MADHYA PRADESH MUNICIPAL CORPORATION (ACCOUNTS AND FINANCE) RULES 2018

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www.govtpressmp.nic.in 450] Ä@T9..T Bhopal, the 13th August 2018 Not. No. 27-F-4-44-2018-XVIII-1.—ln exercise of the powers conferred by Section 433 of the Madhya Pradesh Municipal Corporation Act, 1956 (No. 23 of 1956), the State Government, hereby makes the following rules, namely:- RULES CHAPTER - 1 PRELIMINARY 1. Short Title, Extent and Commencement.— These rules may be called the Madhya Pradesh Municipal Corporation (Accounts and Finance) (1) Rules, 2018. These Rules shall apply to all Municipal Corporations in the State of Madhya Pradesh. (2) They shall come into force from the date of their publication in the "Madhya Pradesh Gazette." (3) 2. Definitions.—ln these rules, unless the context otherwise requires.— (1) (a) "Accrual Accounting" Means the method of accounting whereby revenues and expenditures are (b) (c) (d) (e) identified with •specific periods of time, such as a month or year, and are recorded as incurred, along with acquired assets, without regard to the date of receipt or payment of cash, distinguished from cash basis; "Act" means the Madhya Pradesh Municipal Corporation Act, 1956 (No. 23 of 1956); "Accounts Manual" means the Madhya Pradesh Municipal Accounts Manual as prescribed by the State Government vide order No. F-1368/18-3/07 dated 25th July, 2007 and as amended from time to time; "Balance Sheet" means a statement of the financial position of a Municipal Corporation as at given date, which exhibits its assets, liabilities, funds, reserves and other account balances at their respective book values; "Bank Book" means a book of original entry for recording transactions pertaining to Bank Accounts of the Municipal Corporation; 899 900 13 2018 (f) "Capital Expenditure" means expenditure intended to benefit future period in contrast to a revenue expenditure, which benefits a current period. The term is generally restricted to expenditure that adds fixed asset units or that has the effect of improving the capacity, efficiency, life span or economy of operations of an existing asset; (g) "Cash Book" means a book of original entry for cash transactions of the Municipal Corporation; (h) "Commissioner " means Commissioner of Municipal Corporation: (i) 'Competent Authority"means_the Commissioner or such other officer to whom the power is delegated under these rules or by any other general or special order issued by the State Government; (j) "Corporation" means Municipal Corporation constituted b or under section 7 of Madhya Pradesh Municipal Corporation Act, 1956; (k) "Department" means:- (iii) (iv) (v) (vi) (vii) (viii) (ix) (x) (l) "Financial General Administration Department; Water Works and Sewerage Department; Public Works and Garden Department; Revenue Department; Finance and Account Department; Electrical and Mechanical Department; Sanitation and Solid Waste Management Department; Traffic and Transport Department; Planning and Information Technology Department; and Urban Poverty Alleviation Department. Statements" means the Balance Sheet, Income and Expenditure Statement, Receipts and Payment Statement, Cash Flow Statement and any other supporting statement or other presentation of financial data derived from accounting records; (m) "Financial year" means the year beginning from IStApril and ending on 31Stof March following; (n) "Form" means forms_appended to these rules; 13 2018 (o) "Fund" means an activity for which separate books of account and financial statements are requited to be prepared, as per the orders of the State Government; (p) "General Ledger" means a compilation of all accounts used for accounting Purpose; (q) "Head of Accounts and Finance Department" means the officer in overall charge and responsible for the operations and functions of the Accounts and Finance Department of the Municipal Corporation; (r) "Head of the Department" means the officer in overall charge and responsibfe for -the respective Department as defined in rule 2 (j) and all these officers shall be subordinate to Commissioner; (s) "Income" means and includes the money or money equivalent earned or accrued during a financial year, increasing the total of previously existing net assets, and arising from provision of any type of services and rentals, including any grants/ contribution/devolution received from the Government, etc. ; (t) "Income and Expenditure Statement" means a Statement of Income and Expenditure of_the Municipal Corporation; (u) "Minimum Level of Basic Municipal Services" means the standard service level indicators prescribed by the Ministry of Urban Development, Government of India, for four basic urban services water supply, sewerage, solid waste management and storm water drainage; (v) "Municipal Corporation's own revenue" means_the revenue received from tax revenue, non-tax revenue and devolution from the State Government_and Central Finance Commission but shall not include grants, capital grants, capital receipts from sale of assets

and other capital receipts from the State Government; (w) "Receipts and Payments Statement" means a Statement to present the cash received in and paid out in whatever form (Cash, Cheques, etc.). All non-cash transactions are ignored white preparing this Statement; (x) "Revenue expenditure" means_a_expenditure other than a capital expenditure. (y) "Revenue Receipt" means a receipt other than a capital receipt; (z) "Special Occasion" means any fairs, exhibitions, athletics or games competitions or tournaments, any local festivals, any other occasions of local 900 (1) 900 (2) 3. 4. 13 2018 or State or National importance or any other natural calamity, as may be decided by the Corporation; "Government" means the Government of Madhya Pradesh; (zazh) "Sub-ledger" means a group of subsidiary accounts, the sum of the balances of which is equal to the balance of control accounts created in the general ledger; (zbzc) "Voucher" means a document which serves as an authorisation for any financial transaction and forms the basis for recording it in the books of original entry, e.g., Receipt Voucher, Contra_Receipt Voucher, Payment Voucher, Journal Voucher, etc. (2) Words or expressions used but not defined in these rules shall have the_same meaning as assigned to them in the Act

CHAPTER 11 ACCOUNTING SYSTEM Accounting System.- (1) (2) (3) (4) The Municipal Corporation's shall maintain their Books of Account on accrual basis under the double entry system of book-keeping. The Municipal Corporations shall follow the accounting principles as prescribed by the State Government for accounting transactions, maintaining books of account and preparing financial statements. Separate books of accounts shall be maintained for each financial year. All transactions pertaining to the Municipal Corporation shall be recorded in the books of account of the Municipal Corporation. Books of Account.- (1) The books of accounts and supporting documents shall be as follows:-- (b) (c) (d) Cash Book; Bank Book; Journal Book; General Ledger and Sub-ledger Books; Trial Balance; 900 (3) (2) (3) (4) (5) (6) (7) 13 2018 (f) Registers; and (g) Vouchers The books of accounts and supporting documents shall be maintained in the forms as prescribed by the State Government. The books of account and supporting documents shall maintained in Hindi Devanagari script or in English. All entries in the books of account shall be made daily in chronological order. The books of account Registers, Receipt Books, Bill books and other Accounting Records shall be strongly bound with pages serially numbered and each page shall be affixed with the seal of the Municipal Corporation. The number of pages of each Book or Register shall be certified in writing on the last page of such Book or Register after verification by the Commissioner or any other person duly authorized by him. The Head of Accounts and Finance Department and the Commissioner shall authenticate the books of accounts by signing on each page. 5

6. Cash Book.- (2) (3) All_transactions pertaining to cash receipts, disbursements, cash deposits and cash withdrawals from the Bank accounts of the Municipal Corporation shall be recorded in cash book on the same day. The Cash Book shall be totalled and balanced daily. The closing cash balance of the day shall be carried forward to the next day as opening balance for that day. The accountant shall daily examine the entries and the closing balance in the Cash Book and affix his signature in token of such examination. The cash balance on hand with the Cashier shall be verified with the Cash Book balance on a daily basis and a certificate to that effect shall be recorded in the Cash Book by the Accountant. Bank Book.- (2) All amounts deposited in or withdrawn from the bank accounts of the Municipal Corporation, either in cash or cheque or demand draft or any form of electronic transfer shall be recorded in Bank Book on the same day. Separate Bank Book shall be maintained for each bank account of the Municipal Corporation. 900 (4) 7. 8. 9. 10. 11. (3) (4) (5) Note: (6) 13 2018 The Bank Book shall be totalled and balanced daily. The closing bank balance of the day shall be carried forward to the next day as opening balance for that day. The accountant shall daily examine the entries and the closing balance in the Bank Book and affix his signature in token of such examination. Reconcifiation of alt bank accounts of the Municipal Corporation shall be done every month by matching transactions as per the bank book of the Municipal Corporation with the bank pass book or bank statement. In every case of difference, necessary adjustment entries shall be passed in the books of account after verification or the bank shall be informed for necessary rectification at its end. While checking the entries with bank statement or passbook, cheque number, name of payee or payer, etc. shall also be checked alongwith the amount. Bank reconciliation statement shall be prepared for all bank accounts of the Municipal Corporation every month by the 10th day of the succeeding month and shall be signed by the Head of Accounts and Finance Department. Journal Book.- All transactions which do not involve cash or Bank shall be recorded in the Journal Book. General Ledger.- General Ledger shall

be maintained for each head of account which has an opening balance or transaction during the financial year. At the end of every day the transactions recorded in the Cash Book, Bank Book and Journal Book, shall be posted to the appropriate ledgers. The ledger accounts shall be balanced at the end of every month and the closing balance shall be carried forward as opening balance for the next month. Sub-Ledger,- Sub-Ledger may be maintained for any account in the General Ledger identified as a Control Account, for detailed information. Trial Balance.- Trial Balance shall be prepared for every month by the 10th of the succeeding month after carrying out all accounting adjustments for the transactions till the end of the month. Vouchers.- Every financial transaction of the Municipal Corporation shall be entered in a Voucher and the type of Voucher to be used shall depend on the nature of transaction.- receipt voucher shall be piepared for transactions involving receipts of (a) 900 (5) (b) (c) (d) 13 2018 cash or cheque or demand draft or direct credit in Bank or electronic transfer; payment voucher shall be prepared for transaction involving payment by cash or cheque or direct debit by Bank or electronic transfer; contravoucher shall be prepared for transaction involving cash deposit in or cash withdrawal from the bank account of the Municipal Corporation or transfer between bank accounts of the Municipal Corporation; and journy:l_voucher shall be prepared for transactions which do not involve cash or bank accounts. 12. 13. (2) All Vouchers shall be prepared under the supervision of Head of Accounts and Finance Department or any other person duty authorized by him and shall be used as the covering sheet for all supporting documents which form the base of authorization of the transaction. (3) Vouchers shall be numbered subsequently for each voucher type. Voucher numbers shall begin afresh in each financial year. (4) One voucher may have multiple account heads but shall record transactions in respect of only one fund. Chart of Accounts.- (1) Codification structure and Chart of Accounts prescribed by the State Government shall be used for recording atl financial transactions. (2) Any addition to or modifications in the codification structure and chart of accounts shall be approved by the Commissioner, Urban Administration and Development. Computerised Accounting and maintaining records in electronic form.- (2) Municipal Corporation may use appropriate computer software for maintaining books of accounts and other accounting records as prescribed under these rules, in electronic form. Where the computerized accounting system is adopted, the Commissioner of the Municipal Corporation shall be responsible for:- (a) ensuring the security and integrity of the data and software; (b) back-up of the data and its retrieval; 900 (6) 14. (3) (4) (5) 13 2018 (c) access control for data entry, data modification and reporting; (d) Printout of the books of account at the end of every month. The printouts as provided in sub-rule (2) shall be strongly bound and pages serially numbered. Each page shall be affixed with the seal of the Municipal Corporation. Head of Accounts and Finance Department and the Commissioner shall authenticate the printout of books of account by signing on each page. Where operations of other departments of the Municipal Corporation are computerized, the Commissioner, Urban Administration and Development or any other person duly authorized by him, may approve Any modification in standædisedstandardized forms books of account, any other records with regard to such fields, rows, columns or contents that are already available in the database or that are designed to be captured in the software and can be extracted easily for verification and reporting. Where the Commissioner, Urban Administration and Development is satisfied that the computerised system has stabilised and sufficient security and back up systems have been put in place, he may request the State_Government to direct for dispensing with the manual maintenance of such books of account, forms, registers and records that he deems fit. On receipt of such a request. the State Government may direct such Municipal Corporation to dispense with the manual maintenance of such forms, registers and records maintained in a computerised system in electronic form only. Corrections in books of account and other accounting records.- (2) (3) (4) Any correction to an entry made in books of account shall bet authorised by the Commissioner, or any person duly authorised by him, and shall be made through rectification entry in Journal Voucher. Any correction or alteration to any entry in vouchers or forms or registers shall be made in red ink (a single line being drawn through the original entry to be corrected) and attested with dated initials of the Commissioner. All corrections and alterations to bills/claims and payment vouchers shall be similarly attested by the payee. No correction or alteration in figures in the receipts shall be made and whenever errors occur in writing up of receipts, copies of all such receipts shall be cancelled and preserved in support of the fresh receipt issued. 13 2018 900 (7) (5) No erasures shall be made and no document with an erasure shall be accepted. Municipal Fund.- 15. 16. (2) (3) (4) Municipal Fund shall be the main Fund maintained by the Municipal Corporation and shall consist of those sources

as mentioned in the Act. The State Government may prescribe separate Funds for specific purposes. Note:- Separate schedule for Municipal Fund and each of the funds prescribed by the State Government shall form part of the annual financial statement of the Municipal Corporation.-The schedule shall contain particulars of additions to and deductions or utilization from the fund during the financial year. The State Government may prescribe preparation of separate Financial Statements for each Fund. Where the State Government has prescribed preparation of separate Financial Statements for each Fund, the Municipal Corporation shall maintain separate records for each fund and the following shall be observed: (a) (b) (c) all books of account and Vouchers shall be prepared separately for each Fund. Vouchers for each fund shall be distinctly coded for voucher numbering; separate Bank accounts shall be maintained for each Fund, and remittances shall be made to the relevant Fund's Bank Account. In case any receipt or payment is recorded in another Fund's Bank Account, it shall be treated as an inter-fund transfer' and accounted for accordingly; in addition to the Financial Statements for each Fund, the Municipal Corporation shall prepare Consolidated Financial Statements for the Municipal Corporation as a whole. Reserve fund.- (2) Every year the Municipal Corporation shall transfer five percent of its own revenue to reserve fund. Municipal Corporation shall maintain separate bank account for reserve fund. 900 (8) 17. 18. (3) 13 2018 With the approval of Commissioner, Urban Administration and Development the reserve fund shall be utilized but not limited to the following activities :- (a) for deposit of gratuity or any related payments of employees; (b) for any margin money of Central or State Scheme (c) in emergency situations or any expenditure for specific public welfare schemes where there is no budget provision; and (d) for any other order issued by the State Government Preparation of Opening Balance Sheet.- (2) (3) (4) (5) For migration from cash basis accounting to accrual basis under the double entry system of book-keeping, Municipal Corporation shall prepare Opening Balance Sheet as of the date as_may be prescribed by the State Government. Opening balance sheet shall be prepared and valuation of fixed assets shall be done as per the guidelines prescribed by the State Government. The Municipal Corporation may take the assistance of an outside agency for identification, valuation and listing of assets. And_for defining the condition and location of assets. The Commissioner shall place the Opening Balance Sheet before the Mayor- in-Council for adoption and approval. If any error or omission is noticed in the Opening Balance Sheet after approval by Mayor-in-Councill adjustment for such error or omission shall be made in the respective account balances and the corresponding effect of such adjustments shall be made in the balance of Municipal Fund in the financial year in which such error or omission is noticed. Any such adjustment shalt be placed before the Mayor-in-Council for approval, before its inclusion in the accounts

CHAPTER Ill COLLECTION OF TAXES AND FEES General.- The Municipal area shall be divided by the Commissioner into collecting circles by a calculation based on the ground to be traversed and the number of bills to be delivered. Each circle shall be numbered and for each circle there shall be appointed Revenue Inspector. The collecting circles shall be as compact as possible. Note: When Revenue Inspector is changed, the outgoing Revenue Inspector shall 13 2018 900 (9) 19. 20. 21. prepare a list of outstandings which shall be made over to the relieving Revenue Inspector. When the latter receives the list he shall be entirely responsible for the collections. Tax Demand and Demand Register.- Each Revenue Inspector appointed for this purpose shall submit quarterly statements to the officer so appointed by the Municipal Corporation showing for his circle ail cases of new building, re-construction and enlargement of existing building. These statements shall be based on the information furnished by the Building Permission Officer, who shall be responsible for furnishing the information. Before submitting the statement, the Revenue Inspector shall endorse the following certificate thereon:- "No new buildings are under construction in this circle neigh her any additions nor any alterations being made to the existing buildings except as noted in the statement. " Note: - On receipt of the quarterly statements prompt action shall be taken to assess or reassess the tax where necessary. (2) (1) (2) Every new demand and every change in the existing demand shall be entered in the Demand and Collection Register after completion and authentication of the property assessment. so far as it affects the demand for the financial year. In order to show the result of increases and decreases in each year, a statement as provided in

Forml shall be prepared and kept up-to-date by entering therein every change and shall be totalled at the end of every month. The Demand and, Collection Register shall be prepared_from the assessment list and also show any outstanding dues noted in the previous Demand and Collection Register. At the end of the financial year the accounts shall be balanced and closed, progressive totals be cast and carried over from page to page and the grand total struck by a person other than the person who posted the figures; and to prepare the accounts the following closing entries shall also be made :- (a) (b) (c) (d) demand as per Demand Register at the beginning of the financial year; Arrears; increase or decrease made during the financial year; total demand for the financial year; collections; remissions; and 900 (10) 22. 23. 24. 25. 26. 27. 28. (3) 13 2018 balance outstanding at the end of the financial year. (g) Entries in the Register shall be checked by the Revenue Officer or Revenue Inspector and if there is no Revenue Officer or Revenue Inspector by Commissioner, who shall place his initials on each page as he completes his examination of it. The outstandings of the previous year(s) shall be brought forward and posted separately in beginning pages of the register.Recoveries of the outstanding, as they are effected, shall be shown against these postings and not in the register on which the demand appears originally. The register shall be ready before the commencement of a financial year, and it shall contain an abstract bringing together the figures of several wards. Assessment made after these have been totalled shall be shown below the totals of the wards to which they pertain, the number in the assessment list and authority being quoted. Accounting and Recording Procedure.- (1) Revenue in respect of property and other taxes shall be recognised in the period in which they become due and demands are ascertainable . Entry in respect of tax receivable shall be made in the Demand Collection (2) Balance Register as and when demand in respect of the same is raised. Rebate, if any, permissible under the Act for payment of property tax shall be treated as an expense in the accounts. Cess, if any, collected on behalf of Central or State Government shall be treated as a liability for payment to the tax authorities. The collection charge or share available to the Municipal Corporation for cess collection shall be taken as income, and reduced from the amount payable to the concerned authorities. The daily collections shall be brought into the account of Municipal Corporation in the form and manner as prescribed by the State Government. When two or more installments of taxes or other municipal dues are recoverable from a party and when payment of only one installment is received it shall be credited against earliest installment due. Income from the_Property Tax.- The amount of income from property tax shall be ascertained only after the self-assessment return has been filed and a suitable adjustment entry shall be passed at the end of every half year to reflect the correct amount of income from property tax of the financial year in the form and manner as prescribed by the State Government. Accounting Procedure for User Charges.- Revenue in respect of user charges shall be recognised in the period in which they become due i.e. when the bitts are raised. Penalities and interest on late payment shall be reckoned only on receipt. 13 2018 900 (11) 29. 30. 31. 32. 33. 34. 35. 36, Water Charges.- The Demand Register in respect of the water rate fixed for supply of water as flat rate or by measurement, as the case may be. Check of Original Receipts.- The Commissioner shall arrange that not less than 10 percent of the manual receipts given by its officials to tax payers shall be compared every month with the counterfoils and collection registers. A record of the receipts thus compared shall be maintained_by the person concerned. Daily Collections.- Accounting of Daily Collections shall be done as prescribed by the State Government. Refund.- Refund of revenue shall be noted against the original entry of the receipt in the Cash Book or other register so as to guard against a second refund of the same amount being accidentally made. A note of the refund shall be made in the counterfoil of the receipt file. Before a refund is authorised, the receipt given to the party shall be obtained where possible and cancelled. Other Taxes.- In the case of any tax for which assessment is made annually and the forms of assessment list is not prescribed in the rules or bye-laws concerned, an assessment list shall be prepared in the month of January for the next financial year mentioned in Form2_for each ward separately of persons liable to taxes. Note: This list shall form the basis of Demand Collection and Balance Register reported to the Finance Committee, and jf there is no such Committee, the Mayor-in-Council in the month of February of the financial year of the preparation of the list. Demand and Collection Register posted from the assessment lists and with entries arranged and totalled by wards shall be maintained in the •form and manner as prescribed by the State Government.. Enhancement and Remission.- Enhancement and Remission sanctioned during the course of the financial year shall be entered in the register mentioned in Form 3, the details being posted in the respective Demand and Collection Registers. Statement of- Demand,

Collections and Balances.- The balance of the outstanding shall be drawn at the close of each financial year and if any enhancement made during the financial year and from the total collection made (addition) and remissions granted in the financial year shall be deducted. The statement shall be placed up to the Municipal Accounts Committee and if there is no such Committee to the Mayor- in-Council. 900 (12) 37. 38, 13 2018 Notices and Distress Warrants.- (2) (3) Notices of demand and distress warrants_issued under the provisions of the Act shall be kept in books with counterfoils mentioned in Form_4 and 5. Each book shall contain an equal number of forms bearing book and serial numbers. When recovery has been effected by distress the amount shall be brought to the account in the Cash Book and in the Demand and Collection Register, the number of warrants with letter "D.W." being quoted in place of receipt. When full payment is made by the defaulter to the officer authorised to execute the warrant a receipt shall be issued to the defaulter in the form as prescribed by the State Government_with a clear note to the effect that the money has been realised by distress warrants. The notice and_distress warrants fee shall also be charged and the receipt shall be given in the form as prescribed by the State Government. When the payment is not made in full and action is taken under the Act, the movable property shall be distrained for the remaining amount covered by the distress warrants. A list of property so distrained shall be given to the assessee. The official entrusted with the superdari may at his discretion give the distained property in superdari of a reliable person owing landed property within municipal limits. The supratdar shall deliver the property entrusted to him at the place appointed for the purposes by Commissioner at his own expenses within 24 hours whenever so required. He shall not be entitled to any charge for keeping the distrained property in his custody. The amount recovered through sale proceeds shall be credited under "Miscellaneous" Receipt and then transferred to appropriate head of Account. The assesse shall also be informed of the amount realised. Note: (1) All warrants shall be returned to the Municipal Corporation office within one month from the date of receipt by the officer-in-charge with the execution with his remarks therein. Commissioner shall consider the remarks recorded on the unexecuted warrants and direct what further action shall be taken for the realisation of the dues. (2) Timely return of the warrants and credit of the money recovered shall be evidenced through the counterfoils. Reference to receipt number shall be given in the counterfoil of the distress warrant. Collection of Taxes and Fees by Licences.- Licences are neighter transferable nor can they be re-issued after expiry of the term. Since the dues are payable strictly in advance, no Demand and Collection Register has to be maintained. 13 2018 A licence shall not be granted until the fee or tax for the licence is paid. 900 (13) 39. 40

Form 6 except where a different form has been specifically provided under any rules, bye-laws or orders of the State Government for any specific_purposes. Form _ 7 and 8 are primarily meant for driver's licences .and carriages respectively. (2) (3) (4) (5) (6) (7) Licence and Receipt forms shall be bound in counterfoils books. Each book shall contain forms machine numbered consecutively and common seal of the Municipal Corporation. Only one book shall be given out by the Commissioner, at a time. A new book shall not be used until all forms of the book have been used and the book with the counterfoils returned. On receiving the used books with the counterfoils, the Commissioner shall see:- (a) that no page has been extracted; (b) in the case of cancelled forms the original and duplicate copies are in the book and have been cancelled; and (c) the full amount has been deposited. The surplus forms in a used receipt book shall be cancelled by the Commissioner, at the end of each financial year. After the •counterfoils have been checked they shalt be stamped "Checked and Cancelled". The common seal of the Municipal Corporation shall be kept in the custody of the Commissioner or the Revenue Officer who shall be personally responsible to see that it may not be misused. Each receipt shall also be attested by the full signature of the officer responsible for issuing it and shall fill up the receipt in duplicate by the carbon process and shall retain the duplicate copy. A record of the book numbers of the receipt books stamped at a time shall be kept and it shall remain in the personal custody of the officer authorised by the Commissioner. Receipt books ordinarily required for use for a period of not more than a week shall be stamped at a time. A warning shall be printed on the receipts that the affixing of a seal on the receipt does not constitute acquittance for the money untillthe Revenue Inspector or any other person actually receiving the money has signed thereon; 900 (14) 43. 44. 45. 46. 47. 48. 49. 50. 13 2018 Loose, unnumbered licences or forms of receipt shall not be kept in the office (8) or a manuscript be issued. The fees received on account of licences shall be recorded in the concerned licence registers mentioned inform 9, 10 and 11. Revenue Inspector of collecting circles shall be required to submit statement at the beginning of each quarter for each kind of licence separately showing all persons liable to the payment of the fee or tax. The Licensing Officer shall immediately on receipt of the statements submitted under rule 43 compare them with the registers of licences prescribed in rule 42 and in each case in which licence is required to be taken out but has not been applied for, suitable action shall be taken. At the end of each month the licensing officer shall examine the register of licensees and take action according to rules with regard to every person whose licence may have expired and who has not taken out a fresh licence. Fees: Cattle registration fee receipts shall be in Form_12. Both the foil and counter- foil shall be signed by the Revenue Inspector, who shall maintain a Collection Register in Form_13. For_collection of daily market fee for sarai or dharamshala, the registers shall be maintained in Form 14 and 15 and for other fees and receipt shall be kept as per these rules. Rent: The rent register shall be maintained in the form as prescribed by the State Government. A separate page or set of pages of the register shall be set apart for each kind of revenue for which there is a fixed monthly, quarterly, half yearly or annual demand. The register shall show all demands due on account of rents arranged in serial order:- (a) on expired leases of the previous financial year; (b) on unexpired leases of the previous financial year; and (c) on leases granted for the current financial year. The entries_above (a) and be taken from the register of the previous year. The Revenue Inspector or any person appointed by the Commissioner shall fill up the current year's register and submit before the Commissioner who after comparing the entries shall place his initials. 13 2018 900 (15) 51. 52. 53

54. In respect of (c) when the agreement with the lessee has been signed and security deposit paid, the Revenue Inspector or any person appointed by the Commissioner shall fill up the register. He shall then lay the agreements, the register and cashiers cash book before the revenue officer or the Commissioner who shall compare entries with the agreement. At the end of each quarter the Revenue Officer or the Commissioner shall examine the register of rent and shall take necessary action for the recovery of the outstandings. Proceeds of auction sale, unclaimed animals, manure at cattle pounds of gadiadda, produce of tand and garden, condemned articles from stock or other unserviceable movable property shall be sold by public auction by an authorised person after the fact has been proclaimed by proper public notice. The officer conducting the sale shall enter the amount of the bid in the sale papers, obtain the signature of the highest bidder and put his own signature thereon. When the money is deposited a receipt in the format as prescribed by the State Government shall be given to the payer. (1) Night soil and city sweepings shall be disposed of in different ways. Each Municipal Corporation shall, prescribe its own forms of accounts for the said purpose. (2) When the compost manure is prepared an account shall be kept in a register in

