

# CAG slams BMC for wasting funds

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## THE OTHERS UNDER FIRE

**Mumbai:** The country's richest civic body—the BMC—has been slammed by the Comptroller and Auditor General of India (CAG) in its first report on urban local bodies in Maharashtra. The report was tabled at the assembly in Nagpur on Tuesday.

The civic body has been taken to task by the CAG for “blocking public money to the tune of Rs 61.83 lakh and wasteful expenditure of Rs 1.12 crore”. The report stated, “The BMC had abandoned three important sewerage projects in 2003 due to non-clearance of encroachments and non-payment of contractor’s dues. According to the Mumbai Municipal Corporation Act, 1888, the civic body is responsible for providing proper sewerage facilities as well as infrastructure for the treatment of sewage in Mumbai. But there were delays in commissioning two completed projects for three years.” Principal accountant-general (Maharashtra) Rajib Sharma pointed out that works at ward M-East were abandoned as the dues of the contractor were not settled and the projects in ward L could not be continued as several structures and railway track came in the way of the sewer line alignment. These aborted projects resulted in the wasteful expenditure of Rs 1.12 crore and Rs 61.83 lakh was blocked.

During audit, Sharma also came across outstanding dues of the BMC in the form of departmental advances of Rs 358 crore. “Failure to start timely recovery of advances not only indicates laxity on the part of the departmental

● The problem seems to be far from over for former chief minister **Vilasrao Deshmukh**, who had stepped down from office post-26/11. In its audit report for 2007, the CAG said the MIDC has suffered a loss of Rs 1.19 crore while allotting plots and extending undue benefits to the Deshmukh Foundation, Mumbai (Trust). According to the MIDC policy for allotment of plots from the “amenity zone” to the educational institutes, the higher education campus was supposed to get 0.40 lakh sq m at a discounted rate. The institute getting the plot will have to pay 50% of the price for the industrial plots for the campus and 10% for the playground.

● CAG has pointed out that the MIDC incurred an expenditure of Rs 1.52 crore

officers but also points at weak internal controls, which left the system open to possible misappropriation of public funds,” Sharma said.

The audit report did not spare the Navi Mumbai Municipal Corporation (NMMC), either, which it accused of making incorrect assessments of properties. “The incorrect calculation of rateable values of properties resulted in short levy of property tax of Rs 8.84 crore,” the CAG report said. “Names of persons liable for payment of property tax were not entered in respect of 570 properties and ambiguous terms were recorded against names in respect of 6,148 properties. Moreover, the new computerised system (Oracle) did not provide for the entry of data of certain important information, such as year of construction

for renovating offices and residences of ministers and bureaucrats. The report stated that in 2002-2003 to 2006-2007, the corporation had to spend Rs 118.47 lakh (Rs 49.77 lakh for office and Rs 68.70 lakh for residence). It also spent Rs 33.33 lakh for renovating the offices of the development commissioner and principal secretary (industries).

● Improper selection of consultant, contractors abandoning work and government dependency on consultants were among the reasons for the escalation of the cost of the **Bandra Worli Sealink**, stated the CAG report. It stated that the project cost that was estimated at Rs 665.81 crore in 1999 was revised to Rs 1,306.25 crore in 2004

and reasons for reassessment.”

“Our job is to point out the deficiencies in the system. The observations will be examined by the public accounts committee, which will then make recommendations to the government for remedial action,” Sharma added.

### Some of the other observations:

■ Delay in finalisation of tenders by the Nagpur civic body resulted in an avoidable expenditure of Rs 37 lakh. The matter has been referred to the government, but no reply has been received

■ Laxity on part of Nagpur civic body in timely processing claims relating to National Malaria and Filariasis Eradication Programme resulted in the non-reimbursement of Rs 15.29 crore

■ Irregular expenditure of Rs 2.71 crore by the Akola municipal corporation