III dated 15.4.1981 may be complied with under intimation to this office.

(b) The following registers were lying incomplete which should now be completed and compliance shown at the next audit positively.

- (i) Register of immovable property.
- (ii) Encroachment register.
- (iii) Register of contracts, works and supply.

(c) Rs 71-04 were recovered at the instance of audit vide G.8 No. 19&20/570 dated 8.4.81.

17. Objection statement :- This has already been sent to the secretary M.C for necessary compliance.

18. Conclusion :- Disposal of old objections incorporated in the audit and inspection notes prior to 4/79 should be expedited. Pending utilisation certificates of the grants should be furnished to the government and unspent balances of grants credited into the government account or utilised according to the provisions of the grant sanctioning letters.

Accounts need improvement and supervision.

sd/- A.C. RAJHAN
Assistant Examiner,
Local fund Accounts,
H.P. Simal-2.

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Endst No. v(9) fin (LAD) dated

31 Aug 1981

copy forwarded for information and necessary action to
(1) The President, Municipal committee, Nalgah
Distt. Solan H.P. with the request that an
annotated copy showing the action taken on this
audit note may please be sent to this office at an
early date.

Registered

(ii) The Under Secretary (L.S.G) to the Govt of H.P.
Simla- 2.

Registered

(iii) The Dy. Commissioner, Solan(H.P)

iv) Sh. Jaswant Singh, Auditor, C/O.....

31.8.81
Assistant Examiner,
Local fund Accounts,
H.P. Simla- 2.

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APPENDIX "A"

Referred to para No. 4 of the audit note of
Municipal Committee, Nalagam for the period
from 4/79 to 3/80 .

Dates of Audit days

2.3.81, 3.3.81, 5 to 7.3.81, 9 to 13.3.81
16 to 20.3.81, 23 to 27.3.81 = 20 days .

Audit Fee @ Rs 20.00 per day for 20 days = 400/-

(Rs four hundred only)