Form 16 and money receipt shall be given in format as prescribed by the State Government Kanji House.- On admission of cattle to a pound the pound keeper shall give a receipt in Form 17 to the person impounding the cattle and take his signature or thumb impression on the back of the counterfoil of the receipt. In case of release he shall issue a receipt in Form 18 Both those receipts shall be prepared in triplicate by use of carbon paper, one copy being filed in the pound, one sent to the Municipal Officer_authorised and the third delivered to the impounder or to the person releasing the cattle, as the case may be. Note: In a Municipal Corporation it shall suffice if the receipts are in duplicate. Every pound keeper shalt maintain a register in Form_19. The money columns 55. of this register shall be totaled daily and the register shall be sent with the collections of each day and the copy of the receipts issued during the day to the Municipal Corporation. The transactions which occur while the register is in the Municipal Corporation shall be recorded in the register as soon as it is sent back to the pound. 900 (16) 56. 57. (2) (3) (1) (2) 13 2018 The notice prescribed in section 14 of the Cattle Trespass Act, 1871(1 of 1871), shall be in Form 20 and the account prescribed in section 16 of the said Act shall be in Form 21. In such_Municipal Corporation where the fines on impounded cattle are finally credited to the_State Government shall be credited in the first instance as deposits and the amount of total collection which is creditable to the State Government under this rule shall be credited quarterly into the nearest Bank. In other Municipal Corporation all fines shall be credited to the Municipal Fund. A Challan in Form 22 with the first ten columns filled in by the pound keeper shall be sent with all cattles sold leaving a pound. When the cattles have been sold, the remaining entries in the challan shall be made by the officer conducting the sale and the receipt shall be given to the purchaser in prescribed format as prescribed by the State Government. The amount shown in the challan shall be placed under deposit for three months, and if no claim is made within the period, the amount shali after its expiry be credited to "Sale Proceeds of Unclaimed Cattle" but in those Municipal Corporation where the surplus of the sale proceeds is creditable to the State Government it shall be credited in-to the bank under the head "LII- Miscellaneous" Minor head "Fees, Fines and Forfeitures", Detailed head "Cattle Pound Main Head 0070, Minor Head 60 and Detail Head-800) by presenting a cheque being, " Received payment by transfer credit ....." Note: (1) (2) The amount of total collection which under the rule is creditable to the State Government shall be credited quarterly into the nearest bank account of the State Government. Claims for refunds of surplus sale proceeds of unclaimed cattle preferred after the expiry of three months, shall not be entertained but this rule shall not bar any claim which is preferred before the expiry of three months, even though final decision on the claim is not passed within that period. Books shall be changed annually, all those pertaining to an expiring year being returned at the end of the year to the Municipal Corporation and being replaced by new sets. Cattles which are in the pound when new registers are brought into use shall be brought on to those registers. 13 2018 900 (17) 58. 59. 60. 61. 62. .63. A schedule of rates of fines and feeding charges shall be put up in the pound. Feeding charges shall be recovered for the number of feeds actually given to an impounded animal. The scale of food and fodder, etc., to be allowed for each animal shall be fixed by the Mayor-in-Council. An account of food and fodder, etc., purchased and issued shall be kept up by the pound keeper in Form_23 and submitted monthly for comparison with the pound register and check. The sample entries in the form show how receipts and issues are to be posted. All deaths in, or escapes from a pound shall be reported by the pound keeper to the Commissioner, the report being attested by two respectable witnesses. The hides, etc. of cattle that die in the pound may be sold out by auction or disposed off in any other way and the proceeds dealt with in accordance with sub-rule (2) of rule 56. The_Mayor-in-CouncIl_shaIl arrange for the inspection of pounds and pound keepers shall be bound to produce all registers and forms called for by the inspecting officer. The inspecting officer shall, during the course of his inspection verify every month as many receipts issued to owners under rule 54 as are available, with their counterfoils filed in the pounds and report to the Mayor-in-Council, the irregularities, if any, noticed by him. Subscriptions.- When the Municipal Corporation undertakes the collection of voluntary subscription for a public purpose, such as the erection of a town-hall, market or dispensary, the following procedure shall be observed:— (a) (b) (c) the collection book to be sent round with the appeal for subscriptions; acknowledgement receipt of contributions shall be in the form as prescribed by the State Government; at the end of each month or quarter, the amounts (whether paid up or not) shown in subscription collection book shall be totalled, and the total shall be accounted for. Ferry Receipts.- Under the provisions of the Northern India Ferries Act, 1878, the ferry receipts realised by the Municipal Corporation shall in the first instance be credited to the

suspense head "Deposits", sub-head "Ferry Receipts", and at the end of each month, the total collection under the sub-head shall be credited into the nearset bank account of the State Government to the Major Head 1054-Roads and Bridges; Minor Head 800-0ther Receipts. Detailed head "Ferry Receipts" realised by Municipal Corporation, by presenting a cheque which shall be paid by transfer the endorsement being "Received payment by transfer credit to..." the same procedure shall be adopted under this rule. Note: The amount of total collection under this rule shall be credited into the nearest bank account of the State Government. 900 (18) 64. 65. 66. 67. 68. 13 2018 Irrecoverable Sums.- The Commissioner may, with the previous approval of the Municipal Corporation order to be struck off the books any sum due on account of any tax or of the costs of recovering any tax, which may appear to him to be irrecoverable. No irrecoverable sum shall be written off unless it has been established to the satisfaction of the authority that:-- (a) the person, from whom the sum is due is incapable to pay it; or (b) such person has died and there is no likelihood of recovering the sum from the heirs or property of the deceased; or (c) all reasonable efforts to recover the sum have been made in accordance with the provisions of the Act and the rules or bye-laws made thereunder. The Commissioner shall, at the end of each quarter, prepare a statement of irrecoverable sums and submit the same to the Municipal Corporation with his reasons and recommendations. CHAPTER - ESTABLISHMENT EXPENSES General,- The whole establishment of the Municipal Corporation shall be recorded in a Register of Pay Scales in Form 24_in which every appointment shall be entered under the initials of the Commissioner or a person authorised by him. When any change is made in Pay scale, the revised scale shall be recorded in the appropriate columns provided for the purpose. For any change in the establishment,_the Commissioner shall submit to the Mayor— in-Council,aproposal explaining the conditions which necessitated the change. The proposalshall show follows:- (a) (b) (c) (d) the existing strength and the cost of the whole or section or sections, as the case may be, of the establishment affected; the total cost of revision; the number, pay and other details of posts proposed to added or modified; the ability of the Municipal Corporation to meet the additional expenditure from its normal income; the date or dates from which the proposed changes are to take effect. 13 2018 900 (19) 69. 70. 71

72. The Mayor—in-Council shall take action subject to the rules framed under the Act. Salary.- Salaries, wages and other benefits and perquisites in shall be paid on the last working day of the month or such other date as the Municipal Corporation may décide: Provided that when the last working day or the date as decided by the Municipal Corporation falls on a Sunday or a public holiday, the pay of the establishment shall be drawn and paid on the previous working day. (2) (3) The Municipal Corporation shall limit its establishment expenses including expenditure on salary of all employees, workers' wages, pension fund, medical expenses, travelling allowance and uniform of Class IV employees etc. up to a maximum of 65% ,except in respect of special cases or situations like compliance with court judgment, implementation of recommendation of pay commission or arrear back log payments etc., of the "own revenue" for the previous financial year. The limit of establishment expenditure may be raised to 75% if the Municipal Corporation has sufficient funds of its own and the expenditure is incurred in the appointment or regutarisation of sweepers, cleaners: Provided that above specified special cases or situations shall be approved by the Mayor-in-Council. Every Municipal Corporation shall endeavor to reduce its establishment expenditure and shall take necessary steps for this purpose. Every Municipal Corporation shall set targets for reduction of establishment expenditure, for a rolling period of three years and the same shall be informed to the Commissioner, Urban Administration and Development. Preparation of Pay Bj",- (2) The pay bill shall be prepared by the establishment section or concemed department of the Municipal Corporation • and be accompanied with a statement showing absentees or employees on deputation or under suspension. The pay bill shall be in accordance with the guidelines issued by the State Government and shall be verified by the Head of respective Department. The pay bill shall be submitted to Accounts and Finance Department, which shall be verified by an officer authorised by the Head of Accounts and Finance Department and approved by the Commissioner. The verified and approved bill shall constitute the pay bill for the month. 900 (20) 73. 74. 75. 76. 13 2018 (3) The Head of respective Department or Establishment Department shall be responsible for errors, if any,in the amount of the pay bill and shall rectify the same immediately. (4) The officer disbursing the salary shall obtain legally valid acquittance on office copy of the pay bill. In case owing to the targe size of the establishment or for any other. reason, it is not found convenient to obtain the receipts of the payees on the office copy of the pay

bill, separate acquittance roll may be maintained. Increment.- When the first payment of salary in which a periodical increment is drawn for an employee of the Municipal Corporation, a certificate in this regard shall be appended with authorisation by the Commissioner . Accounting and •Record keeping.- The entire salary, including alj allowances, as reflected in the pay bill shall be recorded as expenditure for the month. The net salary payable and all other deductions and recoveries therefrom shall be recorded on the last day of each month as a liability for the respective month. Salary shall be paid to the employees by directly crediting the amount to employees' bank accounts. Each such payment shall be adjusted against the liability recorded as above. Deduction from Salary.- (1) The following deduction shall be made from pay bills, subject to maximum of 1/3rd of Basic Pay : (a) fine imposed on employee; (b) recovery on account of loans and advances given to employee; (c) provident fund and/or pension subscription, as applicable; (d) recovery on account of advance pay; (e) deductions such as income tax, dues of employees' cooperative society,or any deduction as per order of any court of law, etc.; (f) any other legitimate recovery. (2) Where spouse is working the ceiling limit may be extended up to 10% of the basic pay. (3) The above recoveries shall be properly classified, recorded and accounted for. 13 2018 Unpaid Salary.- 900 (21) 77. 78. 79

80. If the salary shown in the pay bill remains uncollected, the balance of salary payable shall be carried forward for a maximum period of three months. If beyond this period the amount remains unpaid, then the cheque of the unpaid salary amount cheque shall be cancelled and suitable journal entry shall be passed to record the transaction. (2) Any payment to be made against the unpaid salary amount shall be made by way of a separate pay order authorised_by the Commissioner. Arrear Claims.- (2) Arrear of pay shall be drawn not in ordinary monthly pay bill, but in a separate bill, with a quotation of the bill from which the charge was omitted or withheld or on which it was deducted, or of any special order granting a new allowance. Such bills may be presented at any time and may include as many items as are necessary, but they shall be supported by a certificate from the Head of Accounts and Finance Department and the Commissioner that the amount was not paid before. When the bills are paid the number and date of voucher shall be recorded on the original bill from which the charge was withheld or in which it was deducted, against the item concerned in order to prevent a second claim from being entertained. Retirement Benefits.- (2) All benefits, on release of an employee of the Municipal Corporation from employment on superannuation or retirement, shall be termed as "Retirement Benefits". Provident fund deposits, gratuity or security deposits shall not be paid until it has been ascertained that there are no dues outstanding against him. A certificate to this effect signed by Commissioner shall be attached to each such bill. Pension and Gratuity.- (1) The admissibility of pension, gratuity and family pension to all municipal employees shall be from ISt April 1970, only as provided in the Madhya Pradesh Municipal Services (Pensions) Rules, 1980: Provided that pensions rules which are applicable to the employees before the commencement of these rules shall remain in force and the employees of such Municipal Corporation shall be governed by the those rules and bye-laws. 900 (22) (2) (3) Note: (4) (5) 13 2018 The Commissioner_shalt prepare the pension case of a retiring employee well in advance, at least six months before the date on which the employee is due to retire and submit it to the Pension Office. In case of Municipal Corporations having its own pension rules. In case of death, family pension case shall be prepared within three months from the receipt of the death certificate. The Commissioner shall also furnish to the Pension Office at least one and half months before the date of retirement of an employee, information about any municipal dues which are recoverable from the employee. If there are no dues, he shall issue a "No Demand Certificate", which in respect of the Commissioner, shall be issued by the Mayor-in-Council_wherein the officer had last been in service and also by the Commissioner, Urban Administration and Development. In case of non-receipt of no demand certificate, the Accounts and Finance Department shall issue the last reminder for no demand certificate and after one month of retirement if any section_does not intimate the account section about recovery. It shall be deemed as no demand certificate and all the responsibility shall vest on the concerned section. The Controller of Pensions for Municipal_Corporations shall be the authority competent to sanction the pension; gratuity and family pension certified to be admissible by the Deputy Director (Pensions) or. Pension Office and shall be the final authority in all matters relating to pension cases. Payment of pension shall be made out of the Municipal Employees Pension Fund in the manner prescribed in the relevant Fund Rules. 81

82. New Defined Contributory Pension Scheme.- All regular and permanent employees of the Municipal Corporation, employed on or after 1.1.2005, shall be governed by the New Defined Contributory Pension Scheme, 2005 and as amended from time to time, envisaged by the Provident Fund Regulatory Authority and introduced by an orders of the State Government. Travelling Allowance.- (1) Travelling allowance to be paid to any officer or staff of the Municipal Corporation shall be paid in accordance with rules made by the State Government for this purpose: Provided_that the travelling allowance paid to any officer or staff shall not, exceed what is admissible to a similar officer or staff under the State Government in accordance with the fundamental rules and the supplementary rules made thereunder: 900 (23) (2) (3) XTGrtÄ, 13 2018 Provided further_that the bills of the Assistant Surgeons and Assistant Medical Officers in charge of transferred dispensaries shall also be countersigned by the Civil Surgeon. The Travelling allowance bills of the officers and staff paid from the Municipal Fund shall be in

Form 25. The bills of the councillors and office-bearers of the Municipal Corporation shall be prepared in Form 25. Such bills shall be governed in accordance with the rules made by the State Government for this purpose. 83. 84

85. Diet Money Register.- Diet Money_Register shall be maintained in Form 26. Any amount on account of diet money and travelling allowance received from Courts shall be forthwith entered in the said register and credited to the Municipal Corporation intact. The employee who is called to give evidence in his official capacity shall be paid the travelling allowance admissible to him under rule 82_but the employee who is called to give evidence in his private capacity shall be paid the travelling allowance actually received from the Court he attends. The amount so paid and the voucher number and the date of payment shall be entered in the appropriate column of the said Register. Muster Roll.- When work is done by daily labour the basis of the amount of wages shall be based on the muster rofl to be maintained in Form_27.When payments to daily labourers are not made daily, the muster roll shall be nominal one i.e., the names of the labourers shall be entered in it. The nominal muster roll being the initial record of the labour employed each day for a work, shall be written up daily by the Officer deputed for the purposes each morning before the labourers begin work. It shall be closed immediately after the close of the week or such other period for which it -is kept and the labourers paid soon thereafter. The payment shall be made in the presence of the Municipal Engineer or the Commissioner, who shall initiated with the date against the group or labourers paid on that date, the amount paid on each date, shall be noted in words as well as in figures at the foot of the muster roll. The disbursement certificate shall then be signed-up by the officer witnessing the disbursement. CHAPTER - V PROCUREMENT AND CONTRACT MANAGEMENT Every Municipal Corporation shall, purchase their stores and ancillaries from the products of Micro, Smatt & Medium Enterprises within the State, as provided in "Reserved Items" in Annexure A and B of the Madhya Pradesh Store Purchase Rules, 2015 and amended from time to time. 900 (24) 86, 87. 88. 89. 90. (1) (2) 13 2018 Purchase upto Rupees twenty thousand in a month can be made without any tender or quotation. The Sanctioning Authority shall certify that the purchase has been made at reasonable market price, quality and as per required specification: Provided that the Sanctioning authority shall not purchase more than five times in a month through above process. Purchase above Rupees_twenty thousand_but not exceeding Rupees One Lac for Municipal Corporation on each occasion may be made through calling at least three quotations and it shall be necessary for the Sanctioning Authority to ensure the rate which is being sanctioned, is not more than the prevailing market rate: Provided that the Sanctioning authority shall not purchase more than two times in a month through above process. In case of purchases above Rupees One Lack Municipal Corporation shall call open tender on each occasion. For day to day purchases of items, rate contract basis of procurement shall be followed. Items for which no valid rate contract exist or is not practicable to obtain, the items shall be acquired from open market through call of tenders. Notice for call of Tenders shall be published in one Hindi newspaper having widespread_circulation in the State. In respect of goods, materials and services reference may be made to rule 93 and 94. Combined tender notice may be issued for all goods, materials and services that are to be awarded around the same time. (1) Under the following circumstances, the Municipal Corporation may purchase through limited tenders, if — (a) the Authority certifies that the demand is urgent and any additional expenditure is involved by not procuring through advertised tender then the enquiry shall be justified in the view of urgency. The Authority shall also put on record the nature of the urgency and reasons why the procurement could not be anticipated; (b) there are sufficient reasons to be recorded in writing by the Authority, indicating that it will not be in public interest to procure the goods, materials and services through advertised tender enquiry; 13 2018 900 (25) (c) the sources of supply are definitely known and possibility of fresh source(s) beyond those being tapped is remote: Provided that:- (2) (i) the number of supplier firms in limited tender enquiry to be made shall be not less than three. (ii) efforts shall be made to identify a higher number of approved suppliers to obtain more responsive bids on competitive basis. (iii) limited tender enquiry to be one shall be sent directly by same means such as speed post or registered post or courier or e-mail to firms which are on the list of approved suppliers maintained by the Municipal Corporation for the goods, materials and services for which the enquiry is made. (iv) no limited tender enquiry shall be made for goods, materials and services above the value of _ Rupees One Lac. In such cases_the Municipal Corporation shall follow the advertised tender procedure. Note: - Limited tenders shall be issued to only those suppliers who are registered with the Municipal Corporation. With a view to establishing reliable

sources for procurement of goods, materials and services commonly required for the Municipal Corporation item- wise list of eligible and capable suppliers shall be prepared and maintained by the Municipal Corporation. Such approved suppliers shall be known as "Registered Suppliers". Such registered suppliers are prima facie eligible for consideration for procurement of goods, materials and services through limited tender enquiry. They are also ordinarily exempted from furnishing bid security alongwith their bids. A Head of a Department may also register suppliers of goods, materials and services which are specifically required by that Depanment. Credentials, manufacturing capability, quality control systems, past performance, after-sales service, financial background etc. of the supplier(s) shall be carefully verified before registration. The supplier(s) shall be registered for a fixed period (between 1 to 3 years) depending upon the nature of the goods, materials and services. At the end of this period, the registered supplier(s) willing to continue with registration are to apply afresh for renewal of registration New supplier(s) may also be considered for registration at any time, provided they fulfill all the required conditions. 900 (26) 91. 92. (3) 13 2018 Performance and conduct of every registered supplier shall be watched by the Municipal Corporation. The registered supplier(s) are liable to be removed from the list of approved suppliers if they fail to abide by the terms and conditions of the registration or fail to supply the goods, materials and services on time or supply substandard goods, materials and services or make any false declaration to the Municipal Corporation or for any ground which, in the opinion of the Municipal Corporation is not in public interest. The Municipal Corporation may resort to single source procurement in the following circumstances:— (a) (b) it is in the knowledge of the user department that only a particular firm is the manufacturer of the required goods, materials and services . for standardisation of machinery or spare parts to be compatible to the existing sets of equipment (on the advice of a competent technical expert) the required item may be purchased only from a selected firm, after recording the reasons why no other make or model is acceptable, and obtaining financial concurrence and approval of the Authority. Publication of Tenders.- For every Municipal Corporation, the procedure in respect of publication of the tender for any work or purchase of any goods, material and services valued at more than Rupees One Lac shall be as under:- (a) (b) for every tender valued one lakhs and above e-tendering shall be followed. for every tender valued 1 lakhs and above, the advertisement shall be published in one Hindi newspaper having widespread circulation in the State in Form 28, with advertisement number, name of work, tentative value of work, date and on which website the details of the tender shall be available; for tenders valued l_lakhs and above it would be required to be published in at least one daily Hindi newspaper having widespread circulation in the State with the contents described in sub-clause (ii) above; for every tender valued above Rupees one crore, advertisement shall be published in one National level daily Hindi-English newspaper and one level daily E.æ.l.ish—Hindi newspaper having (2) 13 2018 widespread circulation with the contents described in sub-clause (ii) above. for any works, material and services having value below Rupees ten lakhs, first tender shall be invited for submission within a period that shall not be less than 15 days and for second time or subsequent invitation of the tender, the period for submission of tender shall be 7 days from the date of publication. For any works, material and services having value above Rupees ten lakhs, first tender shall be invited for submission within a period that shall not be less than 30 days from the date of publication and for second time or subsequent invitation of the tender, the period for submission of tender shall be 15 days. A reduction of the time limit may be considered subject to approval of the Authority as per the financial powers in rule 251 of these rules, in case of second catl for tender. 900 (27) 93

94. Tender Notice and Contents.- The tender notice issued by the Municipal Corporation for work contracts, material supplies and services shall clearly indicate:-- (b) (c) (d) (e) (g) the time and date up to which sealed tender may be received; the nature and details of work which is to be executed, and at stagel estimated; the time within which the work contracts, material supplies and services is to be completed from the date of the receipt of orders to commence work; the amount of security deposit required; the amount of earnest money which must accompany each seated tender, the name of the office where the blank tender

form may be obtained and the price charged for each form, the number of plans concerning the work, supplies and ser•/ices and the place and time where they may be inspected,• if such plan do not form part of the. tender document; the date and time of tender opening. The tender document shall be as far as possible provide for a lump sum or figure a lump sum item rate quotes and shall include the following:- (b) (c) copy of the public notice inviting tenders; any rules or directions necessary for the guidance of tenderers; the form of tender; 900 (28) (d) (g) (h) 13 2018 form of agreement or indenture; conditions of contract; detailed specifications of the works , materials and services; affidavit accepting the tender conditions and that firm or institutionhas not been blacklisted or debarred by_any department of the State Government or the Central Government; schedules:- (ii) (iii) (iv) describing the works, materials and Services and the purpose to be served; enumerating the plans which accompany the specifications; the samples of materials and other articles which must be deposited; the date of completion of works and services; schedule describing any works, materials and services which is the property of the Municipal Corporation which the contractor shall be required to utilise and the rate at which they shall be supplied

95. Receipt of Tenders.- (1) (2) Submission of tender is to be done as specified in the tender document and by speed post/ registered post or courier or by hand delivery in the tender box kept for the purpose. All tenders received shall be presented to a tender committee as described under Delegation of Powers in these rules and shall be opened by the Commissioner or any official duly authorised by him in the presence of the representatives of the bidders or tenderers, as present, on the notified date and time and each tender opened shall be initialed by the members of the tender committee. Subsequently, the tender committee shall evaluate the tenders received, prepare a comparative statement of the evaluated tenders, and submit to the competent authority with its recommendations for approval. No tender shall be accepted which is not in order or is not fully priced out or is not in anyway in accordance with the instructions contained in the notice inviting such tenders. If the bidder or tenderer makes any reduction or any alteration other than correction of palpable arithmetical error after submission of the tender, that tender shall not be considered to be in order. The competent authority shall reserve the right of rejecting any tender even if it iS the lowest in price terms, provided that in case lowest tender is not accepted, 13 2018 900 (29) (3) (4) the reasons for such non-acceptance shall be recorded, and in accepting a tender, the financial condition of the bidder shall be taken into consideration in addition to all other relevant matters. For any tender received higher or lower than the final detailed estimate, the directive of the competent authority of the State Government shall be followed. If it is found that none of the tenders received by the Municipal Corporation is satisfactory or if for any reason it is believed that the requirements of the tenders have not been properly understood by the bidders or tenderers, so that fair bids have not been received, the tender in question shall be rejected and fresh tender shall be invited. 96. 97

98. Except in cases of emergency or to prevent damage or loss, no work shall be commenced until a properly detailed estimate has been prepared and sanctioned. Procedure for Sanction of Works.- The following procedure shall be observed for all works (other than transferred works) executed by the Municipal Corporation - (a) (b) (c) administrative approval as laid down in rule 98 shall be obtained; technical sanction to plans and estimates as laid down in rule 99 and 103 shall be obtained; and final sanction as laid down in rule 100 shall be obtained. Administrative Approval.- (2) The term 'Administrative approval' means the concurrence of the competent authority to the proposals for construction of a work or additions and improvements to an existing work before technical. and financial sanctions are accorded. Administrative approval shall be as per the following procedure- (a) administrative approval shall be required for all new works and improvements to existing works; (b) proposal for administrative approval shall be accompanied by a preliminary estimate and plans duly signed as per rule 102; (c) administrative approval shall be granted by the Authorities, as prescribed under Delegation of Powers under those rules. 900 (30) 99. 13 2018 Technical Sanction.- (1) All estimates for works shall be prepared in

Form 29 as follows:- (a) preliminary estimate for administrative approval with the plans and plinth area; and (b) final detailed plan and estimate for technical sanction. Note: (i) Preliminary estimates are not required for works for which standard plan exists. Note: (ii) The works the cost of which does not exceed Rupees twenty five thousand 100. 101. 102. 103. only the final detailed estimates shall ordinarily be prepared. (2) The powers to grant technical sanction to final detailed plans and estimates shall vest with the authorities as prescribed in these rules. Final Sanction to Works.- Sanction to the final detailed estimates for works and repairs shali be given by the competent authority to grant sanction under rule 97 according to the amount of the final estimate. Commencement of Work.- The competent authority to sanction a work under rule 99_may sanction the commencement of the work at any stage subject to budget provision. Such competent authority may also order the collection of goods and material on an estimate sanctioned in the preliminary stage. This procedure shall only be adopted in cases of special urgency, and sanctioning authority shall satisfy himself first that the cost in the final stage is not likely to exceed the limits of his power of sanction. Signing of Plans and Estimates.- In all cases plans and estimates shall be signed- upby the officers by and through whom they are submitted and also by the sanctioning and approving authorities. Responsibility for Technical Details.- In all cases the Municipal Engineer and where there is no such engineer, the officer in principal charge of the municipal public works, establishment shall be responsible for technical details of all • estimates signed-up by him. local inspection of the site be necessary as is generally the case in regard to estimates of bridges and causeways, etc. such inspection must be undertaken before the final detailed estimate is framed out. It will not generally be possible for the Superintending Engineer or the Chief Engineer to inspect proposals on the spot and ordinarily notes by these officers shall be confined to matters which can be dealt with or without such inspection and which indicate points which should be attended to on the site by the Municipal Engineer or where there is no Municipal Engineer, then the officer in principal charge of municipal public works. 13 2018 900 (31) 104. 105, 106, 107

108. Construction and Development Works.- (1) The Municipal Corporation shall follow a Three-Envelope System for all open tenders. The first envelope shall contain the earnest money deposit. The second envelope shall contain technical bid consisting of all technical details along with commercial terms and conditions. The third envelope shall consist of financial bid indicating item-wise price for the items mentioned in the technical bid. (2) The earnest money deposit envelope, technical and financial bid shall be sealed by the bidder in separate covers duly superscribed and all these three sealed covers shall be put in a bigger cover which shall also be sealed and duly superscribed. The first envelope containing earnest money deposit shall be opened and its validity and correctness shall be checked. The technical bids shall be opened by the tender committee at the first instance and evaluated. At the second stage, financial bids of only technically acceptable offers shall be opened for further evaluation and ranking before awarding the contract. Agreement.- An agreement on stamp paper of appropriate value shall be made for every work given out on contract, specifying the terms and conditions of the contract and the penalties to which the contractor becomes liable if he fails to comply with all or any of the conditions; and bonuses, if any, that the contractor is entitled to on fulfillment of any conditions, as prescribed in

Form 30. In case of any possible loss the Municipal Corporation shall as a rule take security in the form of performance security as provided in rule 230, before signing the agreement, for the due fulfillment of a contract. Supplementary Estimates.- Any development of a project thought necessary while a work is in progress, which is not fairly contingent on the proper execution of the work as first sanctioned, must be covered by a supplementary estimate, accompanied by a full report of the circumstances which render it necessary. The abstract must show the amount of the original estimate, the total of the sanction required and the supplementary amount. The supplementary estimates must be sanctioned by the competent authority. Revised Estimate.- A revised estimate must be prepared and sanctioned when it is apparent that the original estimate will be exceeded by more than Ten percent but not exceeding twenty percent in any case. When any excess of more than ten percent over a sanctioned estimate is foreseen, and there is likely to be an unavoidable delay in the preparation of a revised estimate an immediate report of the 900 (32) 109. 110. 111. 13 2018 circumstances shall be made to the sanctioning authority. When a revised estimate is submitted it must be accompanied by a statement comparing it with the latest existing sanction and by a report showing the progress made to date. It is the duty of the Engineer or Supervisor or Officer-in-Charge responsible for the works to watch carefully the progress of expenditure and to ensure that a revised estimate is prepared and submitted as the necessity arises. When excesses occur at such an advanced stage in the construction of work as to render the submission of a revised estimate purposeless, the excess should be explained in the completion report, as prescribed in rule 113. Schedule of Rates.- The estimates shall be prepared according to the Schedule of Rates, as issued and as amended from time to time, by the Urban Development and Housing Department of the State Government for Municipal Corporation (Integrated Standard Schedule of Rates). Inspection of Works.- (2) The Municipal Engineer or where there is no Municipal Engineer, the officer in principal charge of the Municipal Public Works establishment shall inspect as many works of all classes as he can whilst they are in progress. As regards final inspection, he shall follow the provision of rule 113. In case of all transferred works or works the cost of which is to be borne in whole or in part out of the contribution received from the State Government (including repairs) the Chief Engineer, Superintending Engineer, Executive Engineer or Assistant Engineer of the Public Works Department and such other officer as may be authorised by the State Government shall have power to inspect and exercise technical control and the advice or instructions given by any of these officers on technical matters shall be binding on the Municipal Corporation. Contractor's Bill.- The contractor's bill shall be prepared in Form 31 and presented to the officer-in-charge of the work who after taking measurement and after examination and attestation, shall forward them through the Municipal Engineer or where there is no Municipal Engineer, the officer jn principal charge of the municipal public works establishment to the Commissioner of Municipal Corporation who shall send the bill to the Accounts and Finance Department. The Accounts and Finance Department shall check the bill with measurement book, estimate, agreement, previous payment (in case of running bills), balance of allotment available and arithmetical calculations and shall submit the same to the Commissioner through the Head of Accounts and Finance Department, and if there is no Head of Accounts and 13 2018 900 (33) Note: 112 Finance Department, direct to the Commissioner. The _ Commissioner, if he is competent to pass the bill shall pass orders or otherwise submit the bill to the Mayor, with his recommendation. Running payment shall usually be made up to nine tenths of the value of work done. The balance ten per cent shall be paid when the final bill is submitted and certificate has been signed vide rule 114. The contractor's acknowledgement shall be obtained in original on the reverse of the bill. When this is not possible, reference to the separate receipt shall be carefully recorded on the bill. When the account is finally closed the contractor's receipt shall distinctly state that the account is finally settled in full. Contractor's bill for major works shall be prepared monthly but in case of small works the execution of which run over a few weeks only, it shall be more convenient to measure and pay for the work on its completion, and the agreement with the contractor shall provide for this when practicable. The bills for such petty works shall be in Form 32. (1) As far as possible all measurements for final bills shall be taken by the officer- in-charge and must be taken in the presence of the contractor. (2) Bills prepared for contractors in the Municipal Corporation office shall be headed "Prepared at contractor's request", and must not be charged for. (3) In case the Contractor Bill exceeds IO percent of the sanctioned amount, such bill shall not be paid until the revised estimate is approved by the Competent Authority as per Rule 108. Measurement Book.- (1) The Measurement Book in Form_33 is the basis of all accounts of quantities, whether of work done by piece work or by contract or by daily labour or

of materials received or issued. Details of measurements may be entered in pencil, other entries in ink and the date in red ink. Details of measurement if entered in pencil shall not be inked over. The progress of work shall be indicated lucidly so as to admit of easy identification and check. The measurement book, as a rule shall accompany bills in which charge is made on account of quantities of work, and it shall be carefully compared with the bills and also with the details in the sanctioned estimate before a payment order is made. Any difference due to errors, excess quantities or u nauthorised items of work shall be at once enquired into, and when passing a bill the Municipal Engineer or Officer-in-Charge and if there is no Municipal Engineer or Officer-in-Charge, the Commissioner shall initial the measurernent book in token of its having been checked and examined by him. To avoid disputes, the signature of the contractor also should be taken in the measurement book. Measurement books are important records. These shall be carefully 900 (34) 14 3. 114. 115, (2) (3) 13 2018 handled and after these are completed, these shalt be returned to the Municipal Office for record. An account of issue and receipt of measurement books shall be maintained in Form 34. All the measurement books shall be numbered serially. Measurement book W'ill be uploaded on the website of the concerned Municipal Corpoartionin electronic form. Completion Report.- (2) When a work is completed the Officer-in-Charge of it shall submit a completion report in Form_35 through the Municipal Engineer, and if there is no Municipal Engineer, directly submitted to the Commissioner. When any item of the estimate has been exceeded he shall compare and explain alt difference between the quantity, rates and cost of the work executed and that estimated for. In case of a work the cost of which exceeds the limit of_Rupees twenty five thousand. The Commissioner shall inspect it and certify that the work is completed to his satisfaction. In case of transferred works or works the cost of which is to be borne in whole or in part out of the contribution received from the State Government the completion report shall also be countersigned by the officer authorised to sanction estimate under rule 98 before submitting the report to the Commissioner. Work consisting less than Rupees five thousand shall be treated as petty, and completion reports on these shall be filled after perusal by the Commissioner or such other officer, as may be authorised by him, who shall, satisfy himself that the work has been executed in order. Completion Certificate.- (1) When a work is compteted_as per agreement a final completion certificate in Form_36 shall be recorded by the authorities as prescribed under Delegation of Powers of these rules: Provided that works costing individually less than Rupees twenty' five thousand shall be considered as petty, and no completion certificate shall be recorded. Final payment to contractors.- No contractor shall be finally paid until the completion certificate and the completion report required by the preceding rules have been furnished. 13 3-vrq 2018 900 (35) 116. 117

118. Advance Payments.- Payments for services rendered or supplies made shall be released only after the services have been rendered or supplies made. However, advance payments may be made in following manner:- (a) (b) mobilization advance payment shall be made in accordance with guideline issued by the State Government for mobilization of works; and while making mobilization advance payment, adequate safeguards in the form of Bank Guarantee in the format prescribed in

Form 370r any other manner as approved by the Municipal Corporation shall be obtained from the contracter. Purchase of Plant and Machinery.- (1)_ When indenting for plant and machinery etc., the indenting department shall take a decision as to the quantity of spares to be purchased along with the main equipment. The indenting officer shall also specify whether any of the following guarantees is required to be obtained from the supplier of the equipment: (a) (b) a guarantee from the supplier of the equipment that he shall supply spare parts if and when required on an agreed basis for an agreed period. The agreed basis shall be an agreed discount on the published catalogue prices; a warranty to the effect that before going out of production for the spare parts, he shall give adequate advance notice to the Municipal Corporation of the matter so that the latter may order the balance of the life time requirement in one lot; and if possible, a warranty to the effect that the supplier of the original equipment shall make available the blue print of drawings etc. of the spares if and when required, in connection with the main equipment. (2) In the indent for spare parts, reference to the number and date of the contract for the main equipment and any guarantee or warranty incorporated therein shall be quoted by the indenting officers. (3) The indenting department shall endeavour to adopt Indian Standard Specifications wherever available, and where such specifications are not available, they shall permit relaxation in indigenous production, which shall be consistent with the requirement of safety, security and end use of the stores. Powers of approval for Procurement of Technical Services.- Procurement of Technical Services may be sanctioned by the Authority as provided in rule _ 251. 900 (36) 119. 121. 13 2018 Signing power.- For all cheques shall be given jointly to the Commission and bear of Accounts and Finance Department Procurement of Technical Services.- (a) (b) (c) (d) (e) Approval of Authority shall be obtained before procurement of any services. the department indenting the service shall prepare in simple and concise language the requirement, objective and scope of service to be procured; and the qualification and criteria shall also be identified for selection of the service provider; the department indenting the service shall estimate reasonable expenditure for the same by ascertaining the prevalent market conditions and organisations engaged in similar service offerings; where the estimated cost of the service is above_Rupees One Lakh the_Municipal Corporation shall follow the three envelope system described in rule 104; and under some special circumstances, it may become necessary to select a particular service provider where adequate justification is available for such single source selection in the context of the overall interest of the Municipal Corporation. Full justification for single source selection shall be recorded and approval of the Authority obtained before resorting to such single source selection. (2) Hiring of Manpower for various works I services.- For performing statutory functions of the Municipal Corporation on special occasions for serv'ices •like sanitation, street cleaning etc., the Municipal Corporation shall call tender for engagement of manpower for various works / services and shall follow procedure as provided in rule 93 and 94 for calling tender. The expenditure on account of deployment of such manpower shall be recorded by the Municipal Corporation in accordance with the guidelines issued by the State Government from time to time under those rules_for recording of expenditure relating to hiring of manpower for types of said services and/or for outsourcing those services (under Primary Code 2, Major Head 30, Minor Head 80 and Detail Head-04). Sanctioning Works or Purchases by Piece Meal Prohibited.- The power of sanction specified in the foregoing rules are not to be exercised so as to lead to a work being sanctioned in portions or to the purchase at several times of goods, materials and services which ought to have been dealt with in the same estimate. 13 2018 900 (37) 122. E-Procurement.- Subject to the rules and procedures of the State Government for e- procurement system, the Municipal Corporation may purchase goods, materials and services using the internet for procurement of the value of Rupees one_Lakhs and above. In case of e-procurement, the Municipal Corporation shall, follow the following steps in an electronic form — (2) (3) (4) (a) (b) (c) (d) (f) (g) raise indents as per the requirements; approve indents online; create and publish Notice Inviting Tender; sell tender documents; receive bids; evaluate bids; and award purchase order or contract. If the Municipal Corporation purchases of goods, materials and services is made through e-procurement system, then it shall ensure,— (a) security features to ensure that all activities are logged, no unauthorised person has access to data, all sensitive data is encrypted, and the system can be restored in a minimal possible time in case of a disaster or system crash; (b) data encryption to support all price bids received against a tender enquiry are encrypted at the database level; and login passwords of all the users and the suppliers are also encrypted at the database level; (c) process validation so that a user cannot view the financial bid of a supplier till the technical evaluation of the tender is complete and the date and time specified for the opening of the financial bid is due; and (d) the entire

solution shall be placed behind a firewall and intrusion detection system that protects it against unauthorised access and hackers. The Municipal Corporation shall install e-procurement trust tools, such as, digital signatures and verification tools, bid encryption and decryption process, digital permission for e-tender box opening, etc. 900 (38) 123. 124. 125. 126. 127. 128. 13 2018 Procurement,- The Municipal Corporation shall follow procedures and mechanism for:— (b) (c) opening, registering and recording of bids in the presence of representative of the bidders or tenderers; evaluation of bids to ensure best value for money; and negotiate the final terms of contract. The Municipal Corporation shall ensure for compulsory disclosure of any conflict of interest that prospective bidders or tenderers may have in specific tenders and exclude such prospective bidders or tenderers from those tenders. The Municipal Corporation shall not consider a bid received outside the bidding process. If the Municipal Corporation decides to consider bid outside the normal bidding process, it has to be first placed before Mayor—in-Councilfor consideration, discussion and approval. The periodical indents shall be prepared and goods and materials shall be obtained by means of such indents. Care shall be taken not to purchase stores much in advance of actual requirements, if such purchases are likely to prove unprofitable to the Municipal Corporation . Contract Execution.- Subject to the provision of rule 105 and rule 106 — (a) (b) all contracts shall be made by an Authority empowered to do so by or under the Act or these rules; all the contracts and assurances of property made in the exercise of the executive power of the Municipal Corporation shall be executed on behalf of the Municipal Corporation. The words "for and on behalf of the Municipal Corporation". shall follow the designation appended below the signature of the officer authorised in this behalf. Notwithstanding anything contained in these •rules, the following general conditions shall be observed while entering into contracts: (a) the. terms of contract must be precise, definite and without• any ambiguities. The terms shalt not involve an uncertain or indefinite liability, except in the case of a cost plus contract or where there is a price variation clause in the contract; (b) standard forms of contracts shall be adopted wherever possible, with such modifications as are considered necessary in respect of individual contracts. 13 2018 The modifications shall be carried out only after obtaining financial and legal advice; (c) in cases where standard forms of contracts are not used, legal and financial advice shall be taken in drafting the clauses in the contract; (d) in respect of Works Contracts, or Contracts for Purchases valued between Rupeesone lakh to Rupees ten lakhs, where tender documents include the General Conditions of Contract, Special Conditions of Contract and scope of work, the letter of acceptance shall result in a binding contract; (e) inrespect of contracts for works with estimated value of Rupees ten lakhsor above or for purchase above Rupees ten lakhs, a contract document shall be executed, with all necessary clauses to make it a self-contained contract. If however, these are preceded by Invitation to Tender, accompanied by Genera) Conditions of Contract and Special Conditions of Contract, with full details of scope and specifications, a simple one page contract can be entered into by attaching copies of the General Conditions of Contract and Special Conditions of Contract, and details of scope and specifications, offer of the tenderer and letter of acceptance; (f) contract document shall be invariably executed in cases of turnkey works or agreements for maintenance of equipment, provision of services etc; (g) no work of any kind shall be commenced without proper execution of an agreement as prescribed in the foregoing provisions; (h) contract document, where necessary, shall be executed within 30 days of the issue of , letter of acceptance. Non-fulfillment of •this condition of executing a contract by the Contractor or Supplier would constitute sufficient ground for annulment of the award and forfeiture of Earnest Money Deposit; (i) price variation conditions can be provided only in long-term contracts, where the delivery period extends beyond 18 months. In short-term contracts firm and fixed prices shall be provided for. Where a price variation conditions is provided, the price agreed upon shall specify the base level viz., the month and year to which the price is linked, to enable variations being calculated with reference to the price levels prevailing in that month and year; and (i) describe a formula for calculation of the price variations that have taken place between the Base level and the Scheduled Delivery Date shall be included in this conditions. The variations shall be calculated by using indices published periodically by the Central or State Government; 900 (39) 900 (40) 13 2018 (ii) specify cut off dates for material and labour, as these inputs taper off well before the Scheduled Delivery Dates; (iii) provide for a ceiling on price variations, particularly where escalations are involved. It could be a percentage per annum or an overall ceiling or both. The Municipal Corporation shall ensure a provision in the contract for benefit of any reduction in the price in terms of the price variation conditions being passed on it; (iv) stipulate a minimum percentage of

variation of the contract price above which price variations will be admissible (e.g. where resultant increase is lower than two per cent. no price adjustment will be made in favour of the supplier); (v) where advance or stage payments are made there shall be a further stipulation that no price variations shall be admissible on such portions of the price, after the dates of such payment; (vi) where deliveries are accepted beyond the Scheduled Delivery Date subject to levy of liquidated damages as provided in the Contract, the liquidated damages (if a percentage of the price) shall be applicable on the price as varied by the operation of the price variation clause; (vii) no price variation shall be admissible beyond the original Scheduled delivery date for defaults on the part of the supplier; (viii) price variation may be allowed beyond the original Scheduled delivery date, by specific alteration of that date through a formal variation order to the contract in cases of Force Measure or defaults by the Municipal Corporation; (ix) where contracts are for supply of equipment, goods and materials etc., imported (subject to customs duty and foreign exchange fluctuations) and I or locally manufactured (subject to excise duty and other duties and taxes), the percentage and element of duties and taxes included in the price shall be specifically stated, along with the selling rate of foreign exchange element taken into account in the calculation of the price of the imported item. The mode of calculation of variations in duties and taxes and foreign exchange rates and the documents to be produced in support of claims for such variations shall also be stipulated in the Contract; 13 2018 900 (41) 129. 130. 131. 132. 133. 134. 135. 136. 137. (x) contain the mode and terms of payment of the price variation admissible; and (xi) include provision for payment of all applicable taxes by the contractor or supplier. Lumpsum contracts shall not be entered into except in cases of absolute necessity. Where lumpsum contracts become unavoidable, full justification shall be recorded. The contracting authority shall ensure that conditions in the lumpsum contract adequately safeguard and protect the interests of the Municipal Corporation. Issue of goods and materials by the Municipal Corporation should be avoided as far as possible. Where it is decided to supply goods and materials by the Municipal Corporation, a schedule of quantities with the issue rates of such material as are required to execute the contracted work, shall form an essential part of the contract. In contracts where Municipal property is entrusted to a contractor either for use on hire charges or for doing further work on such property, specific provision for safeguarding Municipal property (including insurance cover) and for recovery of hire charges regularly, shall be included in the contract. Provision shall be made in the contract for periodical physical verification of the number and the physical condition of the items at the contractors premises. Results of such verification shall be recorded and appropriate penal action taken where necessary. The terms of a contract, including the scope and specification once entered into, shall not be materially varied. Wherever material variation in any of the terms and conditions in a contract becomes unavoidable, the financial and other effects involved shall be examined and recorded and specific approval of the Authority to approve the revised financial and other commitments obtained, before varying the conditions. All such changes shall be in the form of an amendment to the contract duly signed by all parties to the contract. Normally no extensions of the scheduled delivery and completion dates shall be granted except where events constituting force majeure, as provided in the contract, have occurred or the terms and conditions include such a provision for other reasons. Extensions as provided in the contract may be allowed through formal extension order to the contract duty signed by parties to the contract. All contracts shali contain a provision for recovery' of liquidated damages for defaults on the part of the contractor. A warranty clause shall be incorporated in every contract, requiring the supplier to, without charge, repair or rectify defective goods and materials or to replace such goods and materials with similar goods and materials free from defect. Any goods and materials repaired or replaced by the supplier shall be delivered at the Municipal Corporation premises without costs. All contracts for supply of goods and materials shall reserve the right of the Municipal Corporation to reject goods and materials which do not conform to the specifications. 900 (42) 138. 139. 140. 141. 13 2018 Management of Contracts.- (1) (2) (3) Implementation of the contract shall be strictly monitored and notices issued promptly whenever a breach of provisions occur. Monitoring shall include a monthly review of all Bank Guarantees or other instruments expiring after three months, along with a review of the progress of supply or work. Extensions of Bank Guarantees or other instruments, where warranted, shall be sought immediately. Wherever disputes arise during implementation of a contract, legal advice shall be sought before initiating action to refer the dispute to conciliation and/or arbitration as provided in the contract or to file a suit where the contract does not include an arbitration clause. The draft of the plan for arbitration shall be vetted by obtaining legal and

financial advice. Documents to be filed in the matter of resolution of dispute, if any, shall be carefully scrutinized before filing to safeguard the Municipal Corporation's interest. Workshop.- The Engineer, or Officer-in-Charge of the workshop, shall keep record of stock, stores, apparatus, fittings, etc., received for use in the workshop. This register shall be balanced and the stock, etc. in hand verified by the officer in immediate charge of the workshop at such intervals as the Mayor—in-Councilmay prescribe, but not less than once a year. Work Register and Muster Roll.- (2) To enable a check to be kept upon the work done in the workshop, the Officer-in-Charge shall maintain a Work Register in Form 38. He shall also keep a Muster Roll in Form 27. The workshop stock book and the work register shall be examined not less than once a month by the Municipal Engineer or Officer-in-Charge of Public Works, who shall sign the register in token of his having made this examination. This officer shall also at frequent and unexpected intervals check the muster rolls. Register of Works.- (1) The accounts of every work undertaken by the Municipal Corporation shall be maintained in the manner and form as prescribed in these rules. (2) The accounts of every work undertaken by the Municipal Corporation, the estimated cost shall be maintained in Form 39, in which columns shall be allotted according to the heads and items of sanctioned estimates, the kind of work and the rates for the same as per accepted tender or contract Shati be 13 2018 900 (43) noted in red ink in the blank columns at the top, and quantities and amount of the sanctioned estimates or tender for each kind of work shall be entered in the appropriate columns as soon as the estimate is sanctioned or the tender is accepted. In this register, actual expenditure incurred during the month, and the total of work done and the total expenditure up to the end of each month shall be entered month by month from the contractor's bill and vouchers drawn from time to time. When a work is finalized, a double red line shall be drawn below the entries and the following note shall be made "work completed and completion report received on (date)". 142

143. Register of Purchases.- The accounts of every purchases of goods and materials made by the Municipal Corporation shall be recorded as prescribed in chapter 8 of these rules. Physical verification of stock shall be done by the Commissioner on annual basis. Public Private Partnership.- For the purpose of Public Private Partnership Projects selective tendering process shall be followed as described below. (a) (b) If in the opinion of the Directorate, Urban Administration and Development, the project is of the specialized nature and there may not be many competent bidders in the market, a two stage bidding process shall be adopted. The initial stage shall involve inviting the private sector for pre- qualification based on technical and financial capacity to undertake the work or project for which Public Private Partnership is sought. The pre-qualified or short listed parties shall be invited to submit their bids in response to the Request for Proposal for the Public Private Private Project If in the opinion of the Directorate, Urban Administration and Development, the Project is of general nature, he may opt for single stage bidding process by adopting Three Envelope method. (2) Before deciding whether a particular project should be executed through Public Private Private mode or not, the Directorate, Urban Administration and Development, shall consider- improved Service Quality (a) 900 (44) 144. 145. (b) (d) 13 2018 private operators financial resources to be utilised reduced Life Cycle Cost faster Implementation better allocation of Risk generation of Additional Revenue: Provided that the Municipal Corporation shall with assistance of the Directorate of Institutional Finance (PPP cell) of the State Government or a competent and qualified Transaction Adviser establish the estimated cost of providing a service with the purpose of benchmarking and the benefits and costs shall be analysed considering quantifiable and non-quantifiable items. In addition, project specific factors shall be applied in regard to experience of (3) similar projects and quantifying project specific characteristics. Deposit Works.- Deposit works shall include the amount received from persons specifically for the construction works. Realisation of Deposits.- (1) (2) (3) Whenever a deposit work is to be undertaken, the deposit shall be realised before any liability is incurred on the work. One percent of the anticipated project cost shall be realised before preparation of preliminary estimates. In addition to the outlay on the work in the preliminary estimates, departmental charges at such percentages as are prescribed by the State Govemment from time to time shall also be realised in advance. No interest shall be allowed on sums deposited from any source, including private contributions. In the case of deposit works which are financed entirely from Government grants, and from whom receipt of deposits is assured, 33-1/30/0 of the estimated cost of the work, may be deposited in advance. Thereafter, the expenditure incurred may be reimbursed through monthly bills simultaneously with rendering of monthly accounts on the progress of work. The deposit of 33-113% obtained as the first

installment shall be retained for adjustment against the last portion of the estimated expenditure. Where delays are experienced in obtaining deposits, and where the expenditure has to be incurred out of the 33-113% reserve to keep the works going, the matter shall be brought to the notice of Commissioner promptly for taking up the matter with the client. No expenditure shall be incurred on deposit works out of the Municipal Corporation's funds and vice-versa. 13 2018 900 (45) (4) (5) (6) (7) (8) To. enable the client to provide additional funds in time whenever the expenditure is anticipated to exceed the preliminary estimate figure, a revised preliminary estimate shall be submitted to the client well in time during the execution of work. Where a client has defaulted in making the required deposit, or where the works outlay is predominantly for purchase of capital equipment and machineries, the entire deposit including departmental charges Shail be realised in advance. In no case deposits received from a client for its work shall be diverted to other works. The client is clearly made to understand that the Municipal Corporation does not bind itself to complete the work within the amount of the preliminary estimate, and that they should agree to pay for the excess expenditure that may occur. An acknowledgement of this clear understanding shall be obtained from the client before the deposit work is taken in hand. The Engineer-in-Charge of the work shall ensure that at any time during the progress of the work, the expenditure is not more than the deposits received for the work. Where the Engineer-in-Charge is doubtful about the timely receipt of deposits, he shall notify the client that if further deposit is not received, the work would be stopped, and any contractual liability arising out of such stoppage of work will be borne by the client. He should also bring this to the notice of Commissioner for taking up the matter with the client. 146

147. Execution of Deposit Works and Accounts.- (2) (3) With regard to design, estimate and execution of work, instructions as contained in the forgoing rules shall be followed. The scope of work shall not be altered without written permission of the client. The Engineer-in-Charge of the work shall send a quarterly report to the client showing the amount deposited and the expenditure incurred against each of the works for settlement of accounts. It is necessary that the Engineer-in-Charge of the work settle the accounts against the deposit works expeditiously so that the amount in the books of the Municipal Corporation as well as the client does not remain unsettled for long. Where there is no provision provided in these rules in regard to any works or supplies, the Municipal Corporation shall follow the procedures provided in the Public Works Department Manual of the State Government, without violating the provisions of the Act and rules made thereunder, until the issue of Works Manual by the Urban Development and Housing Department for Municipal Corporation. 900 (46) 148. 149. 149. 150. 13 2018 CHAPTER FIXED ASSETS, INVESTMENT AND GRANT Fixed Assets.- (1) (2) (3) All fixed assets, movable or immovable, owned by the Municipal Corporation or otherwise vested in it or held by it in trust shall be recorded in the fixed assets registers. These registers shall be updated as and when there is addition to or assets. Depreciation shall be provided every year onstraight Jine method on all fixed assets except land, heritage buildings, statues, valuable works of art and antiquities. Procedure for recording of fixed assets, valuation, provision of depreciation and rate of depreciation, shall be as prescribed by the State Government. An officer authorised by the Commissioner shall carry out physical verification of fixed assets at least once during the financial year. Any discrepancies with the Fixed Assets Registers shall be reconciled and reported to the Commissioner. The details recorded in the verification sheets shall be checked with the relevant Fixed Assets Registers and remedial steps shall be taken in case of discrepancies identified. Investment of Surplus Money.- (1) (2) Surplus money which is not required immediately or at an early date for any expenditure or for repayment of any loan raised by the Municipal Corporation, may be invested in compliance with the provisions of the Act and in accordance with the provisions of these rules. From out of the fund received under any scheme, -the Commissioner may, with the approval of Mayor-in—Councill invest the funds in fixed deposit for the unutilized period and interest earned thereon• shall be utilized under the scheme for which the fund was sanctioned. Investment Policy.- (1) In making investment proposals and decisions, the Municipal Corporation shall consider the following namely: (a) limiting the risk exposure by investing in more than one institution and distributing the investment over more than one investment category (i.e. government bonds, bank fixed deposits and public securities), as far as feasible; 13 2018 900 (47) (b) (c) (d) not investing with an institution where the degree of risk is perceived to be higher than the average risk associated with investment institutions; restricting the tenure of investment to not more than eighteen months, until otherwise approved by the Mayor—in-Council; obtaining offers from at least three banks in writing for any fixed deposits with scheduled banks; and fixing individual exposure limits for investments in banks and other financial institutions. 151. 152. 153. (2) For safe investment options the Commissioner, may take advice from qualified professional or expert. Disposal of investment.- Investments may be disposed before the maturity date after the Commissioner has considered the need and justification for disposal and approved the same. On disposal of investment, the profit earned or loss incurred on disposal of investment shall be recorded in the books of account. Verification and Recording of Investments.- (2) At the end of every month, the Commissioner_shall examine and physically verify all the investment document with reference to the Investment Register and the verification shall be recorded in the Investment Register. In the first week of every month the Head of Accounts and Finance Department of the Municipal Corporation shall submit a report to the Commissioner on the investments made, held and disposed of during the immediate preceding month. The report shall also indicate any defaults in payment of interest or principal amount on due date and action taken to realise the overdue or outstanding amounts. Grant.- (1) The Municipal Corporation receiving the grant shall be required to utilise it for the purpose for which the grant is given as follows - (a) the entire amount of the grant shall be utilised by the Municipal Corporation within one year from the date of release of the grant or in the same financial year in which the grant is given, as permitted by the terms of the (b) the Municipal Corporation shall within thirty days of close of the financial year send to the grantor a report of utilisation of the grant amount in

Form 40 under the authorisation of the Commissioner; and 900 (48) 154. 155. 156. 157. (2) 13 2018 (c) auditor of the Municipal Corporation shall certify that the grants have been utilized during the financial year and for the purpose for which it was sanctioned. The Mayor-in-Council shall review the grants recognised as receivable on the basis of grant sanction order but which have remained outstanding for a period exceeding three years, and if considered fit, the amount of the grant shall be written off. CHAPTER - VII CASH AND BANK Municipal Corporation shall follow accounting principles as prescribed by the State Government for recording all items of Income and Expenditure. (2) (3) (4) The Municipal Corporation may receive revenue through various options such as bill collectors, citizen facilitation centres, direct credit through Bank, collection by Banks, collection through internet. All money transactions to which the office-bearers, councillors, officers and servants of the Municipal Corporation in their official capacity are party shall without any reservation, be brought to account without delay and all sums realised by or on behalf of the Municipal Corporation shall be deposited into the bank account of the Municipal Corporation. All moneys received by the Municipal Corporation from any source, including amounts collected by outdoor collectors shall be deposited into the bank account of the Municipal Corporation on the same day or the next working day. No portion of collection shall on any account be kept back or used for current expenditure. Cash balance, if any, at the end of the day, shall be kept in a safe and secured place and under double lock system, within the premises of the Municipal Corporation. One key of the safe shall be held by the cashier and the other with the Head of Accounts and Finance Department. (1) The Head of Accounts and Finance Department shall, once in every month, physically verify the cash in hand and check with the closing balance recorded in the Cash Book and countersign the Cash Book. The Commissioner shall verify the cash balance with the Cash Book at least once in a every quarter and countersign the Cash Book. 13 2018 900 (49) (2) if any discrepancy is found between the physical cash balance and cash balance as per the Cash Book, the matter shall be forthwith remedied or rectified. In case, the difference remains, it shall be immediately reported by the Head of Accounts and Finance Department to the Commissioner of the Municipal Corporation for appropriate action. The Municipal Corporation shall take comprehensive insurance cover for appropriate amount for cash in hand and in transit. Bank Account.- 158. 159. 160. 161. 162. (2) (3) (4) Every Municipal Corporation shali open and maintain at least one bank account in its name with scheduled Banks only. The Commissioner may, with the previous approval of the Mayor—in-Council, open a bank account outside the Municipal limit of the Municipal Corporation. Wherever required, separate bank account shall be opened for different schemes funded by the State Government or Government of India or any other agency. All receipts and expenses pertaining to a specific scheme shall be operated only through the bank account for such scheme. Income earned out of investments made from funds for specific scheme shall be credited to income from investments except where specific conditionality with regard to treatment of such income has been laid down by the funding agency or the State Government. Cash shall be withdrawn from the bank account for expenses of the Municipal Corporation only when required in exceptional circumstances and after approval by the competent authority. If cash is withdrawn reason for cash withdrawal shall be recorded in writing. Cheques: Cheques should be drawn only in exceptional circumstances for making payments after recording the reasons for issue of cheque. Payments shall be made by electronic means of fund transfer (Like RTGS and NIFT). Cheques, if drawn, shall be drawn account payee only and in cheque book or cheque scroll supplied by the Bank to the Municipal Corporation. (1) On receipt of Cheque book from Bank, the Head of Accounts and Finance Department shall carefully examine and count the number of cheque leaves contained in each cheque book and record a certificate of count on the fly leaf. When relieved of his office, he shall take a receipt for the exact number of cheques made over to the relieving officer, a specimen of whose signature shall at the same time be forwarded to the bank concerned. 900 (50) 163. (2) (3) (4) 13 2018 Every cheque book and all counterfoils shall be kept in safe custody with the Head of Accounts and Finance Department. The Head of Accounts and Finance Department shall satisfy himself periodically that all unused cheques are in the book and none have been extracted. The cheque book in use may be made over to any subordinate responsible for writing cheques whenever required but it shall be returned before the office is closed for the day and shall no account be left in the entire charge of the subordinate. Loss of a cheque book shall be notified promptly to the bank concerned and a complaint lodged in the Police Station promptly. (2) Note: (4) No cheque shall ordinarily be signed unless required for immediate delivery to the payee. The practice of retaining signed cheques in the office shall not be

permitted. As a general rule, cheques shall not be issued for sums less than Rupees IOO_(Rupees one hundred)_except for payment of statutory deductions and recoupment of permanent advance and shall be endorsed as account payee Cheques shall not ordinarily be drawn in favour of any person other than the actual payee as per the payment voucher. In exceptional circumstances referred to in these rules when the money required for disbursement cannot be drawn in favour of any particular payee the cheque shall be drawn in favour of the Commissioner who shall be responsible for the money until it has been fully paid and accounted for. An account of such money shall be maintained and kept in the custody of the Commissioner. The amount of every cheque drawn shall be written in words as well as in figures both on the cheque itself and on the counterfoil which shall be initialled by the persons who sign the cheque. The amount of the cheque should be so recorded as to render any alteration, interpolations or insertion quite easily noticeable. The word 'only' shall be added after the amount written in words on each cheque. The amount of cheque after adding ONE Rupee shall also be written on the face of the cheque prefixing the words "Under Rupees". 13 2018 (5) No payments shall be made by bearer cheque. 900 (51) 165. 166. 167, All cheques shall be signed Jointly by the Commissioner and Head of Accounts and Finance Department. Revalidation of Cheques.- (2) (2) (3) Cheques issued by the Municipal Corporation but not encashed_within the period of its validity by the payee, may be revalidated by the Municipal Corporation at the request of the payee; and if it is still not encashed_within the extended validity then a new cheque_may be issued in lieu of the cheque returned un-cashed after verification. Cancellation of Cheques: A cheque when cancelled shall be enfaced Cancelled' by the Commissioner_and the cancellation shall be noted in red ink under the initials of the drawer, upon the counterfoil and also across the payment order on the voucher. Cancelled cheque shall be pasted at the appropriate place in the cheque register. Stop Payment Order : When a cheque is reported as lost during the period of its validity_Commissioner_on written request of the payee, shall issue stop payment order_to the bank concerned. On receipt of 'non-payment certificate 'from the bank concerned in respect of the lost cheque the entry in the bank book of the Municipal Corporation for the cheque_shall be reversed and a new cheque shall be issued and the fact of loss of the_cheque and the number and date of the new cheque shall be recorded on the counterfoil of the old cheque. The number and date of the lost_cheque shall be entered on the counterfoil of the new one. All payments by the Municipal Corporation shall be made through• Electronic Transfer to payees' bank. Only in exceptional circumstances payments shall be made by Cheque or Demand Draft or Pay Order. All payments shall be supported by proper voucher and documents. Bill or claim for payment shall be prepared by the Head of the Department incurring the expenditure and shall be sent to the Accounts and Finance Department. The Accounts and Finance Department shall check it with reference to these rules for _ admissibility, propriety of the expenditure, approval obtained before incurring the expenditure, stores receipt in case of supply of materials, measurement book in case of civil works and/or such other documents as may be appropriate_and for arithmetical accuracy. 900 (52) 168. 169. 170. 171. 172. 13 2018 (4) If after such checking, the bill for payment is found to be in order, it shall be sent to the Commissioner under the signature of the Head of Accounts and Finance Department or an officer authorized by him, together with recommendations for obtaining approval of the Competent Authority. (5) If any deficiencies are noticed in the bill or claim, it shall be returned to the Head of the Department concerned for rectification along with a statement (6) (2) citing the reasons for disallowing the payment. Commissioner may_after reviewing the bill or claim_approve payment and send it to Account and Finance Department for preparation of payment voucher. Amount received or paid shall be expressed in words as well as in figures in all vouchers, receipts, licences. Cheque number and date shall be written in the voucher for payment through bank. For payment made in cash from a permanent advance, the words 'paid in cash' shall be stamped on the payment voucher. Acquittance in respect of all payments including Electronic Clearing Service payments shall be obtained from the payee. Any claim preferred on behalf of a deceased employee shall be paid to the nominee or legal heir. If a payment is made on a duplicate bill, the Head of the Department concerned shall certify thereon that the original bill has not been paid or parcialy paid. All the claims, which are time barred, shall be settled as per the rules prescribed by the State Government. Reconciliation.- After the end of every month following procedures shall be carried out by the Municipal Corporation:- (a) (b) (c) (d) checking general ledgers and sub-ledgers with Cash, Bank and Journal books. verification of receipts issued with revenue collection records. reconciliation and recording of expenditure incurred out of permanent advances reconciliation of deposits, advances, receivables,

incomes, and unpaid cheques interest due on borrowings; and accrual of interest on advances given and investments. 13 2018 CHAPTER - VIII STORES Receipt of Goods and Materials.- 900 (53) 173. 174. (I) While receiving goods and materials from a supplier, the Officer-in-Charge of stores of the Municipal Corporation shall refer to the relevant contract terms and follow the procedures as laid down in these rules for receiving the materials. (2) All goods and materials shall be counted, measured or weight and subjected to visual inspection at the time of receipt to ensure that the quantities are correct, the quality is according to the required specifications and there is no damage or defect in the goods and materials. Technical inspection, where required, shall be carried out at this stage. An appropriate receipt, in terms of the relevant contract provisions may also be given to the supplier on receiving the goods and materials. (3) Details of the materials so received, count, weightment or measurement shall be maintained in Goods Receipt Note in Form 41 and the total quantity rate per unit and total value of materials received shall be simultaneously entered in the Stores Register in Form 42. Issue of Goods and Materials.- (1) (2) (3) All issues of goods and materials shall be made only on the basis of stores indent or requisition in Form 43 duly authorised by the indenting or requisitioning department of the Municipal Corporation . On issue of goods and material a written acknowledgement of receipt of materials issued shall be obtained on the Stores indent from the indenting or requisitioning department of the Municipal Corporation; and the total number of quantity, rate and total value of goods and material issued shall be recorded in the Stores Register in Form 42 on First-in-First-Out basis. In case of goods and materials issued to contractor, the cost of which is recoverable from the contractor, all relevant particulars, including the recovery rates and the total value chargeable to the contractor shall be acknowledged from the contractor duly signed and dated: Provided that no goods and material shall be issued to the contractor without duly authorised stores indent from the department responsible for the work of the contractor: 900 (54) 175. 176. 177. 178. (4) 13 2018 Provided further that for the purposes of recording in the Stores Register, goods and materials issued to the contractor shall, notwithstanding the amount to be recovered from the contractor, be recorded on First-in-First- Out basis. If the Officer-in-Charge of Stores of the Municipal Corporation is unable to comply with the indent in full, he shali make the supply to the extent available and make suitable entry to this effect in the indentor's copy of the indent. In case alternative goods and materials are available in lieu of the indented goods and materials, a suitable indication to this effect may be made in the indent copy of the indentor. Return of Good and Materials.- (2) Goods and materials issued from stock if returned in whole or in part by the indenting department shall be counted, weighed or measured and subjected to visual inspection at the time of receipt by the Store-keepear_to ensure the quantities are correct and there is no damage or defect in the goods and materials. Details ot goods and materials so received shall be maintained in Goods Return Note in Form_44 and a copy thereof shalt be given to the department returning the goods and material as acknowledgment of receipt. Balancing of Stock.- At the end of each month, the Officer-in-Charge of Stores of the Municipal Corporation shall total the receipts and issues of each item of stores and draw the balance in hand, showing the quantity and value, and the closing balance of stock of each store item shall be drawn on First-ln-First-Out basis: Provided that the balance of each store item shall be drawn after every transaction is recorded in the Stores Register. Custody of Goods and Materials.- The Officer-in-Charge of Stores of the Municipal Corporation having custody of goods and materials, especially valuable and/or combustible articles, shall take appropriate steps for arranging their safe custody, proper storage accommodation, including arrangements for maintaining required temperature and dust free environment, etc. Dispensary.- These rules in respect of stores shall be followed mutatis mutandis for medicine and other items stored at dispensaries and health centres of the Municipal Corporation. 13 2018 Physical Verification.- 900 (55) 179. 180. 181. (2) (4) (5) (6) Physical verification of all stores and consumables (including medicines) shall be carried out at the end of every financial year by the Stores-in-Charge in presence of the representatives of Auditors and Account and Finance Department. The Store-in-Charge shall prepare a list of obsolete items, unserviceable items, and surplus items at an interval of every three years and shall submit to the Commissioner. A certificate of verification along with the findings shall be signed by the verifier and the officer responsible for the inventory verified and shall be submitted to the Commissioner. The physically verified stores shall be reconciled with the balances as per the stores records. Discrepancies, if any, including shortages, damages and unserviceable goods and materials, shall be recorded in the Stores Register and shall be immediately brought to the notice of the Commissioner for appropriate action. The value of physically verified closing stock shall be incorporated

in the financial statements. Buffer Stock.- (1) Depending on the frequency requirement and quantity thereof as well as the pattern of supply of a goods and material, buffer stock shall be determined by the Commissioner . (2) Commissioner shall ensure that the total requirement and quantity of goods and materials before issuing the order for buffer stock. Transfer of Charge.- In case of transfer of Officer-in-Charge of Stores, the transferred officer shall ensure that the goods or materials are handed over correctly to the relieving officer. A statement giving all relevant details of the goods, materials, etc. in question shall be prepared and signed with date by the relieving officer and the relieved officer. Each of these officers shall retain a copy of the signed statement and a copy of it shall be submitted to the Commissioner. 900 (56) 182. 183. 184. 13 2018 Disposal of Goods.- (1) Note: (2) (3) (4) An item of store may be declared surplus or obsolete or unserviceable if the same is of no use to the Municipal Corporation. The reasons for declaring the item surplus or obsolete or unserviceable shall be recorded by the Commissioner for approval. Goods and Material remaining in stock for over a year shall generally be considered surplus, unless adequate reasons to treat it otherwise exist. Commissioner may, at his discretion, constitute a committee at appropriate level to declare item(s) as surplus or obsolete or unserviceable. The book value, guiding price and reserved price, which will be required while disposing of the surplus goods and materials, shall also be worked out. In cases where it is not possible to work out the book value, the original price of the goods and materials in question may be utilised. A report of stores for disposal shall be prepared. In case an item becomes unserviceable due to negligence, fraud or mischief on the part of an employee of the Municipal Corporation, responsibility for the same shall be fixed. Modes of Disposal.- Surplus or obsolete or unserviceable goods and materials of assessed residual value shall be disposed of by: — obtaining bids through advertised tender; or (a) public auction (b) Disposal through Advertised Tender.- (1) The broad steps to be followed while disposing the goods and materials through advertised tender shall be as follows — (a) (b) (c) (d) (f) (g) (h) preparation of bidding or tender documents; invitation of bid or tender for goods and materials to be sold; receipt of bids or tenders; opening of bids or tenders; analysis and evaluation of bids or tenders received; selection of highest responsive bidder or tenderer; collection of sale value from the selected bidder or tenderer; issue of sale release order to the selected bidder or tender; 900 (57) (j) 13 2018 release of sold goods and materials to the selected bidder or tenderer; and return of bid security to the unsuccessful bidders or tenderers. (2) The important aspects to be kept in view while disposing the goods and materials through advertised tender shall be as follows - (a) the basic principles for sale of such •goods and materials through advertised tender is ensuring transparency, competition, fairness and elimination of discretion. Wide publicity shall be ensured of the sale plan and the goods and materials to be sold. All the required terms and conditions of sale are to be incorporated in the bidding or tender document comprehensively in plain and simple language. Applicability of taxes, as relevant, shall be clearly stated in the bidding or tender (b) (c) (d) (f) document; the bidding or tender document shall also indicate the location and present condition of the goods and materials to be sold so that the bidders or tenderers can inspect the goods and materials before bidding, if they so desire; the bidders or tenderers shall be asked to furnish bid security along with their bids or tenders. The amount of bid security shall ordinarily be ten per cent of the assessed or reserved price of the goods and materials. The exact bid security amount shall be indicated in the bidding or tender document; the bid of the highest acceptable responsive bidder or tenderer shall normally be accepted. However, if the price offered by the highest responsive bidder or tenderer is not acceptable, negotiation may be held only with that bidder or tenderer. In case such negotiation does not provide the desired result, the reasonable or acceptable price may be counter-offered to the next highest responsive bidder(s) or tenderer(s); in case the total quantity to be disposed of cannot be taken up by the highest acceptable bidder or tenderer, the remaining quantity may be offered to the next higher bidder(s) or tenderer(s) at the price offered by the highest acceptable bidder/tenderer; full payment, i.e. the residual amount after adjusting the bid security, shall be obtained from the successful bidder or tenderer before releasing the goods and materials; 900 (58) 185. 13 2018 (g) in case the selected bidder or tenderer does not show interest in lifting the goods and materials, the bid security shall be forfeited and other actions initiated, including re-sale of the goods and materials in question at the risk and cost of the defaulter, after obtaining legal advice; and (h) late bids, i.e. bids received after the specified date and time of receipt, shall not be considered. Disposal through Public Auction.- (2) The Municipal Corporation may undertake public auction of goods and materials to be disposed of either directly or through auctioneers approved by the State Government. The important

aspects to be kept in view while disposing the goods and materials by public auction shall be as follows — (a) the basic principles to be followed are similar to those applicable for disposal through advertised tender so as to ensure transparency, competition, fairness and elimination of discretion. The public auction plan including details of the goods and materials to be auctioned and their location, applicable terms and conditions of the sale etc. should be given wide publicity in the same manner as is done in case of advertised tender; (b) while starting the public auction process, the condition and location of the goods and materials to be auctioned, applicable terms and conditions of sale etc., (as already indicated earlier while giving wide publicity for the same), shall be announced again for the benefit of the assembled bidders; (c) during the public auction process, acceptance or rejection of a bid shall be announced immediately on the stroke of the hammer. If a bid is accepted, earnest money (not less than twenty-five per cent. of the bid value) shall immediately be taken on the spot from the successful bidder either in cash or in the form of Demand Draft or Banker's Cheque, drawn in favour of the Municipal Corporation selling the goods. The goods shall be handed over to the successful bidder only after receiving the balance payment; and (d) the composition of the public auction team shall be decided by the Commissioner. The team shall however include an officer of the Accounts and Finance Department of the Municipal Corporation . 900 (59) (3) 13 2018 Certain surplus or obsolete or unserviceable goods and materials such as expired medicines, which are hazardous or unfit for human use shall be destroyed immediately by adopting suitable mode so as to avoid any health hazard and/or environmental pollution and also the possibility of misuse of such goods and materials. 186. 187. 188

189. Powers to write off.- All profits and losses due to revaluation, stock-taking or other causes shall be duly recorded and adjusted in dead stock register. Formal sanction of the Authority shall be obtained in respect of losses. Power to write off the losses shall be as prescribed in rule258. Accounting of Stores.- (2) (3) (4) Expenditure in respect of goods and materials, equipment, etc., procured shall be recognised on accrual basis, i.e., on admission of bill by the Municipal Corporation in relation to goods and materials, equipment, etc., delivered. The cost of inventories shatl include the purchase price including the expenditure incurred to bring the inventories to its present location and condition i.e. freight inward, duties and taxes, etc. Accounting of 'goods and materials received and accepted' where bills are received after the end of financial year, shall be accounted for based on the value as stated in the invoice. However, where the bills are not received upto the cutoff date for preparation of annual financial statements, the value stated in the purchase order shall be accounted for. The stock as at the close of the year shall be valued at cost following the First-ln-First-Out valuation method. Value of store, goods and materials disposed of or sold shall be recognised on actual receipt basis. Inventories of consumable supplies, such as stationery and fuel shall be treated as expenditure and charged to revenue at the time of purchase. CHAPTER - IX ADVANCE AND DEPOSIT GIVEN Advances and Deposits given.- Acknowledgement shall be obtained by the Municipal Corporation for all advances and deposits given whether in form of cash or demand draft or different kinds of permitted securities Recording of Advances and Deposits given.- (1) All advances and deposits_given by the Municipal Corporation shall be accounted for and recorded under appropriate head of account. 900 (60) 190. 191. 192. 13 2018 (2) All advances and deposits given by the Municipal Corporation shall be recorded in the registers as prescribed by the State Government. Recovery of advances from Employees.- (1) (2) (3) (4) The recovery of loans and advances given to employees shall be made from their monthly salary. The amount recovered along with interest, if any, (as recorded in the monthly pay bill) shall be adjusted against the advance made to the employee together with the interest payable thereon. All advances shall be in the name of the recipient of the advance. Any advance which is not recovered within the period permitted for recovery shall be recovered as revenue recovery. Subject to approval of Mayor—in—Council, employee of the Municipal Corporation shalt be entitled for personal advances, as applicable to the employee of State Government. In case of transfer/resignation/death of any employee last pay certificate shall be issued which shall contain the detail of recovery dues. Reconéiliation of Advances and Deposits given.- The advances and deposits given shall be reconciled at the end of each month between the respective ledger accounts and deposit or advance registers. Permanent Advance.- (1) An officer whose duties cause him to incur petty expenses which must be paid before money can be drawn on a contingent bill may with the sanction of Commissioner, be allowed a permanent advance of an amount sufficient for one month's requirements. The permanent advance granted shall be accounted for and recorded in Register as prescribed by the State Government. Each holder of a permanent advance shall, on first receiving it and thereafter annually on the ISt of April, sign an acknowledgement that the amount is due from him and to be accounted for by him. A permanent advance account in

Form 45 shall be maintained by each advance holder who shali enter each payment from his advance as he makes it, preserve all sub-vouchers and receipts to each of which he shall assign a serial number to be entered in the advance account. The permanent advance limit shall be as follows:- 13 e-w•rq 2018 900 (61) Municipal Corporation Population is up to Five lakh :- Population more than Five lakh:- Limits Rupees ten thousand Rupees twenty five thousand 193

194. The holder of permanent advance shall be responsible for the safe custody of (2) the money placed in his hands and he shall at all times be ready to account for it by producing the relevant vouchers or cash or both. Recoupment of Permanent Advances.- (1) When the cash in hand is running low or at the end of a calendar month, whichever is earlier, the advance may_be recouped in full after ensuring that all supporting vouchers for use of the advance_signed by the permanent advance holder are submitted to the Accounts and Finance Department,_and are scrutinized and tallied with the advance account maintained in

Form 45 by the Accounts and Finance Department. (2) All permanent advances shall be settled by 31StMarch of the financial year. Purposes of Advances and their Adjustments.- (1) Save as provided in Rule 192, advances shall ordinarily not be given'. However, the Commissioner may sanction as advance for any of the following purposes, which shall be specified in the sanction order:- (a) conducting of cases instituted in court on behalf of or against the Municipal. Corporation; (b)_ purchase of fodder; and (c)_any other purpose incidental to the duties of the Municipal Corporation (2) (3) under the Act, or the rules or bye-laws made thereunder which the Commissioner may, for reasons to be recorded, declare to be one for which a cash advance is unavoidably necessary. No advance shall be drawn unless the expenditure is likely to be incurred within one month and on no account shall any advance be diverted to a purpose other than that for which it has been sanctioned. Entries in respect of the advances and its adjustments whether Dy repayment in cash or by submission of supporting vouchers shall be made immediately after such vouchers have been duly passed by the competent authority under the signature of the Head of Accounts and Finance Department., 900 (62) 195. 196. 197. 198. (4) (5) 13 2018 No advance shall be made to a Councillor or execution of a work or purchase of articles. Payment of a fresh advance for the purpose of repaying the one which is outstanding is strictly prohibited. CHAPTER - X LOANS AND BORROWINGS Borrowing Power.- (1) The Municipal Corporation may borrow from the State Government or with the sanction of the State Government from other sources for any of the functions and operations assigned to it under the Act. Application for Loan.- When the Municipal Corporation desires to raise a loan, it shall. pass a resolution at a special meeting convened for the purpose. The Commissioner shall submit the application to the State Government showing.- (a) (b) (c) (d) (g) the source from which the loan is to be raised; the purpose for which the loan is required and an estimate of the cost of the entire work or such part of it as it is proposed to carry out from the loan; the amount of the loan; the dates within which, the loan is to be raised and when it is proposed to raise the loan in installments, the dates within which the first installment is to be raised and the time frame in which it is intended to raise the other installments; the rate of interest; the term in years and the method by which it is to be repaid; and an account of the financial position of the Municipal Corporation including a statement of all existing prior charges on its funds and Annual Financial Statements for the last three completed financial years. Examination by the State Government.- The State Government may cause such examination of the statements contained in the application and into the utility of the purpose for which the loan is proposed to be raised. Period for Application of Government Loan.- If the loan is proposed to be raised from the State Government, then a containing details shall be submitted to the State Government not later than the 15thday of September preceding the financial year in which the loan is required. 13 2018 900 (63) 199. 2000 201

202. Rejection of Application.- If it appears to the State Government that the loan ought not to be raised, it may reject the application for reasons which may be specified. Sanction of Loan.- If it appears to the State Government that the loan ought to be raised, it may sanction the raising of the loan subject to such changes as it deems suitable. The State Government may consult the Municipal Corporation regarding such changes. Prescribed Conditions by the State Government- Any loan from the State Government shall be subject to the following conditions — (a) (b) (c) (d) (f) (g) (h) the term of the loan does not exceed fifty years unless the State Government fixes a longer period as a special case; funds are available from the grant voted by Legislative Assembly for the purpose of such loans; the rate of interest payable on the loan is such as the State Govemment may determine; interest shall be charged yearly or half yearly as the State Government may determine, and shall be reckoned and paid on such installment from the date on which such installment is taken; repayment made shall first be appropriated towards interest and balances, if any, towards principal; the State Government may lay a penal rate of interest at such rate as may be - determined by the State Government not exceeding two and half per cent above the normal rate. Penal interest shall be payable on all overdue installments of the principal and interest; the State Government may also deduct overdue installments of the principal and interest along with penal interest from the Grants, if any, sanctioned and payable to the Municipal Corporation; and If the State Government or financial agency charges penal interest on repayment of loans due to late payment of installments or any other default incurred on loan, the commissioner shall within 15 days bring the same to the notice of the Mayor-in-Council. For sanctioning a loan, the State Government may prescribe, any further conditions not inconsistent with the Act and the rules, as it may deem fit. 900 (64) 203. 204. 205. 13 2018 In case of application for loan to be raised from a source other than the State Government, the procedures laid down in rules 195, 196, and 197 shall be followed. The State Government shall make endeavor to communicate a decision for approval or rejection of the application to the Municipal Corporation within a period not exceeding 3 months from the date of receipt of the application and may levy a guarantee fee where such a guarantee is provided by the State Government. No such loan shall be obtained unless the following conditions are fulfilled — (a) the term of loan does not exceed fifteen years unless the State Government agrees for a longer period as a special case; (b) the rate of interest is not more than that approved by the State Government; (c) the Municipal Corporation submits its annual estimates of income and expenditure during the period of its indebtedness for confirmation Sy the State Govemment; (d) debt service coverage ratio as may be determined by the State Government; Note: - DSCR= Operating Surplus (operating income less operating expenditure less debt charges) Debt Charges (e) the Municipal Corporation submits a Bank Guarantee to the agency granting the loan in accordance with the format provided by the agency. (f) loans to Municipal Corporation against Government Guarantee shall be subject to the Madhya Pradesh Government Guarantee Rules, 2009. (2) For Improvement of financial status of the Municipal Corporation, the Commissioner may, with the approval of Mayor-in-Councill arrange for credit rating from recognized independent credit rating agencies. Sanction of Urgent Loans.- Where the Municipal Corporation in its application desires immediate sanction to the raising of a loan on the groünd that that the loan is urgently needed, the State Government may sanction the raising of such loan at any time after the receipt of the application. Control and Inspection of Works and Account.- (1) The State Government may make such provision as it may deem necessary for ascertaining and securing that the loan raised is duly applied for the purpose for which it has been borrowed and that the unexpended balance of the loan is not emptoyed otherwise than in accordance with these rules. 13 2018 900 (65) (2) Every work carried out wholly or partly through the loan and the accounts connected therewith shall be open at all time to the inspection of -- (a) the Superintending Engineer or Executive Engineer of the State Government in whose circle or division, the work is situated; (b) any person who may be authorised to inspect the accounts of the Municipal Corporation; and (c) any other person specially authorised by the State Government in this behalf. Unexpended Balances of Loans.- The accounts of expenditure on the work for which the Municipal Corporation has raised the loan, shall be kept separate and if on the completion of the work, the State Government is satisfied that the whole of the loan has not been spent for the purpose for which it was raised, it may proceed as follows — 206. 207. (a) (b) (c) in case of Government loan, the State Govemment may direct that the unexpended balance shall be forthwith repaid to the State Government with interest and the principal of the debt reduced by an amount equivalent to be repaid less interest. The State Government may direct such variation, as it may consider necessary, on this account in the

instalments fixed for the liquidation of the loan; in case of a loan other than from the State Government, the State Government may direct that the unexpended balance shall be utilised, in the reduction of the debt of the Municipal Corporation; and if in the opinion of the State Government, the Municipal Corporation has failed to comply with any of the conditions prescribed in the' Act, and in these Rules with respect to any loan, it may at any time further direct that any amount advanced shall be repaid immediately with interest thereon. Repayment of Loans.- (1) Every loan raised by the Municipal Corporation under these rules, shall be repaid within the time approved and prescribed conditions as provided in rule 201 and by such of the following methods as may be approved namely— (a) by payment from a sinking fund established under rule 215; or (b) by equal payment of principal; or (c) from any sum borrowed by the Municipal Corporation; or 900 (66) 208. 209. 210. 13 e-Tx1kT 2018 (d) partly from the sinking fund established under rule 215 in respect of the loan and partly from sum borrowed by Municipal Corporation subject to compliance of rule 205. (2) Repayment of Loans Prior to Maturity: With the previous consent of the State Government, the Municipal Corporation may at any time repay the whole or part of a loan in advance of the period fixed by the conditions of the loan. Form exchange, transfer and effect of debentures.- (2) (3) (4) All debentures issued under these rules shall be in such forms as the Municipal Corporation may with the previous sanction of the State Government prescribe. The holder of any debenture in any form prescribed under sub-rule (1), may obtain in exchange therefore, upon such terms as the Municipal Corporation may determine, a debenture in any other form so prescribed. Every debenture issued by the Municipal Corporation under these rules shall be transferable in such a manner as expressed therein. The right to be paid the money secured by any of such debentures and to sue in respect thereof shall vest in the holders thereof for the time being, without any preference by reason of some of such debentures being prior in date to others. Signature of coupons attached to debentures.- All coupons attached to the debentures issued under these rules shall bear the signatures of the Chairman of the Mayor-in-Council and the Commissioner on behalf of the Municipal Corporation; and such signatures may be engraved, lithographed or impressed by any mechanical process. Debentures issued to two or more person jointly.- (1) When any debenture or security issued under these rules is payable to two or more persons jointly and either or any of them dies, the debenture or security shall be payable to the survivor or survivors of such persons: Provided that nothing in this sub-rule shall affect any claim by the legal representative of a deceased person against such survivor or survivors. (2) When two or more persons are joint holders of any debenture or security issued under these rules, any one of such person may give an effectual receipt for any interest or dividend payable in respect of such debenture or 13 2018 900 (67) 211. security unless notice to the contrary has been given to the Municipal Corporation by any other such persons. Issue of Duplicate securities.- (1) When a debenture issued under these rütes is alleged to have been lost, stolen, or destroyed either whol\y or in part and a person claims to be the person to whom but for the loss, theft or destruction it would be payable, he may, on application to the Commissioner and on producing proof to his satisfaction of the loss, 'theft or destruction and of the justice of the claim obtain from him an order:— (a) if the debenture alleged to have been lost, stolen or destroyed is payable more than six years after the date of publication of the notification referred to in sub-rule (2); (i) for the payment of interest in respect of the debenture pending the issue of a duplicate debenture; and (ii) for the issue of a duplicate debenture payable to the applicant; or (b) -if the debenture alleged to have been lost, stolen or destroyed is payable (2) (3) (4) not more than six years after the date of publication of the notification referred to in sub-rule (2) - (i) for the payment of interest in respect of the debenture without the issue of a duplicate debenture; and (ii) for the payment to the applicant of the principal sum due in respect of the debenture on or after the date on which the payment becomes due. An order shall not be passed under sub-rule (1) until after the issue of such notification of the loss, theft or destruction of the debentures as may be prescribed by the Municipal Corporation, and after the expiration of such period as may be prescribed by the Municipal Corporation nor until the applicant has given such indemnity as may be required by the Municipal Corporation against the claims of all persons deriving title under the debenture lost, stolen or destroyed. A list of the debentures in respect of which an order is expressed under sub- rule (1) shalt be published in the official Gazette. If at any time before the Municipal Corporation becomes discharged subject to provisions of the Act from liability in respect of any debenture the whole of which is alleged to have been lost, stolen, or destroyed, such debenture is found any order passed in respect thereof under this rule Shakl be Cancelled. 900 (68) 212. 13 2018 Renewal of debentures.- A person claiming to be entitled

to a debenture issued under these rules may, on applying to the Commissioner and on satisfying him of the justice of his claim and delivering the debenture receipted in such manner and paying such fee as may be prescribed by the Commissioner, obtain a renewed debenture payable to the person applying. Where there is a dispute as to the title to a debenture issued under these rules in respect of which an application for renewal has been made, the Commissioner may: (2) (3) (4) (a) (b) Note: where any party to the dispute has •obtained a final decision form a Court of Competent jurisdiction declaring him to be entitled to such debenture; issue a renewed debenture in favour of such party; refuse to renew the debenture until such a decision has been obtained; or after such inquiry as is hereinafter provided and on consideration of the result thereof, declare by order in writing which of the parties is in his opinion entitled to such debenture and may, after the expiration of three months from the date of such declaration, issue a renewed debenture in favour of such party in accordance with the provisions of sub-rule (1), unless within that period he has• received notice that proceedings have been instituted by any person in a Court of competent jurisdiction for the purpose of establishing a title to such debenture. For the purpose of this sub-rule the expression "final decision" means a decision which is not appealable or a decision which is appealable but against which no appeal has been field within the period of limitation allowed by law. For the purpose of the inquiry referred to in sub-rule (2), the Commissioner may himself record, or may request any magistrate of the First Class to record or to have recorded, the whole or any part of such evidence as the parties may the evidence or may direct any Magistrate subordinate to him to record the evidence and shall forward the record of such evidence to the Commissioner. The Commissioner or any Magistrate acting under these rules may if he thinks fit, record evidence on oath. 13 2018 Liability in respect of debenture renewed.- 900 (69) 213. 214. 215. 216. (1) When a renewed debenture has been issued under rule 212 in favour of any person the debenture so issued shall be deemed to constitute a new contract between the Municipal Corporation and such person and all persons deriving title thereafter through him. (2) No such renewal shall affect the rights as against the Municipal Corporation of any other person to the debenture so renewed. Indemnity.- Notwithstanding anything contained in rule 212 the Commissioner, may in any case arising there under- Issue a renewed debenture upon receiving such indemnity in favour of the Municipal Corporation and the Commissioner as he shall think fit against the claims of afl persons claiming under the original debentures, or (2) refuse to issue a renewed debenture unless such indemnity is given. Sinking Fund.- (2) (3) Where the terms of sanction for raising loan or issuing debenture provjdes for establishment of a Sinking Fund, an amount as may be stipulated in the terms of sanction shall be transferred to the Sinking Fund from the Municipal Fund at the end of each financial year and deposited in a separate bank account. Investment from the Sinking Fund shall be in compliance with the provisions of these rules. The Sinking Fund shall not be applied for any purpose unless the loan or debenture for which it is created is repaid in full. Establishment and maintenance of sinking funds for such loans.- Whenever the repayment of a loan from sinking fund has been sanctioned jn sub-rule (4) of rule 208 the Municipal Corporation shall establish such fund and shall pay into it on such dates as may have been approved under the said proviso, such sum as will with accumulation of compound interest, be sufficient, after payment of all expenses, to pay off the loan at the time approved. Power to discontinue payments into the sinking fund-- Provided that if at any time the sum standing to the credit of the sinking fund established for the repayment of any loan is of such amount that if allowed to accumulate at compound interest it will be sufficient to repay the loan at the time approved) then with the permission of the State Government, further payment into such fund may be discontinued. 900 (70) 217. 218. 13 2018 Investment of sinking fund.- (1) All money paid into a sinking fund shall, as soon as possible be invested by the Municipal Corporation in:- (a) government securities; or (b) securities guaranteed by Government; or (c) municipal debentures of the City. and shall be held by the Municipal Corporation for the purpose of repaying from time to time the debenture issued by it. (2) Aft dividends and other sums received in respect of any such investment shall, as soon as possible after receipt, be paid into the appropriate sinking fund and invested in the manner prescribed by sub-rule (1). (3) Money standing to the credit of two or more sinking funds may, at the discretion of the Municipal Corporation, be in invested in a common fund, and it shall not be necessary for the Municipal Corporation to allocate the securities held in such investment among the several sinking funds. (4) When any part of a sinking fund is invested in municipal debentures or is applied to paying of any part of a loan before the period fixed for repayment, the interest which would otherwise have been payable on such debentures or on such part of the loan shall be paid into the sinking fund and invested in manner laid down

in sub-rule (1). (5) any investment made under this rule may from time to time subject to the provisions of sub-rule (1) be varied or transferred from one sinking fund to another: Provided that the former sinking fund shall be increased by a sum equal to the sum taken for the purposes of transfer to the later sinking fund. Application of sinking fund.- Until any loan is wholly repaid, the Municipal Corporation shall not apply the sinking fund established in respect of that loan to any purpose other than the repayment of that loan: Provided that when any loan or part thereof, is consolidated as per the provisions of the Act, the Municipal Corporation shall transfer to the sinking fund eStablished for such consolidated loan, the sum standing to the credit of the sinking fund of the original loan, or if part only of a loan is consolidated, then such part of the sum standing to the credit of sinking fund of the original loan as is proportionate to the amount of the original loan which is incorporated in the consolidated loan. 13 2018 Annual examination of sinking funds.- 900 (71) 219, 220. 221. (1) (2) (3) (4) All sinking funds established under these rules shall be subject to annual examination by the auditor who shall satisfy himself that the provisions of rule 217 are being complied with and that the cash and the current value of the securities belonging there to are actually equal to the amount which should be at the credit of such funds had investments been regularly made and had the rate of interest as originally estimated been obtained there from. The Municipal Corporation shall forthwith pay into any sinking fund any sum by which the auditor may certify the fund to be deficient, unless the State Government by general or special order sanctions a gradual readjustment. If the cash and the value of the securities at the credit of any sinking fund are in excess of the amount which should be at its credit the auditor shall certify the amount of such excess sum and the Municipal Corporation may thereupon transfer the excess sum to the municipal fund. If any dispute arises as to the accuracy of any certificate given by the auditor accounts in sub-rule (2) or (3) the Municipal Corporation may after making the payment or transfer, refer the matter to State Government whose decision thereon shall be final. Accounting and Recording Procedure.- (1) All loans received by the Municipal Corporation shall be recorded each on a page in a Register of Loans as prescribed by the State Government. Each installment of loan as it is taken shall be recorded therein, and particulars of repayment and interest shall also be recorded. in appropriate columns till the loan is fully repaid. (2) The entry in respect of amount borrowed shall be made in the books of account on receipt of the money borrowed. Expenses incurred on Raising of Loans, Bonds or Debentures.- The Municipal Corporation may incur expenses such as security creation fees, stamp duty etc. for raising of loans or for issuing debentures or bonds. Such expenses connected with the raising of long-term loans shall be amortised over a period of 5 years or the tenure of loan, whichever is lower. Borrowing costs so amortised shall be fully written off if loans have been pre-paid or premature redemption of debentures has been made. 900 (72) 222. 223. 224. 13 2018 Accounting for Interest and Other Charges.- (2) Interest and other charges including commitment charges, penal interest payable etc. shall be recorded at the time when the interest and other charges accrue as per the terms of the loan, even if the payment of the said interest or charges may not be due within the financial year. Interest on borrowings shall normally be treated as an item of revenue expenditure of the Municipal Corporation except where the borrowing relates to acquisition of a capital asset in which case the interest shall be capitalized as cost of the capital acquired. Confirmation of Balances.- The Head of Accounts and Finance Department of the Municipal Corporation shall obtain from the lender a statement of account showing the interest accrued during the financial year, the principal and interest paid and balance of loan. payable at the end of the financials year. The amount intimated by the lender shall be reconciled with the loan register and balance as per the accounts of the Municipal Corporation. In the event of any significant difference, the same shall be brought to the notice of the Commissioner immediately and necessary corrective steps shall be taken. Annual statement.- (1) The Commissioner shall at the end of each year prepare a statement showing— (a) the amount and date of borrowing of loans raised by the Municipal' Corporation which are outstanding and the annual loan charges; (b) in the case of every loan for which a sinking fund has been established under rule 215, the accumulation in the sinking fund at the close of the year, showing separately the amount paid to the credit of the fund in the year; (c) the loans repaid during the year and in the case of loans repaid in installments or by annual drawings, the amounts repaid during the year and the balance due at the close of the year; and (d) the particulars of securities in which the sinking fund have been invested or which have been reserved for the investment of these funds. (2) Every such statement shall be laid before a meeting of the Municipal Corporation and a copy of such statement shall be sent to the State Government. 13 2018 CHAPTER ADVANCES AND DEPOSITS RECEIVED

Receipt of Deposits and Advances.- 900 (73) 225. 226. 227. (1) All deposits and advances received by the Municipal Corporation whether in form of cash, demand draft or different kinds of permitted securities such as government promissory notes, municipal and other debentures etc. shall be acknowledged by the Municipal Corporation through issue of receipt. (2) The registers shall be maintained by the Municipal Corporation for different types of deposits and advances as prescribed by the State Government. Refunds of deposit.- (1) (2) (3) Security deposit shall be returned by the Municipal Corporation to the contractor or supplier, as the case may be, according to the terms and conditions of the agreement/contract and only after satisfactory completion of the work, services or supplies, as the case may be, and full satisfaction of the Municipal Corporation's claim against the party. The depositors seeking refund of the deposit shall furnish the original deposit receipt to the Municipal Corporation for making the refund. At the time of authorisation of refund, the Head of the Accounts and Finance Department of the Municipal Corporation shall verify that the amount is actually outstanding. Head of the Accounts and Finance Department of the Municipal Corporation or such other officer as authorised by him shall at the time of issuance of refund record the word "refund issued on and record particulars of the payment of refund on the face of the deposit receipt which shall be attached to the copy of the payment or refund voucher. Time Barred and Unclaimed Deposits.- (2) If a refundable deposit is not claimed within three years after it was due for refund, such deposit shall lapse and shall be transferred to the credit of the Municipal Fund. The deposits credited to the Municipal Fund shall not be repaid without the sanction of the Mayor-in-Council and when so repaid the entry for the repayment shall be made by debiting the Municipal Fund. The Head of the Department concerned shall prepare a list of all lapsed deposits and forward it to Head of the Accounts and Finance Department. Upon being satisfied that the contractor or supplier, as the case may be, has actually not claimed the amount upto three complete financial years the Head of the Accounts and Finance Department shall recognise the income by passing necessary journal entry. 900 (74) 228. 229. 13 2018 Reconciliation of Deposits and Advances Received.- The deposits received from contractors or suppliers shall be reconciled at the end of each month between the respective ledger accounts and deposit or advance registers as prescribed by State Government. Form of Earnest Money Deposit, Performance Security and Security (1) Deposit for works.- (a) the Municipal Corporation shall charge up to a maximum of 2 percent of the estimated contract value of works from the contactor as Earnest Money Deposit in the form of Demand Draft or any other form as may be specially permitted by the State Government. The Municipal Corporation shall verify the form of Earnest Money Deposit provided by the issuing bank before acceptance; Note: The rate of Earnest Money Deposit shall be as follows:- S. No. Particulars For tenders up to Rupees Two Lakhs. For tenders more than Rupees Two Lakhs and up to Rupees Ten Lakhs. For tenders more than Rupees Ten Lakhs and up to Rupees One Crore. For tenders above Rupees One Crore. Rate 2 per cent of tender cost but not less then Rupees One Thousand in any case 1 per cent 0.75 per cent 0.5 per cent (b) the_Municipal Corporation shall charge a maximum of 3 percent of the estimated contact value of the works as performance security in the form of Bank Guarantee from any scheduled bank or any other form as may be specially permitted by the State Government. The Municipal Corporation shall verify the form of Performance Security provided by the issuing bank before acceptance; (c) a maximum of 7 percent of the gross amount of the contract value shall bé deducted as Security Deposit from every running bill presented by the contractor on achievement of each millstone as may be decided by the Municipal Corporation; and 13 2018 (d) the Municipal Corporation shall release Earnest Money Deposit for every unsuccessful bidder after the award of contract for the works to the successful bidder and retain Earnest Money Deposit of the successful bidder till the signing of the contract with the Municipal Corporation and retain the performance security and security deposit as retention money till the approval of the final bill for payment. (2) Form of Earnest Money Deposit, Performance Security for Supplies:- (a) the Municipal Corporation shall charge up to a maximum of 2 percent of the estimated contract value of supplies from the supplier, as Earnest Money Deposit in the form of Demand Draft or any other form as may be specially permitted by the State Government. The Municipal Corporation shall verify the form of Earnest Money Deposit provided by the issuing bank before acceptance; Note: The rate of Earnest Money Deposit shall be as follows:- 900 (75) S. No. Particulars For tenders up to Rupees Two Lakhs. For tenders more than Rupees Two Lakhs and up to Rupees Ten Lakhs. For tenders more than Rupees Ten Lakhs and up to Rupees One Crore. For tenders above Rupees One Crore. Rate 2 per cent of tender cost but not less then Rupees One Thousand in any case 1 per cent 0.75 per cent 0.5 per cent (b) the Municipal Corporation shall

release Earnest Money Deposit for every unsuccessful bidder after the award of contract to the successful supplier and retain Earnest Money Deposit of the successful bidder till the signing of the contract; (c) the Municipal Corporation shall charge 2 percent of the estimated value of the Supplies as Performance Security, if the estimated value of the Supplies is less than Rupees five lakhs or 1 percent of the estimated value of the Supplies, if estimated value of the Supplies is Rupees five lakhs and above from every successful supplier; 900 (76) 230. 13 2018 (d) the_MunicipaI Corporation shall accept Performance Security in the form of Bank Guarantee from any scheduled bank or any other form as may be specially permitted by the State Government. The Municipal Corporation shall verify the form of Performance Security provided by the issuing bank before acceptance; and (e) the_Municipal Corporation retain the Performance Security as retention money till the approval of the final bill for payment after ensure the quality check of the every supplies. (3) Form of Bid-Security and Performance Security for the services: (a) bid security: The Municipal Corporation shall charge from a service provider 2 percent of the estimated value of the services as Bid Security, if the estimated value of the services is less than Rupees ten lakhs or 1 percent of the estimated value of the services, if estimated value of the services is Rupees ten lakhs and above. The Municipal Corporation shall accept Bid Security in the form of Demand Draft from any scheduled bank or in any other form which is specially permitted by the State Government. The Municipal Corporation shall verify the form of bid security provided by the issuing bank before acceptance; (b) the _ Municipal Corporation shall release the Bid Security for every unsuccessful bidder after the award of the services to the successful bidder and retain the Bid Security of the successful bidder till the signing of the services agreement with the Municipal Corporation; (c) performance Security:- the Municipal Corporation shall accept from a service provider a maximum of 5% of the contract value as Performance Security in the form of Bank Guarantee issued by any scheduled bank or in any other form which is specially permitted by the State Government. The Municipal Corporation shall verify the form of bid security provided by the issuing bank before acceptance; (d) the_Municipal Corporation shall retain the Performance Security as retention money till the approval of the final bill for payment after ensuring the quality check of the final deliverables of the services. The percentage deducted from the bills and accepted as performance security and security deposit as provided in sub-rule (1), (2) and (3) of rule 229 held as retention money in connection with contracts to execute works, supplies and services, as the case may be, shall not be paid tilt the final bill has been prepared, passed and the conditions of the relevant contract are complied with. 13 2018 CHAPTER- XII ANNUAL FINANCIAL STATEMENTS, REPORT AND AUDIT Annual Accounts,- 900 (77) 231. 232. (1) The Annual Financial Statements shall be prepared by the Municipal Corporation as per the guideline prescribed by the State Government and shall comprise of the following.- (a) (b) (c) (d) (f) (g) balance sheet; income and expenditure statement; statement of cash flow, receipts and payments account; notes to accounts significant accounting principles; and financial performance indicators with special reference to water supply, sewerage, health and sanitary services, property tax collection and defaults, and other important functions and services of the Municipal Corporation. (2) The Commissioner shall) within three months after the end of the financial year, prepare a annual financial statements referred iri sub-rule (1) and submit to the Auditor for audit. (3) The Audited Annual Financial Statements shall be sent to the Commissioner, Urban Development within 15 days of completion of audit. Audit.• (1) (2) (3) The Annual Financial Statements shall be subject to audit by the auditor as prescribed under the Act. Audit of the Annual Financial Statements shall be completed within six months from the close of the financial year, i.e. not later than thirtieth day of September each year. (i) Besides, audit under sub-rule (1), the accounts of specific loan funds, grants, etc. provided under any scheme or programme of the Government of India or external _ agency may be audited in accordance with the directions/guidelines issued by the Government of India or_external_agency in this regard. Besides, audit under sub-rule (1) and 3 (i), State Government may order "Special Audit" of Accounts of any or all Schemes or programmes. and fees for such audit shall be paid by the Municipal Corporation. 900 (78) 233. 234. 13 2018 (4) Municipal Corporation, after approval of the State Government, may for internal audit appoint a Chartered Accountants empanelled with Comptroller and Auditor General of India. (5) Municipal Corpoation shall aet its account audited by a Chartered Accountatnts annually. This annual audit shall be in addition to the audit mentioned in sub rule (1) to (4) above. Annual Report.- The Annual Report of the_Municipal Corporation shall consist of (a) (b) (c) (d) annual financial statements as referred to in sub-rule(l) of rule 232; auditor's report; report of the Commissioner on the Annual Accounts; and

action taken report of Mayor-in-Council on the qualifications and the comments of the auditor and on the report of the Commissioner of the Municipal Corporation. CHAPTER - XIII BUDGET Form and Manner for Preparation of Budget.- (2) (3) (4) (5) The Commissioner shall prepare annual budget estimates, on or before the 30thday of November each year, and lay before the Mayor-in-Council in the forms as prescribed by the State Government. The estimate so prepared for providing a closing balance, which the Municipal Corporation shall maintain at its credit at the end of the financial year, of an amount which shall not be less than such sum as may be prescribed by the State Government. Whenever, with prior approval of the Commissioner, Urban Development, Reserve Fund is utilised the same shall be replenished within the period stipulated in the approval for such use. At the time of presentation of budget for the next financial year, a note of explanation for the reasons of variation exceeding 10 percent in the closing balance shall be appended to the budget. At least 25% of the annual estimated income from Municipal Corporation's own revenue shall be earmarked for providing 'basic services for the urban' poor, including inhabitants of slum areas. 900 (79) Note: (6) (7) Note: (8) 13 2018 For the purposes of this rule expenditures on 'basic services for the urban' poor_shall include expenditure on capital and revenue account incurred on water supply, drainage, construction of community toilets, solid waste management, connecting roads, street lighting, public parks and play grounds, community and livelihood centres, community health centres, pre- primary education centres, affordable housing for the poor. If the budget allocation for "Basic Services for Urban Poor" for a financial year remain unutilised at the end of that financial year, amount equivalent to the unutilized budget provision shall be transferred to the Basic Services for Urban Poor fund and shall be carried forward for utilisation in the subsequent years. Budget provision for "Basic Services for Urban Poor" shall be non- lapsable. The Commissioner shall prepare:-- (a) an estimate of all balance, if any, which will be available for appropriation or expenditure at the commencement of the next financial year; (b) an estimate of the Municipal Corporation's receipts and income for the next financial year other than from taxation; (c) an estimate of the receipt from existing taxation; and (d) a statement of proposals as to the taxation which, in his opinion will be necessary or expedient to impose under the provisions of the Act in the next financial year and an estimate of the receipt from such taxation. The balance, if any available in any special fund shall not be deemed to be available for re-appropriation or expenditure at the commencement of the next financial year under clause (a) of sub-rule (7) except in relation to expenditure which may be met from such fund under the bye-laws and the Commissioner may determine whether the whole or any part of such balance shall be taken into account as available for such expenditure at the commencement of the next financial year. The Mayor-in-Council shall, on or as soon as may be after the 30thday of November, consider the Budget estimate prepared by the Commissioner and make such modification and additions thereto as it shall think fit and submit the same to the Corporation not later than the 15thday of January every year. 900 (80) 235. 236. 13 2018 Extract of the Budget.- As soon as the budget is finally adopted by the Corporation, it shall cause extracts to be made from it, for each department of the Municipal Corporation and shall submit copies of the Budget as adopted by it to the State Government for information. No Expenditure to be Incurred without Budget Provision.- Any expenditure prior to being incurred must be identified to its budget head for altocation of money. No expenditure shall be incurred for which there is no budget provision unless: (a) it can be met from ascertained savings in the budget; or (b) (i) if the Municipal Corporation is not indebted to the State Government and the expenditure has been sanctioned at a special meeting and if it would reduce the closing balance below the prescribed minimum, a sanction of the Commissioner Urban Development thereto has also been obtained; (ii) if the Municipal Corporation is indebted to the State Government. A sanction of the Commissioner, Urban Adminstration and _ Development has been obtained. Notes:(l) The Commissioner may sanction re-approp.riation of funds and approval of the Mayor—in-Council shall be obtained at its next meeting. (2) reappropriation proposal shall be submitted as soon as the necessity for the same is foreseen and not after the expenditure has been incurred. ($fi"subject to the provisions of the act, Municipal Corporation may prepare a supplementary budget, if funds are required to be expended under any head as a result of sanction of a new scheme and project of Government of India and State Government, or any other unseen reasons arising after the budget aæ-iS passed. (4) the general scheme of operations set forth in the budget estimates shall not be deliberately set-aside and savings in the provision for works shall not ordinarily be appropriated to meet revenue expenditure. (5) earmarked grant shall be utilised for the purpose for which they are sanctioned and shall not be used for any other purpose either temporarily or permanently without

the previous sanction of the Commissioner, Urban Development and Environment Department. (6) the words "in the budget" occurring in clause (a) of this rule does not include an excess of actual over estimated opening balance or the estimated closing balance in excess of the fixed minimum balance. 13 2018 900 (81) 237. 238. 239. 240. (7) any sum set apart by a resolution of the Corporation for a particular purpose shall be utilised for the purpose for which it is earmarked and shall not be used for any other purpose either temporarily or permanently without the previous sanction of the Corporation. Any sum set apart for a particular purpose in this manner shali be considered to be an addition to the prescribed closing balance of the Municipal Corporation so long as it remains unspent. The want of Budget Provision.- The want of budget provision shall not operate to prevent payment of any sums due by the Municipal Corporation nor shall it prevent record of any actual payment under its proper head of account. No payment shall be classified under "Advances" for want of budget provision. All liabilities shall be liquidated, and under no circumstances they may be allowed to stand over to be discharged from the budget grant of the next financial year nor shall payment or refunds be postponed to the last day of a month of the financial year. Budget Variance Report.- A budget variance report shall be prepared as prescribed by the State Government on quarterly basis or at such interval as may be decided by the Municipal Corporation and submitted to the Commissioner who shall submit it to the Mayor-in-Councilfor review and appropriate decision. CHAPTER - PUBLIC- PRIVATE PARTNERSHIP Subject to the provisions of any policy of the State Government or in accordance with any orders and notification issued relating to development, operation, maintenance and -management of public infrastructure and services that includes municipal infrastructure and services, the Municipal Corporation may in discharge of its functions as prescribed in the Act, and as may be assigned by the State Government enter into a Public-Private Partnership agreement for any project for supply of urban infrastructure or services, water supply, drainage and sewerage, solid waste management, commercial infrastructure, etc. by participation of a company, firm, society, trust, or any body corporate or any institution or any agency under any other law for the time being in force (hereinafter these entities individually and collectively referred to as private sector partner) in financing, construction, maintenance and operation of such project of the Municipal Corporation. Public Private Partnership arrangements referred to in rule 239 include but not limited to the following.- (a) (b) (c) Build-Own-Operate —Transfer Agreement; Build-Own-Operate-Maintain Agreement; Build and Transfer Agreement; 900 (82) 241. 242. (d) (f) (g) (h) (i) (j) (2) (2) 13 2018 Build-Lease-Transfer Agreement; Build-Transfer-Operate Agreement; Lease and Management Agreement: Management Agreement; Rehabilitate—Operate —Transfer Agreement; Rehabilitate-Own-Operate-Maintain Agreement; Service Contract; and Supply-Operate-Transfer Agreement. The Public Private Partnership agreement may comply with the terms and conditions prescribed in the guidelines for Public Private Partnership Projects issued by the State Government and as amended from time to time. If no guidelines are issued by the State Government for specific •type of projects, the model guidelines, rules and/ orbye-laws for Public Private Partnership projects issued by the Government of India or Planning Commission , as may be appropriate, shall be complied with: Provided that where the provisions of the rules and bye-laws framed under the Act are in conflict with such guidelines, the rules, and thereafter, the bye-laws shall prevail. Prior to entering into any arrangement for public private partnerhip, the Commissioner shall satisfy himself, in accordance with sub-rule (1) of rule 241that.- (a) The nature, scope and extent of the project is clearly understood by the Council, and can be interpreted in line with the provisions of the Act, with respect to the functions covered within such project; (b) The responsibilities of the Municipal Corporation and the private sector Partner, in terms of their obligations, liabilities to each other and to the public at large are clear and in line with the provisions of the Act; (c) whether the nature of involvement proposed for the private sector partner results in greater efficiency for the concerned functions covered under the proposed project; and (d) technical sanction has been accorded by the competent authority as specified in rule 250. The Commissioner shall also ensure in accordance with rule 241 that.- 13 2018 900 (83) (a) the project is financially viable and offers a certain return on investment to the private party involved, comparable to similar projects elsewhere and under similar circumstances; (b) financial assistance required from the State Government or the Government of India, if any, is firmed up, and the application of such financial assistance is made clear to the State Government. and (c) an appropriate mechanism is established within the Municipal Corporation to monitor the progress of the project during construction phase (if applicable), or its performance during the operational phase. The cost

of preparation of the feasibility report shall be borne by the Municipal Corporation, unless it is prepared under any scheme or programme sponsored by the Central Government or the State Government, which provides for funding the cost for preparation of the feasibility report. 243. 244. 245. (2) Commissioner shall ensure that the project structure, proposed outcomes and the liabilities of the Municipal Corporation are placed for scrutiny before any person or authority as may be notified by the State Government. Where Commissioner has disposed of such comments, objections and suggestions as may have been received during the process as described in sub-rule (1), he shall place before the Mayor-in-Council, the report together with all •terms and conditions proposed: Provided that the term 'disposed of' shall imply any action taken with respect to accepting or rejecting such comments, objections and suggestions: Provided further that in the report submitted to the Mayor-in-Council as per the provisions of sub- rule (2) above, Commissioner shall specify the action taken against each comment, objection or suggestion received. Depending on the value of the financial liability of Municipal Corporation and the nature of work as specified in rule 251, the Mayor-in-Council shall delegate such power to accord financial sanction to the concerned authority. Where the value of the financial liability of Municipal Corporation corresponds with the value requiring financial sanction from the Municipal Council, the Mayor-in-Council shall place before the Council the report as specified in sub- rule (2) of rule 244_and shall deliberate in line with the provisions of the Act, the decision to proceed with the project; and accept or reject any comments, objections or suggestions agsinst which Commissioner has specified a.ny form of disposal. 900 (84) 246. 247, 248. 249. 250. (3) (I) 13 2018 The Corporation shall lay down procedure as specified in the Act and rules and pass a resolution about the proposed project or rejecting the same, or to reconsider the project with certain modifications as may be deemed fit. The Municipal Authority shalt submit the full Public Private Partnership proposal along with all relevant documents to the Directorate, Urban Administration and Development for scrutiny. After scrutiny the proposal shall be forwarded through the Department for getting the approval of the project, as per specified procedure laid down by the State Govt. from time to time from the Departmental Level Empowered Committee (DLEC) or State Level Empowered committee, constituted especially for Approving Public Private Partnership projects, as the case may be. (2) if Viability Gap Funding is required for the Public Private Partnership Project, the Municipal Corporation shall submit the proposal to the State Level Committee for Public Private Partnership in the format prescribed by the Directorate of Institutional Finance (PPP Cell) of the State Government. Note: Viability Gap Funding is the quantum of financial support to be provided in the form of capital grant at the stage of project construction and during the operation and maintenance period, as determined and subject to the maximum limit as prescribed by the State Government. (3) _ On approval of Viability Gap Funding by the State Level Committee for Public Private Partnership, the terms and conditions, if any, attached and/or

forming part of the approval shall be complied with by the Municipal Corporation. Rule 142 shall apply to Public Private Partnership agreements. CHAPTER - XV DELEGATION OF POWERS General.- Subject to the powers specified in the Act, and the foregoing rules, the powers delegated to various officers to provide approval or sanction for different transactions of the Municipal Corporation are set out hereunder. Administrative Approval.- Without violating any provisions of the Act and in compliance with Rule 250, the Authorities as per Rule 251 shall have full power to grant Administrative Approval for all works, supplies and services. Technical Sanction.- Without violating any provisions of the Act, the Technical Sanction Authorities shall have power to grant technical sanction to final detailed plans and estimates to the extent of amount mentioned against each of them:- S. No (2) (3) (4) (5) S. No (2) (3) (4) (5) (I) For all new works:- Technical Sanction Authority (2) •Assistant Engineer Executive Engineer Superintending Engineer Chief Engineer Engineer-in-Chief (11) For all repair works:- Technical Sanction Authority (2) Assistant Engineer Executive Engineer Superintending Engineer Chief Engineer Engineer-in-Chief 13 2018 Powers (3) Upto Rupees One Lakh Exceeding Rupees One Lakh but not exceeding Rupees Two Crores Exceeding Rupees Two Crores but not exceeding Rupees Five Crores Exceeding Rupees Five Crores but not exceeding Rupees Ten Crores Full Power over rupees Ten Crores Powers (3) upto Rupees Fifty Thousand Exceeding Rupees Fifty Thousand but not exceeding Rupees Five Lakhs Exceeding Rupees ' Five Lakhs but not exceeding Rupees Twenty Lakhs Exceeding Rupees Twenty Lakhs but not exceeding Rupees Fifty Lakhs Full Powers over Fifty Lakhs 900 (85) Conditions (4) if the amount of the detailed estimate varies by r more than 20% of the administrative approval, administrative approval must be obtained again before the estimate sanctioned. Co nditions (4) is Note: In case there is no Assistant Engineer in place, the powers for gra nt of technical sanction shall lie with the Executive Engineer. 900 (86) 251. S, No. (2) (3) (4) Financial Powers.- under— Authority (2) Municipal Commissioner The Mayor Mayor-in- Council Corporation 13 2018 The Financial Powers shall be vested in the Authorities as Population of City/Town More than Five Lakh (3) Upto Rupees two crores Exceeding Rupees two crores but not exceeding Rupees five crores. Exceeding Rupees five crores but not exceeding Rupees ten crores Exceeding Rupees ten crores Up to Five Lakh (4) Upto Rupees forty lacs Exceeding Rupees forty lacs but not exceeding Rupees two crores. Exceeding Rupees two crores but not exceeding Rupees five crores Exceeding Rupees five crores Provided that in case of externally aided projects, Centrally Sponsored Schemes, deposit works or specific State Government Projects, the State Government may, by order, authorise the Commissioner or the Mayor-in-Council to exercise such enhanced financial powers, as it may deem fit. 252. (2) (3) (9) (5) Tender Committee,- The tender committee shall consist as under_:— Commissioner Executive Engineer, if available, otherwise Assistant Engineer and if also not available then Sub-Engineer. Head of Accounts and Finance Department, if available, or any person authorised by the Commissioner. Head of Stores section, if available, or any person authorised by the Commissioner. The Head of the Department to which the work relates. Chairman Member Member Member Member-Secretary (2) The above tender committee shall provide its recommendations to the sanctioning authority as provided in the Act. If the sanctioning authority does not agree to the recommendation of the Tender Committee then he by recording in writing the reasons thereof in detail shall have to obtain the orders of the authority senior to him. 13 2018 900 (87) 253. 254

255. Tender Approval.- Acceptance of tenders for works, goods and services shall be as under— (a) (b) (c) single source procurement: upto a maximum of Rupees one lac subject to compliance with rule 91 and 1190f these rules and with the approval of Mayor- in-Council; advertised Tender to the extent of the financial powers vested with the Authorities in rule 251; and the Municipal Corporation shall take approval from State Level Technical Committee for centrally sponsored or State Supported programmes as per orders issued by the State Government. Power for Administrative and Financial sanction shall vest in the Authorities as perRule 251. Rate Contract.- For routine, normal and general repair works, the Municipal Corporation may invite tenders for annual rate contract in accordance with the provisions of the Works Manual of Public Works Department of the State Government. The annual rate contract shall be an agreement between the Municipal Corporation and the contractor or supplier or services provider, as the case may be, to carry out the works or supply the goods or materials and services at specified prices during the financial year covered by the contract. The Commissioner shall place the order for works or supply of goods or materials and services after the officer in charge of such works or supplies has endorsed the requisition for placement of works or supply order. For different classes of Municipal Corporation, the

power for annual rate contract for works, materials and services_shall be as follows.- S, No. 2 Classification Expenditure Municipal Corporation having population more Rupees five crores than five lakhs. Municipal Corporation having population upto Rupees two crores five lakhs 256, The items which may be considered for rate contract by the Municipal Corporation on each item on annual basis.- (a) For works and supply of materials.- (i) WBM road repair patch work; (ii) road repair patch work; 900 (88) 257, 13 2018 (iii) cement concrete reinforced cement concrete road repair; (iv) repair work of damaged bridges culverts; (v) repair work of damaged drain (brick-made drain, stone's drain, RCC drain, half round pipe drain, V-shape drain etc. repair work); (vi) repair work of buildings; (vii) repair work of Hand Pump and General work; (viii) repair work on water supply pipeline and General work; (ix) repair work of electric equipment and General work; and (x) materials which are utilized for equipment repair and General work. (b) For Services.- (iii) (iv) (vi) refreshment served in official meetings/workshops; working lunch during meetings/conferences / seminars I workshop; expenditure on the occasion of national and state festivals; expenditure on ceremonies and special occasions; hiring of tent house services, flower vendors, and distribution of sweets; office stationery, colorlblack and white photo copy and spiral binding of documents; (vii) fitting, repair and replacement of any electronic items; (viii) printing flag, invitation card, pamphlets and board; (ix) computer repair and related items (x) refurbishment of equipment, furniture and fittings; (c) Annual Maintenance Charges: for street light points, air-conditioner,' air- cooler, refrigerator, printing machine, photo-copy machine, telephone, electronic items, furniture and fittings of the Municipal Corporation Office as per the limit fixed in the budget of the Municipal Corporation and vested to different authorities under rule 251 in respect of delegation of powers. Mode of Executing Contracts.- Every contract entered into by the Commissioner, on behalf of the Municipal Corporation, shall be entered in such form as would bind the Commissioner, if such contract was on his own behalf. 13 2018 900 (89) (2) For every work given out on contract, an agreement on stamp paper shall be prepared specifying the terms and conditions of the contract and the penalties to which the contractor or vendor becomes liable if he fails to comply with all or any of the conditions of the contract

258. Stores Related Powers.- The authority and corresponding power for declaration of surplus or unserviceable stores, write-off and disposal shall be as follows— Sl. No. (iii) Description (2) To issue orders declaring stores including spare parts of vehicles, other than those not involving losses, as surplus or unserviceable. Losses due to depreciation of stock Write off Losses on stores due to theft or negligence of the individual Sales of Stores to Bidders Authority (3) Commissioner Mayor-in-Council Commissioner Commissioner Commissioner Power (4) As per the Financial Power vested in rule 251 Full Power Full Power Full Power Full Power Note: The Commissioner can sub-delegate his powers to any other officer of the Municipal Corporation upto the limit as he may deem fit

259. Special Functions of the Commissioner.- (2) (3) Any of the powers, duties or functions conferred or imposed upon or vested in the Commissioner by the Act may be exercised, performed, discharged under Commissioners control and subject to his superintendence to such conditions and limitations, if any, as he may think fit to prescribe, by any Municipal Officer whom the Commissioner may generally or specially empower in writing in this behalf. A delegation as stated in sub-rule (1) is revocable at will and shall not prevent the Commissioner from acting in a matter. The Municipal Officer shall be responsible to the Commissioner for efficient and effective exercise of the power delegated to him. 900 (90) 260. 261. 13 2018 CHAPTER - RESPONSIBILITIES FOR ACCOUNTS AND FINANCE FUNCTIONS General.- Subject to the provisions of the Act, the Head of Accounts and Finance Department shall be the Officer-in-Charge of the finance and accounts functions of the Municipal Corporation. In the absence of the Head of Accounts and Finance Department, all duties of the Head of Accounts and Finance Department shall vest with the Accountant and in the absence of the both, functions of the Accounts and Finance Department shall be exercised by the Commissioner. (1) The Head of Accounts and Finance Department of the Municipal Corporation may, as far as possible, be an officer having a background in accounts and finance and shall directly report to the Commissioner. (2) The staff of the Accounts and Finance Department shall as far as possible have working knowledge of commercial accounting and computers. If necessary staff would be provided training

262. Duties of the Head of Accounts and Finance Department.- (l) The Head of Accounts and Finance Department shall be responsible for overall financial administration of the Municipal Corporation. (2) The Head of Accounts and Finance Department shall be specifically responsible for the following.- (a) maintenance of records of all financial transactions on regular basis and in an accurate manner as per the procedures prescribed in the rules; (b) verification of particulars of the payment voucher before payment; (c) to verify all particulars, including account head and account code, in all vouchers; (d) checking of all deductions and recoveries to be effected and payment for the net amount only; (e) passing of necessary journal entries; (f) ensuring that proper distinction has been made between revenue and capital transactions and between the transactions having effect in two financial years; (g) E-maintenance of books of account as provided in these rules; (h) to-preparation of financial statements annually and for such other period as may be required; 13 2018 (i) physical verification of cash balance as per cash book; 900 (91) 263. (j) ensure all statutory compliance and timely payment of all statutory dues (i.e timely deduction, payment and filing return for of service tax, Income Tax, VAT, or any other statutory dues) and audit fee.); (k) preparation of utilisation certificate, as prescribed in

Form 40 for grants received from the Central or the State Government; (l) recommendation with explanatory statement for closing of bank accounts non-operating for more than three years; (m) ensuring proper managemenent and quarterly verification of employer pension schemes and provident fund; (n) ensure payment of pension contribution and leave salary contribution in respect of employees on deputation to the lending departments; (o) ensure reconciliation of all bank accounts of the_Municipal Corporation_every month by 100' of succeeding month and make necessary adjustments in the books of account; (p) when defalcation of cash or stock is discovered or suspected, the same shall be reported immediately to the Commissioner,Mayor-in-Council and Director, Local Fund Audit; and (q) other duties as prescribed in these rules. Expenditure Management.- The Head of Accounts and Finance Department shall be responsible for management of expenditure and •take all reasonable steps to ensure that- (a) (b) (c) (d) an effective system of expenditure control, including procedures for approval, authorisation and payment of fund, is maintained; adequate management, accounting and information system is maintained to — (i) recognise expenditure when it is incurred; (ii) account for payments made; and (iii) account for creditors or payables. a system of internal control is maintained in respect of creditors or payables; and payments are made by account payee cheques, or demand draft or pay orders or electronic bank transfers and only under exceptional circumstances and with the approval of the Commissioner, payment may be made in cash up to a maximum limit of Rupees five hundred. 900 (92) 264 265 266 13 2018 Budget Implementation.- The Head of Accounts and Finance Department shall be responsible for taking effective and appropriate steps to ensure that — (a) (b) (c) (d) (e) spending of funds is in accordance with the approved budget provision and under the correct budget head; revenue and expenditure are properly monitored; spending is reduced as necessary when revenue is anticipated to be less than projected in the budget; and there is no diversion of funds. If necessary in emergency, approval of competent authority should be taken and funds should be transferred back to the original budget head from which funds were used. Quarterly budget variance report is prepared and submitted to Commissioner/Mayor-in-Council within 15 days of end of each quarter. Financial Reports.- The Head of Accounts and Finance Department through the Commissioner shall submit to the Mayor—in-Council, budgetary and other financial reports about any financial difficulties arising at any point of time, including.- (a) any impending or actual.- under collection of revenue dues; shortfall in budgeted revenue; and (iii) overdraft in any bank account for a period exceeding one month, and as per provision of the Act. (b) steps taken to rectify such financial difficulties Duties of Accountant.- the Accountant shall be specifically responsible for the following.- (a) (b) (c) (d) (g) verification of particulars of the payment voucher before payment; to verify all particulars, including account head and account code, in all vouchers; verification of cash and cheques received and issuance of receipts in the prescribed format; ensuring accounting of loans and advances under appropriate heads; physical verification of cash; to ensure maintenance of Cash and Bank Books; to ensure reconciliation of all bank accounts of the Municipal Corporation every month by 10th of succeeding month and make necessary adjustments in the books of account; and 900 (93) (h) 13 2018 when defalcation of cash or stock is discovered or suspected, the same shall be reported immediately to the Head of Accounts and Finance Department, the Commissioner, Mayor-in-Council and Director, Local Fund Audit. (2) Apart from above duties the Accountant shall be responsible for all the duties as specified in sub-rule 2 of rule 262: Provided that in the absence of Head of Accounts and Finance Department, all duties of the Head of Accounts and Finance Department shall vest with the Accountant

267. Duties of the Cashier.- The cashier shall be responsible for.- (a) (b) (c) (d) (f) (g) verification of cash and cheques received and issuance of receipts in the prescribed format on daily basis; to verify all particulars, including account head and account code, in all vouchers; to ensure maintenance of Cash and Bank Books; to ensure the safety of the cash in hand and cheque books; disbursement of bills approved by authorised officer; depositing all moneys (both cash and cheques received) in the bank as early as possible and not later than next working day of receipt thereof; to maintain record of lost or destroyed or stale or obsolete cheques in the prescribed format; (h) to ensure reconciliation of all bank accounts of the Municipal Corporation every month by 10th of succeeding month and make necessary adjustments in the books of account; (i) daily closing and balancing the Cash and the Bank Books and affix his signature; (j) when defalcation of cash or stock is discovered or suspected, the same shall be reported immediately to theAccountant, Head of Accounts and Finance Department, the Commissioner, Mayor-in-Council and Director, Local Fund Audit; and (k) Other duties as prescribed in these rules. 900 (94) 268. 269. 13 2018 Duties of the Heads of Afl Other Departments.- The Heads of all Departments, in the Municipal Corporation, shall have the following responsibilities in respect of accounts and finance matters:-- (b) (d) (g) maintain accounts relating to income and expenditure and submit to the Accounts and Finance Department periodical statements by the fifth day of the every month for verification by the Accounts and Finance Department; provide data to the Accounts and Finance Department in regard to income and expenditure of his department for preparation of the departmental budget; propose the amount to be provided for in the budget in regard to expenditure for basic urban services for the poor provided by his department; and new proposals in this regard for inclusion in the budget of the succeeding financial year; examine the bills received for payment for works or services contracted for by his department and, if found in order, forward the same to the Accounts and Finance Department with recommendation for payment; provide records, data or information' required for accrual based double entry accounting system to the Accounts and Finance Department; when defalcation of cash or stock is discovered or suspected, the same shall be reported immediately to theCommissioner,Mayor-in-Council and Director, Local Fund Audit; and Other duties as prescribed in these rules. Duties of Commissioner.- There shall be following duties of the Commissioner of the Municipal Corporation for financial and accounting management .— (a) (b) (c) (d) ensure preparation of annual financial statements and submit the same to the Corporation through the Mayor—in-Council; ensure all statutory compliance and timely payment of all statutory dues (i.e timely deduction, payment and filing return for service tax, Income Tax, VAT, Local tax, or any other statutory dues) and Audit fee; verification of particulars of the payment voucher before sanctioning payment; re-appropriate the expenditure which is not covered by the budget in accordance with the provisions of the Act and procedures prescribed in these rules; 13 2018 900 (95) (g) (h) O) ensure maintenance of Cash and Bank Books and reconciliation of all bank accounts with bank pass books or bank statements on a monthly basis; closing of non-operating bank accounts arrange for investment of surplus funds with approval of the Corporation and in accordance with the provisions of the Act and procedures prescribed in these rules; ensure accounting of all receipts and payments of the Municipal Corporation, maintenance of the books of accounts and reconciliation of receivables and collections in respect of all taxes, rent, fee and user charges; ensure physical verification of fixed assest and inventory at least once in a year; when defalcation of cash or stock is discovered or suspected, the same shall be reported immediately to the Mayor-in-Council and to the Director, Local Fund Audit; and other_duties as prescribed in these rules. CHAPTER -XVII MISCELLANEOUS 270. Embezzlement.- (2) Whenever any loss of the Municipal Fund or property by embezzlement, theft or otherwise is discovered or suspected, the fact shall be promptly reported by the Commissioner on the advice of Head of Account and Financé Department or Account Officer or Head of the related department to the Mayor-in-Council and to the Director Local Fund Audit. The matter shall also be brought to the notice of the Corporation at the next meeting held after the embezzlement is discovered or suspected. The matter shall. be fully inquired by the Commissioner and he shall send a complete report to the Corporation showing the total sum of money misappropriated, the method by which embezzlement was effected and the steps taken to recover the money and punish the offender.-lf there is a prima facie case of embezzlement, theft or otherwise, the Commissioner shall, except in trial cases, promptly report the case to the police for investigation in case of cognizable offence, and in case of non-cognizable offence lodge a complaint in the court. Report of such embezzlement shall be made within 15 days from the day when it was first known, to the Mayor-in-Council and the Director Local Fund Audit in

Form 46. 900 (96) 271. 13 2018 (3) All cases in which amount involved in loss exceeds Rupees_twenty five thousand_shalt be brought to the notice of the State Government through the Commissioner. Emergency Expenditure.- (1) (2) MUNICIPAL The Mayor-in-Council may approve and incur such expenditure as is reasonably required to be spent to deal with an emergency situation; and may sub-delegate the power to the Commissioner to approve and incur such expenditure in regard to.- (b) (c) fire services, emergency medical services, search, rescue, assistance and protection for people and property in the event of disasters including but not limited to civic commotion or riot, flood, earthquake, tempest, motor vehicle accident or any other natural calamity beyond the control of the administration; any VIP and WIP visit for which arrangements and works are required to be undertaken by the Municipal Corporation; and any other special arrangements required for compliance of above clauses (a) and (b). Details of emergency expenditure incurred shall be accounted for and recorded and statement of such expenditure and the outcome of such expenditure shall be placed at end or close of the emergency situation to the Mayor-in-Council for review and ratification. Commissioner shall also provide a brief explanatory statement to the Mayor-in-Council for the emergency expenditure incurred. Maximum cost which may be incurred on any public reception, etc. — Subject to the maximum of 2 percent of "own revenue" of the Municipal Corporation for the previous financial year, the maximum cost which may be incurred by the Municipal Corporation on any public reception, ceremony, entertainment or exhibition shall be as follows.- CORPORATION Population up to Five Lakhs Population more than Five Lakhs. RECEPTION Rupees 30,000 Rupees 45,000 CEREMONY Rupees 30,000 Rupees 40,000 ENTERTAINMENT Rupees 35,000 Rupees 45,000 EXHIBITION Rupees 70,000 Rupees 1 oo,ooo 13 2018 900 (97) Note: (1) the maximum cost is in addition to the amount of the actual income, if any, 272. 273. derived from the occasion. (2) "reception" means any social event arranged .to welcome one or more special guests or a function, especially intended to provide a welcome or greeting to any person or persons and in which food and beverages are served. (3) "exhibition" means any exhibition of best practice performed by the Municipal Corporation or by the State Government, the public display of artistic works, crafts, farm or factory products, performance skills, or objects of general interest. (4) "entertainment" means any performance or show including sports, games, social and cultural programme. (5) "ceremony" means any formal public event with special traditibns, actions, or words used to celebrate a traditional or religious event or an official ceremony at which a new building is inaugurated or opened or the foundation stone is laid or an occasion in which a particular person is provided a sign of admiration or respect or is intended to honor and remember an important person or event. (6) in case two or more occasions occur together at the same time and in the same place, the Municipal_Corporation_may expend upto seventy five percent of the combined maximum cost for ail such occasions. Destruction of Accounting Records.- Accounting_records except cash book, bank book, journal book, Cheque register, stock register, pay register, loan and advance register may be destroyed by the Municipal Corporation in accordance with the manner and procedure as may be prescribed by the State Government. Publication of Annual Financial Statements and Budget.- Commissioner shall publish audited Annual Financial Statements and approved Budget on the website of the Municipal Corporation or at Urban Development and Housing Department website if the Municipal Corporation does not have its own website. Suit and Prosecution 274. Suit Register,- To enable the Municipal Corporation watch the progress of regular civil suit filed by or against it, a Suit Register in Form 47 shall be maintained in the office of every Municipal Corporation. The Officer-in-Charge of the Law and General Administration Department of the Municipal Corporation shall be responsible for its maintenance. The register shall be examined every month by the Commissioner or any other officer authorised by him. 900 (98) 275. 276. 277. 278. 279. 13 2018 Prosecution Register,- All prosecutions filed under the Act, the rules, bye-laws made thereunder or any other Act shall be entered in the Prosecution Register in Form 48. The order of the Courts, the amount of fine imposed shall be noted against each case. This register shall be maintained by the Officer-in-Charge of the Law and Genera: Administration Department of the Municipal Corporationo Interpretation of Rules.- If any question arises relating to the interpretation of any provision of these rules, it shall be referred to the State Government whose decision thereon shall be final and binding. Power of Government to prescribe forms, formats, procedures, etc.- (2) The State Government may issue detailed guidelines, circulars, manuals, orders, etc., laying down the forms, formats, procedures, etc., to be maintained and the Financial Statements, Reports, etc., to be prepared and submitted by the Municipal Corporation under these rules. The State Government may issue,

from time to time, such guidelines, clarifications, or instructions as it may deem fit, not inconsistent with the provision of the Act to ensure proper implementation of these rules. Relaxation.- Any provision of these rules, due to the reasons, as shall be explained, may be relaxed with the previous Sanction of the State Government. Repeal and Saving.- Ali the rules, byelaws, orders corresponding to these rules in force immediately before the date of commencement of these rules shall stand repealed: Provided that any action taken or anything done under the rules, byelaws, orders-so repealed, shall so far as they are not •inconsistent with the provisions of these rules, shall be deemed to have been taken or done under the corresponding provisions of these rules. Bv ()rdcr and in the name of thc Govcrner of Madhya Pradesh (Rajeev Deuputy Se r •tary Govcrnmcnt Of Madhya Pradesh Urban Devlopmen(& Housing I)ept. 900 (99) FORM NO. 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 13 2018 TABLE OF FORMS FORM DESCRIPTION Increase and Decrease Statement Assessment list of taxes of the period Register of Enhancement or remission Original/Counterfoil for Notice of Demand Original/ Counterfoil Notice of Distress Warrant Licenceissued by Municipality Driver license License for carriages Carriages license Register Register of tax on vehicle habitually used within the Municipality Register of. LicenseS Receipt for cattle registration fees Register of cattle registration fees Register of fees- Sarai/Dharamshala Register of daily Market fee Register of Compost manure Receipt for impounding cattle Receipt for release of cattle Register of Pound Keeper Notice under Cattle Trespass Act 900 (100) 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 13 2018 Account of cattle sold, delivered to the owner or agent Challan to be sent with the impounded cattle sent for sale Return of fodder received and issued to cattle Register of Pay scale Travelling Allowance Bill of the Establishment Diet money and travelling allowance received from courts for employees called as witnesses for giving evidence. Muster Roll Notice Inviting e-Tender format Estimate Agreement Format Contractors Bill Petty Contractors Bill Measurement Book Register of receipts and issues of measurement books Completion Report Completion Certificate Bank Guarantee for Advance Payment Work Register Register of Works Utilization Certificate of Grant Goods Receipt Note Stores Ledger Stores Indent 900 (101) 44. 45. 46. 47. 48. 13 2018 Goods Return Note Permanent Advance Accounts Statement of losses of money and property Register of Civil Suits Prosecution Register 900 (102) 13 3-TTlkT 2018 U) 13 2018 900 (103) 900 (104) 13 2018 13 2018 900 (105) 900 (106) 13 2018 13 2018 FORM -6 [Rule 40] FORM -6 [Rule 40] Municipality... ... (Licence issued by Municipality) .....within Municipality... ..... Book Serial Whereas 900 (107) has Municipality is permitted No... ... . Name of License... ..... . Father's Address .... Trade..... Purpose of Licence... Site... ..... Date of Licence... ..... Amount paid' Signature of Licensing Officer Progressive total • . Received licence and a copy of the rules and conditions subject to which the licence has been granted. Signature of Licence Holder paid to the he to... ..... the ....from ... .at of Municipal area to Description of Licence Signature of Licensing Officer. This licence is granted subject to the rules and conditions for the regulation and control of the . a copy of which has been this day fumished to the licensee by me. Licensing Officer Licence Holder Note: The site and the endorsement shall be entered when the licence is conditional. The endorsement shall be cancelled when the licence is of general nature. 900 (108) FORM - 7 [Rule 401 Municipality ..... Book No... ... Driver's Licence 20 Driver Name .... Father's Name... ... ... Address..... Amount of fee ' (Dated.....20..... 13 2018 FORM -7 [Rule 401 Municipality ... . Book No.....o.. Driver's Licence 20.....20..... Driver Name... ..... Fathers Name... ... ... Address... ..... Age.... .... Amount of fee (This licence is to March, be in Received book. payment and of Licensing Officer credited on page the cashiers cash Licensing Officer force till the 31st Licensing Officer 13 2018 FORM -8 [Rule 40] Municipality Licence for Carriages For the year ending 20....,20..... Book No... No..... This Municipality.....,,.....hereby . residing grant unto..... ... at.....o ... ...this licence to keep within the under mentioned carriage. FORM -8 [Rule 40] Municipality .... , .. Licence for Carriages For the year ending 20.....20... This Municipality .....hereby .....residing grant unto at .....,.....thjs licence to keep the under within..... .... mentioned carriage. 900 (109) in No. Rate No. Description of carriage Rate Amount of tax received Description of carriage Amount of tax received This licence is to cease on the .... 20 Received payment and credited on page This licence is to cease on the 20... 20 Received payment. book. Dated .....of cashier's cash Licensing Officer Dated..... Licensing Officer 900 (110) 13 2018 13 2018 900 (111) 900 (112) 13 2018 13 2018 900 (113) 900 (114) 13 2018 13 2018 900 (115) 900 (116) 13 2018

13 2018 900 (117) 900 (118) 13 2018 13 2018 900 (119) 900 (120) FORM-17 [Rule 54] Counter Foil Book No Receipt No. Name of cattle pound Date and hour of impoundment of cattle. Name and residence of owner (if known) Kind and description of the cattle impounded. Signature of Assistant Revenue Inspector or Pound keeper 13 2018 Receipt for Impounding Cattle FORM -17 [Rule 54] To be given to the person impounding the cattle Book No Receipt No. Name of cattle pound Date and hour of impoundment of cattle Name and residence of owner (if known) Kind and description of the cattle impounded. Signature of Assistant Revenue Inspector or Pound keeper FORM-17 [Rule 541 To be sent with the account Book No Receipt No . Name of cattle pound. Date and hour of impoundment of cattle Name and residence of owner (if known) Kind and description of the cattle impounded. Signature of Assistant Revenue Inspector or Pound keeper Book No... ... . Receipt No... ..... of No. of receipt No.17. Name of cattle pound... ..... Date and hour of FORM -18 [Rule 54] Receipt 13 2018 Receipt for Release of Catle FORM -18 [Rule 541 To be given to the person impounding the catle Book No Form impoundment of cattle... Kind and description of cattle impounded Name of the owner... ... . , Date and hour of release of cattle.:.... Amount of fine Feeding charges with rates water charges with rates. Total... ..... Signature of Assistant Revenue Inspector or Pound keeper No. of receipt of Form Name of cattle pound..... Date and hour of impoundment of cattle..... .. Name of the owner... Date and hour of release of cattle... ..... Amount of fine Feeding charges water charges Total..... Signature of Assistant Revenue Inspector or Pound keeper 900 (121) FORM-18 [Rule 541 To be sent with the account Book No... Receipt No..... No. of receipt of Form No.17. Name of cattle pound... ...u.. Date and hour of impoundment of cattle... ..... Kind and description of cattle impounded Name of the owner... ... . Date and hour of release of cattle... ..... Amount of fine Feeding charges with rates water charges with rates. Total Signature of Assistant Revenue Inspector or Poundkeeper 900 (122) 13 2018 13 2018 900 (123) 0 3 3 co CD 900 (124) 13 2018 13 2018 900 (125) 13 2018 900 (126) O c0 13 2018 900 (127) 900 (128) 13 2018 13 2018 900 (129) 900 (130) 13 2018 lidl 13 2018 jig 900 (131) 900 (132) 13 2018 13 2018 900 (133) o o 900 (134) 13 2018 o 13 2018 900 (135) o o 900 (136) 13 2018 o 13 2018 900 (137) 00 o 900 (138) 13 2018 z 0 z 13 2018 o E 900 (139) 0) 900 (140) An agreement made the... ... D. .....and.... thousand . 1. 13 2018 FORM -30 AGREEMENT FORMAT [Rule 105] Municipality .... Paper —- (Appropriate value) ....(hereafter called the "contractor") of day of two .o...between..... the one part and the Municipality .....-....o.....(hereinafter called the "Council") of the other Part, Miereas the contractor has by tender dated..... deliver, erect, construct, lay and maintain.... the schedule hereto, whereas the said tender has been accepted by the Chief Municipal Officer/President. And whereas it is necessary that the contract so entered into shall be embodied in a document in writing in the form hereinafter appearing: Now, it is Agreed as follows:- , offered to provide, supply, ...and all other works set out in 2. The contractor shall in accordance with the conditions set.out below do execute the works set out in the Schedule hereunder written in consideration of the payments therein set out. The contract embodied in the document shall be in substitution for the contract entered into by tender and acceptance as hereinbefore recited which contract shall be deemed to be null and void in so far as it differs from the contract herein contained: Conditions The work is to be carried on with due diligence and all works executed is to be done in the most substantive and workman like manner. The materials used, when supplied by the contractor are to be the best quality and in all cases are to be subject to the approval of the Engineer/Sub-Engineer/Chief Municipal Officer for the time being whose decision as to the rate of progress and quality of work of materials shall be final. 13 2018 900 (141) 2. 3. 4. 5

6. The quantity of work executed shall be measured and payments made on the satisfactory completion of the work. In the case of delay, bad work of material the supervising authority may remove the same and have them replaced, deducting the value of the work rejected or materials removed or the cost of replacing the same as it may think proper, from any amount due or that may become due to the party making the tender. The designs, drawings and instructions in writing relating to the work signed by the Chief Municipal Officer/Engineer and lodged in his office for inspection during office hours shall be strictly conformed to. The President/ the Chief Municipal Officer I the Engineer shall have power to make any alterations in the original designs or instructions that may occur to him to be necessary during the progress of work and such alterations shall be carried out on the same condition as agreed to in respect of the main work within such time as the President Ithe Chief Municipal Officer/the Engineer may in writing when specifying the alterations direct. Extra work, if any, necessitated by such alterations shall be paid for.- (a) at the rate already agreed to if it be of the same nature as specified in the agreement; (b) at the rates mentioned in the schedule of rates as may be applicable it is is of a different nature and there be no rate agreed upon such work; and (c) at the rates deemed to be reasonable by the sanctioning authority on an analysis of the current market rates of labour and materials, if the extra items are not included in the schedule of rates applicable to the Municipality. Such alteration shall not invalidate the contract but the time for completion of the work will be extended in the proportion that the extra work bears to the original contract work. If it shall appear to the President/the Chief Municipal Officer/the Engineer that any work has been executed with unsound, impetfect or unskillful workmanship or with materials of an inferior description, the contractor shall on demand in writing forthwith rectify, remove or reconstruct in whole or in part, as the case may require, without any additional charge; and in the event of his refusing to do so within the period specified by the President/the Chief Municipal Officer/the Engineer, as the case may be, or in the case of failure to remove from the site of the work within a specified period any materials or articles which are considered of unsound or inferior quality and are not in accordance with the terms of the contract and to provide immediately suitable materials or articles in lieu of those condemned, than damages shall be paid at the rate of one per cent on the 900 (142) 8. 13 2018 amount of the estimate for every day not exceeding 10 days for failure to comply with the written demand of the President/the Chief Municipal Officer/the Engineer. Should the sanctioning authority consider that the work although not executed in strict accordance with the specification may be to stand it is empowered to pay for the same at such reduced rates as it may fix but this proceeding is quite optional on its part. A deduction of IO per cent of value of work done to be made from the contractor's bill in case the work is not completed within the time noted below. The schedule above referred to Name of Work No. of Item Class and Quantity of work to Description Unit of Calculation Rate of Payment Date of Completion of work Dated this... ..... BETWEEN And In Municipality be executed Name and Signature of the contractor with date Signature of the witness with date Name and Signature of the Chief Municipal Officer of the Municipality with date Signature of witness with date 13 2018

FORM -31 [Rule 111] Contractor's Bill No. of Name of work..... Name of contractor... Authority of work... Number and date of last voucher for this work... ... .. Particulars (1) Rate (5) Quantity of work executed since last cenificate (2) Amount Up-to-date (6) Quantity of work executed up-to-date as per measurement (3) Since last certificate (7) 900 (143) Item (4) Remarks (8) 900 (144) 13 2018 Total value of work done to-date Deduct value of work shown on last certificate Net value of work done since last certificate Name and Signature of contractor Name and Signature of Engineer-in-Charge of work Certified that the foregoing claim is. correct that the necessary measurement were of measurement 20 and are recorded at page taken by me on the and that the work has been satisfactorily performed. book No Dated pay Name and signature of the Engineer-in-Charge/Engineer/ The Chief Municipal Officer . Only. Name and signature of the The Chief Municipal Officer/ President-in-Council only on account of this work. Received ReceiDt stamo jf over Dated 20 AccountantContractor No. of voucher Name of work... ..... Name of contractor... ... . 13 2018 FORM -32 [Rule 111] Petty Contractors Bill Rate 900 (145) Authority... ... . Quantity (1) Particulars (2) At (3) per (4) Amount (5) Remarks (6) Name and Signature of the Engineer-in?charge of work Name and Signature of the Contractor Certified that the foregoing claim is correct, that the necessary measurements made of Measurement book and are recorded at page... .... by me on the . ... 20 ... .and that the work has been satisfactorily performed. No . Dated Pay Rupees (Received Rupees (Name and Signature of the Engineer-in Charge/Engineer/ Chief Municipal Officer.) only.) for the above mentioned work Receipt stamp if over 201- Accountant Name and Signature of the The Chief Municipal Officerl President-in-Council Contractor 900 (146) 13 2018 FORM -33 [Rule 112 (1)1 Measurement Book Municipality -iii8i Measurement Book No Name of Officer Designation Date of first entry Date of last entry N.B. This portion should be printed as a title page. Name of work . Situation of work Agency by which work is executed Date of measurement (These four lines should be repeated at the commencement of the relating to each work) measurements Rate per Particulars 1 Total value to date 7 No. Deduct previous measurement Quantity Measurement u to-date D or Since last measurement 6 Page Quantity columns 5-9 Value at rates in column 6 11 Remarks 12 13 2018 900 (147) o o o o o o 900 (148) 13 2018 O E a.) 13 2018 900 (149) 900 (150) o O 13 2018 3 o O o o 1 z 0 o z o 0 O 13 3-vrq 2018 900 (151) 900 (152))ate : 13 2018 FORM -37 BANK GUARANTEE FORMAT [Rule 116 Municipality -—— —Stamp Paper (Appropriate value) Bank Guarantee: BANK GUARANTEE FOR ADVANCE PAYMENT rhe Chief Municipal Officer Dear Sir, in consideration of Municipality, (hereinafter referred to as the "Client", which expression shall, unless repugnant to the context or meaning thereof include its successors, administrators and assigns) having awarded to Of Contractor 'Supplier/Services) (hereinafter referred to as the "Contractor/Supplier/Services") which expression shall unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns, contract by issue of Client's Contract Agreement dated and the same having been unequivocally accepted by the Contractor/Supplier/Service provider, resulting in a Contract valued at (Rupees only) for (hereinafter called the "Contract/Agreement") and the Client having aarged tn make an advance oavment to the Contractor/Su0Dlier/Servicesorovider for the 13 2018 performance of the above Contract amounting to 900 (153) (Rupees only)as an advance against Bank Guarantee to be furnished by the Contractor/Supplier/Services provider. we, office at ame of Banmaving registered (hereinafter referred to as the Bank), which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators executors and assigns, do hereby guarantee and undertake to pay the Client immediately on demand any or, all monies payable by the Contractor/Supplier/Service provider to the extent of as aforesaidat any time upto without any demur, reservation, contest, recourse or protest and / or without any reference to the Contractor/Supplier/Service provider. Any such demand made by the Client on the Bank Shail be conclusive and binding notwithstanding any difference between the Client and the Contractor/Supplier/Service provideror any dispute pending before any Court, Tribunal, Arbitrator or any other authority. We agree that the Guarantee herein contained shall be irrevocable and shall continue to be enforceable till the Client discharges this Guarantee. The Client shall have the fullest liberty without affecting, any way the liability of the Bank under this Guarantee, from time to vary the advance or to extend the time for performance of the Contract by the Contractor/Supplier/Services provider. The Cliept shall have the fullest liberty without affecting this Guarantee, to postpone from time to time the exercise of any powers vested in them or of any right which they might havé against the Client and to exercise the same at any time in any manner, and either to enforce or to forbear to enforce any covenants, contained or

implied, in the Contract between the Client and the Contractor/Supplier any other course or remedy or security available to the Client. The Bank shall not be relieved of its obligations under these presents by exercise by the Client of its liberty with reference to the matters aforesaid or any of them or by reason of any other act of forbearance or other acts of omission or commission on the part of the Client or any other indulgence shown by the Client or by any other matter or thing whatsoever which under law would but for this provision have the effect of relieving the Bank. The Bank also agrees that the Client at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance without proceeding against the Contractor/Supplier/Service provider and notwithstanding any 900 (154) 13 2018 the Client may security or other Guarantee Contractor's/Suppliers/Service provider's liabilities. Notwithstanding anything contained herein above: have in relation to the and (a) (b) (c) our liability under this Guarantee is limited to (Rupees including may be desired by only) it shall remain in force upto and shall be extended from time to time for such period, as [ContractoHSupp/ier/Service provider] on whose behalf this Guarantee has been given. this Bank Guarantee shall be valid upto we are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written claim or demand on or before Dated: (Bank) (Authorized Signatory) Signature/Address of Witness R'rqqa, 13 2018 900 (155) 0) 900 (156) O 13 2018 o 13 2018 E 900 (157) E o 900 (158) 13 2018 900 (159) o 13 2018 Q) 900 (160) 13 2018 00 0 a 13 2018 900 (161) 900 (162) 13 2018 o 66 z 0 o 13 2018 900 (163) 900 (164) 13 2018 13 2018 900 (165) 900 (166) 13 2018 13 2018 900 (167) cn o -E o o o 5 13 2018 900 (168) 2078 8 900 (170) 13 2018 13 2018 900 (171) 900 (172) 13 2018 13 2018 900 (173) 900 (174) Not. No. 27-F-4-44-2018-XV111-1 13 2018 Bhopal, Dated. 13th August 2018 : Notification :: - exercise of the powers conferred by section 355 and section 356 of the Madhya Pradesh Municipalities Act, 1961. (No.37 of 1961), the State Governrnent, hereby makes the fotio•wing rules, namely:- RULES CHAPTER - PRELIMINARY Short title, extent and commencement.- 1. 2. (1) (2) (3) These Rules may be called the Madhya Pradesh Municipalities (Accounts and Finance) Rules, 2018 These rules shali apply to all Municipalities in the State of Madhya Pradesh. They shall come into force from the date of their publication in the Madhya Pradesh Gazette. Definitions.•. (1) In these rules, unless the context otherwise requires,- (a) (b) (c) (d) (f) "Accruai Accounting" means the method of accounting whereby revenues and expenditures are identified with specific periods of time, such as a month or .year, and are recorded as incurred, along with acquiced assets, without regard to the date of receipt or payment of cash, distinguished from cash basis; "Act" means the Madhya Pradesh Municipalities Act, 1961 (No. 37 of 1961); "Accounts Manual" means the Madhya Pradesh Municipal Accounts Manual as prescribed by the State Government vide order No. F-1368/18-3/07 dated July, 2007 and as amended from time to time; "Balance Sheet" means a statement of the financial position of a Municipality as at given date, which exhibits its assets, liabilities, funds, reserves and other account balances at their respective book values: "Bank Book" means a book of original entry for recording transactions pe'taining to Bank Accounts of the Municipality; "Capital Expenditure" means expenditure intended to benefit future period in contrast •to a revenue expenditure, which benefits a current period. The term is generally restricted to expenditure that adds _fixed asset units or that has the 900 (175) (h) (i) 13 2018 effect of improving the capacity, efficiency, tife span or economy of operations of an existing asset; "Cash Book" means a book of original entry for cash recoding transactions of the Municipality; "Competent Authority" means the Chief Municipal Officer or such other officer to whom the power is delegated under these rules or by any other general or speciat orders issued by the State Governmeht; "Council" means Municipal Council or Nagar Parishad constituted by or under section 5 of Madhya Pradesh Municipalities Act, 1961; "Department" means-- In case of Municipal Council:- (v) (vii) General Administration Department; Water Works and Sewerage Department; Public Works, Garden, Electrical and Mechanical Department; Revenue, Finance and Account Department; Sanitation and Solid Waste Management Department; Planning, Traffic, Transport and Information Technology Department; and Urban Poverty Alleviation Department. (k) In case of Nagar Parishad-- (i) General Administration, Revenue, Finance and Account Department; (ii) Water Works, Sewerage, Sanitation and Solid Waste Management Department; (iii) Public Works, Garden, Electrical and Mechanical Department; (iv) Planning, Traffic, Transport and Information Technology Department; and (v) Urban Poverty Alleviation Department. "Financial Statements" means the Balance Sheet, Income and Expenditure Statement, Receipts and Payment Statement, Cash Flow Statement and any 900 (176) 13 2018 other supporting statement or other presentation of financial data

derived from accounting records; "Financial year" means the year beginning from 1st April and ending on 31st of March following; (m) "Form" means forms as appended to these rules or any forms prescribed under the powers conferred under these rules; (n) "Fund" means an activity for which separate books of accounts and financial statements are required to be prepared, as per the orders of the State Government; (o) "General Ledger" means a compilation of a)) accounts used for accounting Purpose; (p) "Head of Accounts and Finance Department" means the officer in overall charge and responsible for the operations and functions of the Accounts and Finance Department of the Municipality; (q) "Head of the Department" means the officer in overall charge and responsible for the respective departments as defined in rule 2 (j) and will include the Revenue Officer, Health Officer, Engineer, Sanitary Inspector, etc. and all these officers shall be subordinate to the Chief Municipal Officer ; "Income" means and includes the money or money equivalent earned or accrued during a financial year, increasing the total of previously existing net (s) assets, and arising from provision of any type of services and rentals, including any grants/ contribution received from the Government, etc; "Income and Expenditure Statement" means a Statement of Income and Expenditure for the Municipality. It is similar to Profit and Loss Statement and is also called Revenue and Expenditure Statements; "Minimum Level of Basic Municipal Services" means the standardised service level indicators prescribed by the Ministry of Urban Development, Government of India, for four basic urban services — water supply, sewerage, solid waste management and storm water drainage; (u) "Municipalities' own revenue" means the revenue received from tax revenue, non-tax revenue and devolution from the State Government but shall not include capital grants, capital receipts from sate of assets and other capital receipts from the State Government; 13 2018 900 (177) (v) (w) (x) (y) (z) "Receipts and Payments Statement" means a Statement to present the cash received in and paid out in whatever form (Cash, Cheque, etc.). All non-cash transactions are ignored while preparing this Statement; "Revenue expenditure" means an expenditure other than a capital expenditure; "Revenue Receipt" means a receipt other than a capital receipt; "Special Occasion" means any fairs, exhibitions, athletics or games competitions or tournaments, any local festivals, any other occasions of local or state or national importance or any other natural calamity, as the case may be, as may be decided by the Council; "Government" means the Government of Madhya Pradesh; (za) "Sub-ledger" means a group of subsidiary accounts, the sum of the balances of which is equal to the balance of control accounts created in the general ledger; (zb) "Voucher" means a document which serves as an authorisation for any financial transaction and forms the basis for recording it in the books of original entry, e.g., Receipt Voucher, Contra Receipt Voucher, Payment Voucher, Journal Voucher, etc. (2) Words or expressions used but not defined in these rules shall have the meaning as assigned to them in the Act. CHAPTER - 11 ACCOUNTING SYSTEM Accounting System.- (1) (2) (3) (4) The Municipalities shall maintain their books of account on accrual basis under the double entry system of book-keeping. The Municipalities shalt follow the accounting principles as prescribed by the State Government for accounting transactions, maintaining books of account and preparing financial statements. Separate books of account shall be maintained for each financial year. All transactions pertaining to the Municipality shall be recorded in the books of account of the Municipality

4. Books of Account.- (1) The Books of Account and supporting documents shall beas follows.— (a) Cash Book; (b) Bank Book; 900 (178) (2) (3) (4) (5) (6) (7) (c) (d) (g) 13 2018 Journai Book; General Ledger and Sub-ledger; Trial Balance; Registers; and Vouchers The books of account and supporting documents shall be maintained in the forms as prescribed by the State Government. The books of account and supporting documents may be maintained in Hindi devanagari script or in English. All entries in the books of account shall be made daily in chronological order. The Books of Account, Registers, Receipts Books, Bill books and other accounting records shall be strongly bound with pages serially numbered and each page shall be affixed with the seal of the Municipality. The number of pages of each Book or Register shall be certified in writing on the last page after verification by the Chief Municipality Officer or any other person duly authorized by him. The Head of Accounts and Finance Department and the Chief Municipal Officer of the Municipality $hall authenticate the books of account by signing on each page

5. Cash Book.- (1) (2) (3) All transactions pertaining to cash receipts, disbursements, cash deposits and cash withdrawals from the Bank accounts of the Municipality shall be recorded in cash book on the same day. The Cash Book shall be totalled and balanced daily. The closing cash balance of the day shall be carried forward to the next day as opening balance for that day. The accountant shall daily examine the

entries and the closing balance in the Cash Book and affix his signature in token of such examination. The cash balance on hand with the Cashier shall be verified with the Cash Book balance on a daily basis and a certificate to that effect be recorded in the Cash Book by the Accountant. 13 2018 Bank Book.- 900 (179) 6. 7. 8. 9. (1) (2) (3) (4) (5) (6) All amounts deposited in or withdrawn from the bank accounts of the Municipality, either in cash or cheque or demand draft or any form of electronic transfer shall be recorded in Bank Book on the same day. Separate Bank Book shall be maintained for each bank account of the Municipality. The Bank Book shall be totalled and balanced daily. The closing bank balance of the day shall be carried forward to the next day as opening balance for that day. The accountant shall daily examine the entries and the closing balance in the Bank Book and affix his signature in token of such examination. Reconciliation of alt bank accounts of the Municipality shall be done every month by matching transactions as per the bank book of the Municipality with the bank pass book or bank statement. In case of difference, necessary adjustment entries shall be passed in the books of account after verification or the bank shall be informed for necessary rectification at its end. Note: While checking the entries with bank statement or passbook, cheque number, name of payee or payer, etc. shall also be checked along with the amount. Bank reconciliation statement shali be prepared for ail bank accounts of the Municipality every month by the 10th day of the succeeding month and shall be signed by the Head of Accounts and Finance Department. Journal Book.- All transactions which do not involve cash or Bank shall be recorded in the Journal Book. General Ledger.- General Ledger shall be maintained for each head of account which has an opening balance or transaction during the financial year. At the end of every day the transactions recorded in the Cash Book, Bank Book and Journal Book shall be posted to the appropriate ledgers. The ledger accounts shall be balanced at the end of every month and the closing balance shall be carried forward as opening balance for the next month. Sub-Ledger.- Sub-Ledger may be maintained for any account in the General Ledger identified as a Control Account, for detailed information. 900 (180) 10. 11. 12. 13 2018 Trial Balance.- Trial Balance shall be prepared for every month by the 10th of the succeeding month after carrying out all accounting adjustments for the transactions till the end of the month. Vouchers.- (1) (2) (3) (4) Every financial transaction of the Municipality shall be entered in a Voucher and the type of Voucher to be used shall depend on the nature of transaction. (a) (b) (c) (d) receipt voucher shall be prepared for transaction involving receipt of cash or cheque or demand draft or direct credit in Bank or electronic transfer; payment voucher shall be prepared for transaction involving payment by cash or cheque or direct debit by Bank or electronic transfer; contra voucher shall be prepared for transaction involving cash deposit in or cash withdrawal from the bank account of the Municipality or transfer between bank accounts of the Municipality; and journal voucher shall be prepared for transactions which do not involve cash or bank accounts. All Vouchers shall be prepared under the supervision of Head of Accounts and Finance Department or any other person duly authorized by him and shall be used as the covering sheet for all supporting documents which form the basis of authorization of the transaction. Vouchers shall be numbered sequentially for each voucher type. Voucher numbers shall begin afresh in each financial year. One voucher may have multiple account heads but shall record transactions in respect of only one fund. Chart of Accounts.- (2) Codification structure and Chart of Accounts prescribed by the State Government shall be used for recording all financial transactions. Any addition to or modifications in the codification structure and chart of accounts shall be approved by Directorate, Urban Administration and Development 900 (181) 13. 13 2018 Computerized accounting and maintaining records in electronic form.- The Municipality may use appropriate computer software for maintaining books of account and other accounting records as prescribed under these rules, in electronic form. Where the computerized accounting system is adopted, the Chief Municipal Officer of the Municipality shall be the responsible for: (2) (3) (4) (a) (b) (c) (d) (e) (f) (g) (h) (j) ensuring the security and integrity of the data and software; back-up of the data and its retrieval; access control for data entry, data modification and reporting; and printout of the books of accountant the end of every month. obtaining digital signature as per directives of the Urban Development and Housing Department and get it renewed before expiry. closing the financial period (month) in system on every 3rd of next month so that statutory statements for that particular month can be prepared by 7th of next month. ensuring issue of purchase order from system only. ensuring payments to vendor I contractors / employees must be done through system only. In case any manual cheques are issued, the cheque entry must be recorded in system. ensuring that administrative and technical sanction must happen through system. Ensuring Approvals which are taken from President-in-

Council must be recorded in system once approval is received. ensuring, all civic project's progress work must be accompanied with photographs before the commencement of work. These photographs must be uploaded in respective project I work structure in the system. The printouts as provided in sub-rule (2) shall be strongly bound and pages serially numbered. Each page shall be affixed with the seal of the Municipality. Head of Accounts and Finance Department and the Chief Municipal Officer of the Municipality shall authenticate the printout of books of account by signing on each page. Where operations of other departments of the Municipality are computerized, the Commissioner, Urban Administration and Development or any other person duly authorized by him, may approve modification in the forms books 900 (182) 140 15. (5) 13 2018 of account any other records with regard to such fields, rows, columns or contents that are already available in the database or that are designed to be captured in the software and can be extracted easily for verification and reporting. Where the Chief Municipal Officer is satisfied that the computerized system has stabilized and sufficient security and backup systems have been put in place, he may request the Government to direct for dispensing with the manual maintenance of such books of account, forms, registers and records that he deems fit. On receipt of such a request, the Government may direct such Municipalities to dispense with the manual maintenance of such forms, registers and records direct that they be maintained in a computerized system in electronic form only. Corrections in books of account and other accounting records.- (1) (2) (3) (4) (5) Any correction and entry made in books of account shall be authorized by the Chief Municipal Officer, or any person duly authorized by him, and shall be made through rectification entry in Journal Voucher Any correction or alteration to an entry in vouchers or forms or registers shall be made in red ink (a single line being drawn through the original entry to be corrected) and attested with dated initials of the Chief Municipal Officer. All corrections and alterations to bills/claims and payment vouchers shall be similarly attested by the payee. No correction or alteration in figures in the Receipts shall be made and whenever errors occur in writing up of Receipts, copies of all such Receipts shall be cancelled and preserved in support of the fresh receipt issued. No erasures shall be made and no document with an erasure shall be accepted. Municipal Fund.- (2) Municipal Fund shall be the main Fund maintained by the Municipalities and shall consist of those sources as mentioned in the Act. The State Government may prescribe separate Funds for specific purposes. Note: Separate schedule for Municipal Fund and each of the funds prescribed by the State Government shall form part of the annual financial statement of the Municipality, The schedule shall contain 13 2018 900 (183) (3) (4) particulars of additions to and deductions or utilization from the fund during the financial year. The State Government may prescribe preparation of separate Financial Statements for each Fund. Where the State Government has prescribed preparation of separate Financial Statements for each Fund, the Municipality shall maintain separate records for each fund and the following shall be observed: (b) (c) All books of account and vouchers shall be prepared separately for each fund. Vouchers for each fund shall be distinctly coded for voucher numbering. Separate bank accounts shall be maintained for each fund, and remittances shall be made to the relevant Fund's Bank Account. In case any receipt or payment is recorded in another Fund's Bank Account, it shall be treated as an inter-fund transfer' and accounted for accordingly. In addition to the Financial Statements for each fund, the Municipality shall prepare Consolidated Financial Statements for the Municipality as a whole. 16

17. Reserve fund.- (2) (3) Every year the Municipality shall transfer five percent of its own revenue to reserve fund. Municipality shall maintain separate bank account for reserve fund. With the approval of Commissioner, Urban Administration and Development, the reserve fund shall be utilized but not limited to the following activities (a) for deposit of gratuity or any related payments of employees; (b) for any margin money of Central or State Scheme (c) in emergency situations or any expenditure for specific public welfare schemes where there is no budget provision; and (d) for any other order issued by the State Government Preparation of Opening Balance Sheet.- For migration from cash basis accounting to accrual basis under the double entry system of book-keeping, Municipality shali prepare Opening Balance Sheet as of the date as may be prescribed by the State Government. 900 (184) 18. 19. (2) (3) (4) (5) 13 2018 Opening balance sheet shall be prepared and valuation of fixed assets shall be done as per the guidelines prescribed by the State Government. The Municipality may take the assistance of an outside agency for identification of assets. It shall also include listing and defining the condition and location of assets. The Chief Municipal Officer shall place the Opening Balance Sheet before the President-in-Council for adoption and approval. If any error or omission is noticed in the Opening Balance Sheet after approval by

President-in-Council, adjustment for such error or omission shall be made in the respective account balances and the corresponding effect of such adjustments shall be made in the balance of Municipal Fund in the financial year in which such error or omission is noticed. Any such adjustment shall be placed before the President-in-Council for approval, before its inclusion in the accounts. CHAPTER - Ill COLLECTION OF TAXES AND FEES General.- The Municipal area shall be divided by the Chief Municipal Officer into collecting circles by a catculation based on the ground to be traversed and the number of bills to be delivered. Each circle shall be numbered and for each circle there shall be appointed an Assistant Revenue Inspector. The collecting circles shall be as compact as possible and shall contain no more houses than the Assistant Revenue Inspector can visit in the course of a month. Note: - When an Assistant Revenue Inspector is changed the outgoing Assistant Revenue Inspector shall prepare a list of out standing's which shall be made over to the relieving Assistant Revenue Inspector. When the latter receives the list he shall be entirely responsible for the collections. Each Assistant Revenue Inspector appointed for this purpose shall submit quarterly statements to the officer so appointed by the Municipality showing for his circle all cases of new buildings, re-construction and enlargements of existing buildings. These statements shall be based on the information furnished by the Building Permission Officer, who shall be responsible for furnishing the information. Before submitting the statement the Assistant Revenue Inspector shall endorse the following certificate thereon:- "No new buildings are under construction in this circle nor any additions or alterations being made to the existing buildings except as noted in the statement." 13 2018 900 (185) 20. 21. 22

23. Note: (1) (2) (2) On receipt of the quarterly statements, prompt action shali be taken to assess or reassess the tax where necessary. Every new demand and every change in the existing demand which may be sanctioned after the completion and authentication of the property assessment shall be entered in the Demand Collection Balance Register so far as it affects the demand for the financial year. In order to show the result of increases and decreases in each year, a statement as provided in

Forml shall be prepared and kept up-to-date by entering therein every change as is made and shall be totalled at the end of the financial year. The Demand Collection Balance Register shall be prepared from the assessment list and also show any outstanding dues noted in the previous Demand and Collection Register. At the end of the financial year, the accounts shall be balanced and closed, progressive totals be cast and carried over from page to page and the grand total struck by a person other than the person who posted the figures; and to prepare the accounts the following closing entries shall also be made :- (a) (b) (c) (d) (g) demand as per Demand Register list at the beginning of the financial year; arrears; increase or decrease made during the financial year; total demand for the financial year; collections; remissions; and balance outstanding at the end of the financial year. Accounting and Recording Procedure.- (1) Revenue in respect of property and other taxes shall be recognised in the period in which they become due. Entry in respect of tax receivable shall be made as and when demand in (2) respect of the same is raised. Rebate, if any, permissible under the Act for payment of property tax shall be treated as an expense in the accounts through a journal voucher. 900 (186) 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 13 2018 Cess, if any, collected on behalf of Central or State Government shall be treated as a liability for payment to the tax authorities. The collection charge or share available to the Municipality for cess collection shall be taken as income, and reduced from the amount payable to the concerned authorities. The daily collections shall be brought into account in the form and manner as prescribed by the State Government. When two or more installments of taxes or other municipal dues are recoverable from a party and when payment of only one installment is received it shall be credited against earliest installment due. Income from the Property Tax.- The amount of income from property tax shall be ascertained only after the self- assessment return has been filed and a suitable adjustment entry shall be passed at the end of every half year to reflect the correct amount of income from property tax of .the financial year in the form and manner as prescribed by the State Government. Accounting Procedure for User Charges.- Revenue in respect of user charges, including penalty shall be recognized in the financial year for which demand is raised. Water Charges.- The Demand Register in respect of the water rate fixed for supply of water as flat rate or by measurement, as the case may be. Check of Original Receipts.- The Chief Municipal Officer shall ensure that not less than 10 percent of the receipts given by its officials to tax payers shall be compared every month with counterfoils and collection registers. A record of the receipts thus compared shall be maintained by the persons concerned. Daily Collection Registers.- The daily and monthly totals in these registers shall be carried over and added to the total of the following day of the month. At the end of the month the totals shall be checked by the Accounts and Finance Department with the amounts shown in the periodical accounts, and any discrepancy rectified. Refund,- Refund of revenue shall be noted against the original entry of the receipt in the Cash Book or other register so as to guard against a second refund of the same amount being accidentally made. A note of the refund shall be made in the counterfoil of the receipt file. Before a refund is authorized, the receipt given to the party shall be obtained where possible and cancelled. Other Taxes.- In the case of any tax for which assessment is made annually and the forms of assessment list is not prescribed in the rules or bye-laws concerned, an assessment list shall be prepared in the month of January for the next financial year in Form 2 for each ward separately of persons liable to taxes. 13 2018 900 (187) Note: This list shall form the basis of Demand and Collection register reported to the Finance Committee, and if there is no such Committee, the President—in- Council in the month of February of the financial year of the preparation of the 34. 35. 36

37. Demand and Collection Register posted from the assessment lists and with entries arranged and totalled by wards wise shall be maintained in the form and manner as prescribed by the State Government. The entries in it shall be checked by the Revenue Officer or Revenue Inspector and if there is no Revenue Officer or Revenue Inspector, the Chief Municipal Officer, who shall place his initials on each page as he completes his examination of it. The out standings of the previous year or years shall be brought forward and posted separately on pages beginning the register and recoveries of the outstanding as they are effected shall be shown against these postings and not in the register on which the demand appears originally. The register shall be ready before the commencement of the financial year, and it shall contain an abstract bringing together the figures of several wards. Assessment made after these have been totalled shall be shown below the totals of the wards to which they pertain, the number in the assessment list and authority being quoted. Enhancement and Remission.- Enhancement and Remission sanctioned during the course of the financial year shall be entered in a register in

Form 3, the details being posted in the respective Demand and Collection Registers. Statement of Demand, Collections and Balances.- The balance of the outstanding shall be drawn at the close of each financial year and if any enhancement made during the financial year and from the total collection made (addition) and remissions granted in the financial year shall be deducted. The statement shall be placed up to the Municipal Accounts Committee and if there is no such Committee to the President—in-Council Notices and Distress Warrants.- (1) Notices of demand and distress warrants issued under the provisions of the Act shall be kept in books with counterfoils in Form 4 and 5. Each book shall contain an equal number of forms bearing book and serial numbers. When recovery has been effected by distress the amount shall be brought to the account in the Cash Book and in the Demand and Collection Register, the number of warrants with letter "D.W.." being quoted in place of receipt. When full payment is made by the defaulter to the officer authorized to execute the warrant a receipt shall be issued to the defaulter in the form as prescribed by 900 (188) (2) (3) 13 2018 the State Government with a clear note to the effect that the money has been realised by distress warrant. The notice and warrant fee shall also be charged and the receipt shall be given in the form as prescribed by the State Government. When the payment is not made in full and action is taken under the Act, the movable property shall be distained for the remaining amount covered by the distress warrant. A list of property so distained shall be given to the assessee. The official entrusted with the superdari may at his discretion give the distained property in superdari of a reliable person owing landed property within municipal limits. The supratdar shall deliver the property entrusted to him at the place appointed for the purpose by the Chief Municipal Officer at his own expenses within 24 hours whenever so required. He shall not be entitled to any charge for keeping the distrained property in his custody. The amount recovered through sale proceeds shall be credited under "Miscellaneous" Receipt and then transferred to appropriate head of account. The assesse shall also be informed of the amount realised. Note: - (1) (2) All warrants shall be returned to the Municipality office within one month from the date of receipt by the officer-in-charge with the execution with his remarks therein. The Chief Municipal Officer shall consider the remarks recorded on the unexecuted warrants and direct what further action shall be taken for the realisation of the dues. Timely return of the warrants and credit of the money recovered shall be evidenced through the counterfoils. Reference to receipt number shall be given in the counterfoil of the distress warrant. 38. 39

40. Collection of Taxes and Fees by means of Licences.- Licences are not transferable nor can they be re-issued after expiry of the term. Since the dues are payable strictly in advance, no Demand and Collection Register has to be maintained. A licence shall not be granted until the fee or tax for the licence is paid. The licences shall be in

Form 6 except where a different form has been specifically provided under any rules, bye-laws or orders of the State Government for any specific purposes. Form 7 and 8 are primarily meant for driver's licences and carriages respectively. 13 2018 900 (189) 41

42. Licence and Receipt forms shall be bound in counterfoils books. Each book shall contain forms machine numbered consecutively and common seal of the Municipality. Only one book shall be given out by the Chief Municipal Officer, at a time. A new book shall not be used until all forms of the book have been used and the book with the counterfoils returned. On receiving the used books with the counterfoils the Chief Municipal Officer shall see:- (a) (b) (c) that no page has been extracted; in the case of cancelled forms the original and duplicate copies are in the book and have been cancelled; and the full amount has been deposited. The surplus forms in a used receipt book shall be cancelled by the Chief Municipal Officer, at the end of each financial year. (2) (3) (4) (5) (6) (7) (8) After the counterfoils have been checked they shall be stamped "Checked and Cancelled". The common seal of the Municipality shall be kept in the custody of the Chief Municipal Officer or the Revenue Officer who shall be personally responsible to see that it may not be misused. Each receipt shall also be attested by the full signature of the officer responsible for issuing it and shall fill up the receipt in duplicate by the carbon process and shall retain the duplicate copy. A record of the book numbers of the receipt books stamped at a time shall be kept and it shall •remain in the personal custody of the officer concerned. Receipt books ordinarily required for use for a period of not more than a week shall be stamped at a time. A warning shall be printed on the receipts that the affixing of a seal on the receipt does not constitute acquittance for the money untill the Assistant Revenue Inspector or any other person actually receiving the money has signed thereon. Loose, unnumbered licences or forms of receipt shall not be kept in the office or a manuscript be issued. The fees received on account of licences shall be recorded in the concerned licence registers maintained in

Form 9, 10 and 11. 900 (190) 43. 44. 45. 46. 47. 48. 49. 50. 13 2018 Assistant Revenue Inspector of collecting circles shall be required to submit a periodical statement the beginning of each quarter for each kind of licence separately showing all persons liable to the payment of the fee or tax. The Licensing Officer shall immediately on receipt of the statements submitted under rule 43 compare them with the registers of licences prescribed in rule 42 and in each case in which licence is required to be taken out but has not been applied for, süitable action shall be taken. At the end of each month the licensing officer shall examine the register of licensees and take action according to rules with regard to every person whose licence may have expired and who has not taken out a fresh licence. Fees: Cattle registration fee receipts shall be in Form 12. Both the foil and counter- foil shall be signed by the Assistant Revenue Inspector, who shall maintain a Collection Register in Form 13. For collection of daily market fee for sarai or dharamshala the registers shall be maintained in Form 14 and 15 and for other fees and receipt shall be kept as per these rules. Other Revenue Rents.- The rent register shall be maintained as per in form as prescribed by the State Government to show in detail realizations of revenue for which there is a fixed periodical demand. A separate page or set of pages of the register shall be set apart for each kind of revenue for which there is a fixed monthly, quarterly, half yearly or annual demand. The register shall show all demands due on account of rents arranged in serial order:- (a) on expired leases of the previous financial year; (b) on unexpired teases of the previous financial year; and (c) on leases granted for the current financial year. The entries above (a) and (b) shall be taken from the register of the previous year. The Revenue Inspector or any person appointed by the Chief Municipal Officer shall fill up the current year's register and submit, before the Chief Municipal Officer who after comparing the entries shall place his initials. In respect of (c) when the agreement with the lessee has been signed and security deposit paid, the Revenue Inspector or any person appointed by the Chief Municipal Officer shall fili up the register. He shall then lay the agreements, the register and cashier's cash 13 2018 900 (191) book before the revenue officer or the Chief Municipal Officer who shall compare entries with the agreement. 51. 52. 53. 540 55. At the end of each quarter the Revenue Officer or the Chief Municipal Officer shall examine the register of rent and shall take necessary action for the recovery of the outstandings. Proceeds of auction sate, unclaimed animals, manure at cattle pounds of gadiadda, produce of land and garden, condemned articles from stock or other unserviceable movable property shall be sold by public auction by an authorised person after the fact has been proclaimed by proper public notice. The officer conducting the sale shall enter the amount of the bid in the sale papers, obtain the signature of the highest bidder and put his own signature thereon. When the money is deposited a receipt in the format as prescribed by the State Government shall be given to the payer. (1) (2) Night soil and city sweepings shall be disposed of in different ways. Each Municipality shall, prescribe its own forms of accounts for the said purpose. When the compost manure is prepared an account shall be kept in a register in Form 16 and money receipt shall be given in format as prescribed by the State Government Kanji House.- On admission of cattle to a pound the pound keeper shall give a receipt in Form 17 to the person impounding the cattle and take his signature or thumb impression on the back of the counterfoil of the receipt. In case of release he shall issue a receipt in Form 18 Both these receipts shall be prepared in triplicate by use of carbon paper, one copy being filed in the pound, one sent to the Municipality Officer authorised and the third delivered to the impounder or to the person releasing the cattle, as the case may be. Note: In a municipality it shall suffice if the receipts are in duplicate. (2) Every pound keeper shall maintain a register in Form 19. The money columns of this register shall be totaled daily and the register shall be sent with the collections of each day and the copy of the receipts issued during the day to the Municipality. The transactions which occur while the register is in the Municipality shall be recorded in the register as soon as it is sent back to the pound. The notice prescribed in Section 14 of the Cattle Trespass Act, 18710 of 1871), shall be in Form 20 and the account prescribed in Section 16 of the said Act shall be in Form 21. 900 (192) 56. 57. 58. (3) (2) 13 2018 in such Municipality where the fines on impounded cattle are finally credited to the State Government shall be credited in the first instance as deposits and the amount of total collection which is creditable to the State Government under this rule shall be credited quarterly into the nearest Bank. In other Municipality all fines shall be credited to the Municipal Fund. A Challan in Form 22 with the first ten columns filled in by the pound keeper shall be sent with all cattles sold leaving a pound. When the cattles have been sold, the remaining entries in the challan shall be made by the officer conducting the sale and the receipt shall be given to the purchaser in prescribed format as prescribed by the State Government. The amount shown in

the challan shall be placed under deposit for three months, and if no claim is made within the period, the amount shall after its expiry be credited to "Sale Proceeds of Unclaimed Cattle" but in those Municipality where the surplus of the sale proceeds is creditable to State Government it shall be credited in to the bank under the head "LII- Miscellaneous" Minor head "Fees, Fines and Forfeitures", Detailed head "Cattle Pound Receipts",(under Main Head 0070, Minor Head 60 and Detail Head-800) by presenting a cheque being, " Received payment by transfer credit .....n Note: (1) (2) The amount of total collection which under the rule is credible to the State Government shall be credited quarterly into the nearest bank account of the State Government. Claims for refunds of surplus sale proceeds of unclaimed cattle preferred after the expiry of three months, shall not be entertained but this rule Shal) not bar any claim which is preferred before the expiry of three months, even though final decision on the claim is not passed within that period. Books shall be changed annually, all those pertaining to an expiring year being returned at the end of the year to the Municipality and being replaced by new sets. Cattles which are in the pound when new registers are brought into use shall be brought on to those registers. A schedule of rates of fines and feeding charges shall be put up in the pound. Feeding charges shall be recovered for the number of feeds actually given to an impounded animal. 13 2018 900 (193) 59. 60. 61. 62

63. The scale of fodder, etc., to be allowed for each animal shall be fixed by the President—in-Council. An account of fodder, etc., purchased and issued shall be kept up by the pound keeper in

Form 23 and submitted monthly for comparison with the pound register and check. The sample entries in the form show how receipts and issues are to be posted. All deaths in, or escapes from a pound shall be reported by the pound keeper to the Chief Municipal Officer, the report being attested by two respectable witnesses. The hides, etc. of cattle that die in the pound may be sold by auction or disposed of in any other way and the proceeds dealt with in accordance with sub-rule (2) of rule 56. The President—in-Council shall arrange for the inspection of pounds and pound keepers shall be bound to produce all registers and forms called for by the inspecting officer. The inspecting officer shall, during the course of his inspection verify every month as many receipts issued to owners under rule 54 as are available, with their counterfoils filed in the pounds and report to the President-in-Council, the irregularities, if any, noticed by him. Subscriptions.- When a Municipality undertakes the collection of voluntary subscription for a public purpose, such as the erection of a town-halt, market or dispensary, the following procedure shall be observed:— (a) the collection book to be sent round with the appeal for subscriptions; (b) acknowledgement receipt of contributions shall be in the form as presciibed by the State Government; and (c) at the end of each month or quarter, the amounts (whether paid up or not) shown in subscription collection book shall be totalled, and the total shall be accounted for. Ferry Receipts.- Under the provisions of the Northern India Ferries Act, 1878, the ferry receipts realised by the Municipality shall in the first instance be credited to the suspense head "Deposits", sub-head "Ferry Receipts", and at the end of each month, the total collection under the sub-head shall be credited into the nearset bank account of the State Government to the Major Head 1054-Roads and Bridges; Minor Head 800-0ther Receipts. Detailed head "Ferry Receipts" realised by Municipality, by presenting a cheque which shall be paid by transfer the endorsement being the same procedure shall be adopted "Received payment by transfer credit to..." under this rule. Note: The amount of total collection under this rule shall be credited into the nearest bank account of the State Government. 900 (194) 64. 13 2018 Irrecoverable Sums,- (1) Irrecoverable sums other than taxes and user charges shall be written off as follows- S'. No. 1 2 3 4 5 65, Limit of Irrecoverable Sums Up to Rupees One Thousand If sum exceeds Rupees One Thousand but does not exceed Rupees Five Thousand If sum exceeds Rupees Five Thousand but does not exceed Rupees Ten Thousand If sum exceeds Rupees Ten Thousand but does not exceed Rupees Two Lakhs If sum is above Rupees Two Lakhs Authority President-in-Council Council Deputy Director UAD Commissioner, UAD State Government (2) The President—in-Council shall write off irrecoverable sums by passing a resolution. (3) No irrecoverable sum exceeding Rupees Two Hundred, shall be written off unless it has been established to the satisfaction of the authority that- (a) the person, from whom the sum is due is incapable to pay it; or (b) such person has died and there is no likelihood of recovering the sum from the heirs or property of the deceased; or (c) all reasonable efforts to recover the sum have been made in accordance (2) (3) with the provisions of the Act and the rules or bye-laws made thereunder. The Chief Municipal Officer shall, at the end of each quarter, prepare a statement of irrecoverable sums and submit the same to the President—in- Council with his reasons and recommendations. The President—in-Council may after due consideration, if it is empowered by sub-rule (2) of rule 64 pass a resolution for writing off or refusing to write off irrecoverable sums; otherwise it shall submit the case with its report and recommendations thereon to the Council. On receipt of the case, the Council shall consider the report and recommendations of the President—in-Council and if it is empowered under rule 64 pass resolution for writing off or refusing to write off irrecoverable sums. In other cases the Municipality shall forward the case with its report 13 2018 900 (195) (4) and recommendations thereon, through the usual channel as prescribed in the Act to the Deputy Director, Urban Administration and Development or the Commissioner, Urban Administration and Development , as the case may be, who may pass appropriate orders in the case. The President—in-Council shall give reasons for each sum ordered to be written off by it under these rules. CHAPTER - ESTABLISHMENT EXPENSES 66. 67. 68

Form 24 in which every appointment shall be entered under the initials of the Chief Municipal Officer or a person authorized by him. Separate page shalt be allotted to the establishment chargeable to each item of the budget. When any change is made, the revised scale shall be recorded in the appropriate columns provided for the purpose. Whenever any change is proposed in the establishment the Chief Municipal Officer shall submit to the President—in-Council explaining the proposal and conditions which necessitated the change. The memorandum shall show:- (a) the existing strength and the cost of the whole or section or sections, as the case may be, of the establishment affected; (b) the cost of revision of total employee strength; (c) the number and pay and other details of posts which is • proposed to add or modify; (d) the ability of the Municipality to meet the additional expenditure from its normal income; (e) the date or dates from which the proposed changes are to take effect. The Chief Municipal Officer shall submit the proposal to the President—in-Council. The President—in-Council shall take action subject to the rules framed under relevant provisions of the Act. Salaryo- Salaries, wages and other benefits and perquisites in relation to the Municipality shall be paid on the last working day of the month or such other date as the Municipality may decide: Provided that when the last working day or the date as decided by the Municipality falls on a Sunday or a public holiday, the pay of the establishment shall be drawn and paid on the previous working day. 900 (196) 70. 71. (2) (3) 13 2018 The Municipality shall limit its establishment expenses including expenditure on salary of all employees, workers' wages, pension fund, medical expenses, travelling allowance and uniform of Class IV employees etc. up to a maximum of 65%, of the "own revenue" for the previous financial year. The limit of establishment expenditure may be raised to 75% if the Municipality has sufficient funds of its own and the expenditure is incurred in the appointment or regularization of sweepers, cleaners. Every Municipality shall endeavor to reduce its establishment expenditure. Every Municipality shall set targets for reduction of establishment expenditure, for a rolling period of three years and the same shall be informed to the Commissioner, Urban Administration and Development. Preparation of Pay Bill.- (2) (3) (4) The pay bill shall be prepared by the establishment section or concerned department of the Municipality and be accompanied with a statement showing absentees or employees on deputation or under suspension. The pay bill should be in accordance with the guidelines as issued by the State Government and verified by the Head of respective Department. The pay bill shall be submitted to Accounts and Finance Department and salary payable shall be duly verified by an officer authorized by the Head of Accounts and Finance Department and approved by the Chief Municipal Officer or such other officer as designated and authorised by him for pay bill management, and the verified and approved salary amount shall constitute the pay bill for the month. The Head of respective Department or Establishment Depa rtment shall be responsible for errors, if any, and rectify immediately in the amount of the pay The officer disbursing the salary shall obtain legally valid acquittance on office copy of the pay bill. In case owing to the large size of the esta blishment or for any other reason, it is not found convenient to obtain the receipts of the payees on the office copy of the pay bill, separate acquittance roll may be maintained. For Electronic Clearing Service payments, the Electronic Clearing Service (Debit Clearing) procedural guideline of Reserve Bank of India, November 2007, as amended from time to time, may be referred to in respect of acquaintance. 13 2018 900 (197) 72. 73. 74. 75

76. Increment.- When the first payment of salary in which a periodical increment is drawn for an employee of the Municipality, a certificate in this regard shall be appended with authorization by the Chief Municipal Officer. Accounting and Record keeping.- The entire salary, including all allowances, as reflected in the pay bill shall be recorded as expenditure for the month. The net salary payable and all other deductions and recoveries there from shall be recorded on the last day of each month as a liability for the respective month. Salary shall be paid to the employees by directly crediting the amount to employees' bank accounts. Each such payment shall be adjusted against the liability recorded as above. Deduction from Salary: (1) (2) (3) The following deduction shall be made from pay bills, subject to maximum of 1/3'd of Basic Pay : (a) (b) (c) (d) (e) fine imposed on employee; recovery on account of loans and advances given to employee; receipt on account of provident fund and/or pension subscription, as applicable; recovery on account of advance pay; recovery as per statutory requirements such as income tax, dues of employees' cooperative society, as per orders of any court of law, etc.; and any other legitimate recovery. Where spouse is working, the ceiling limit may be extended up to 10% of the basic pay. The above recoveries shall be properly classified, recorded and accounted for as per the accounting provisions of these rules. Unpaid Salary.- If the salary shown in the pay bill remains uncollected, the

balance of salary payable shall be carried forward for a maximum period of three months. If beyond this period the amount remains unpaid, then the cheque of unpaid salary amount cheque shall be cancelled and suitable journal entry shall be passed to record the transaction. 900 (198) 77. 78. 79. (2) 13 2018 Any payment to be made against the unpaid salary amount shall be made by way of a separate pay order authorised by the Chief Municipal Officer. Arrear Claims.- (1) (2) Arrear of pay shall be drawn not in the ordinary monthly pay bill, but in a separate bill, with a quotation of the bill from which the charge was omitted or withheld or on which it was deducted, or of any special order granting a new allowance. Such bills may be presented at any time and may include as many items as are necessary, but they shall be supported by a certificate from the Head of Accounts and Finance Department and the Chief Municipal Officer that the amount was not paid before. When the bills are paid the number and date of voucher shall be recorded on the original bill from which the charge was withheld or in which it was deducted, against the item concerned jn order to prevent a second claim from being entertained. Retirement Benefits.- (2) All benefits, on release of an employee of the Municipality from employment on superannuation or retirement, shall be termed as "Retirement Benefits". Provident fund deposits, gratuity or security deposits shall never be made until it has been ascertained that there are no dues outstanding against him. A certificate to this effect signed by the Chief Municipal Officer shall be attached to each such bill. Pension and Gratuity.- (2) The admissibility of pension, gratuity and family pension to all municipal employees shall be from ISt April 1970, only as provided in the Madhya Pradesh Municipal Services (Pensions) Rules, 1980, which are deemed to have come into force on the ISt April 1970: Provided that pensions rules which are applicable to the employees before the commencement of these rules shall remain in force and the employees of such Municipality shall be governed by those rules and bye- laws. The Chief Municipal Officer of the Municipality shall prepare the pension case of a retiring employee well in advance, at least six months before the date on which the employee is due to retire and submit it to the Pension Office in case of Municipalities having its own pension rules. In case of death, family 13 2018 900 (199) (3) (4) (5) pension case shall be prepared within three months from the receipt of the death certificate. The Chief Municipal Officer shall also furnish to the Pension Office at least one and half months before the date of retirement of an employee, information about any municipal dues which are recoverable from the employee. If there are no dues, he shall issue a "No Demand Certificate", which in respect of the Chief Municipal Officer, shall be issued by the President-in-Council of the Municipality wherein the officer had last been in service and also by the Commissioner, Urban Development and Environment Department. Note: In case of non-receipt of no demand certificate, the Accounts and Finance Department shall issue the last reminder for no demand certificate and after one month of retirement if any section does not intimate the account section about recovery. It shall be deemed as no demand certificate and all the responsibility shall vest on the concerned section. The Controller of Pensions for Municipalities shall be the authority competent to sanction the pension; gratuity and family pension certified to be admissible by the Deputy Director (Pensions) or Pension Office and shall be the final authority in all matters relating to pension cases. Payment of pension shall be made out of the Municipal Employees Pension Fund in the manner prescribed in the relevant Fund Rules. 80

81. New Defined Contributory Pension Scheme.- All regular and permanent employees of the municipality, employed on or after 1.1.2005, shall be governed by the New Defined Contributory Pension Scheme, 2005 envisaged by the Provident Fund Regulatory Authority and introduced by an order of the State Government. Travelling Allowances.- Travelling allowances to be paid to any officer or staff of the Municipality shall be paid in accordance with rules made by the State Government for this purpose: Provided that the travelling allowance paid to any officer or staff shalt not, exceed what is admissible to a similar officer or staff under the State Government in accordance with the fundamental rules and the supplementary rules made there under without the approval of the Commissioner, Urban Administration and Development : 900 (200) 82. 83. 84. (2) (3) 13 2018 Provided that the bills of the Assistant Surgeons and Assistant Medical Officers in charge of transferred dispensaries shall also be countersigned by the Civil Surgeon. The Travelling allowance bills of the officers and staff paid from the Municipal Fund shall be in

Form 25. The bills of the councillors and office-bearers of the Municipality shall be prepared in Form 25. Such bitts shall be governed in accordance with the rules made by the State Government for this purpose. The Diet Money Register shall be maintained in Form 26. Any amount on account of diet money and travelling allowance received from Courts shall be forthwith entered in the said register and credited to the Municipality. The employee who is called to give evidence in his official capacity shall be paid the travelling allowance admissible to him under rule 81 but the employee who is called to give evidence in his private capacity shall be paid the travelling allowances actually received from the Court he attends. The amount so paid and the voucher number and the date of payment shall be entered in the appropriate column of the said Register. Muster Roll.- When work is done by daily labour the amount of wages shall be the based on muster roll to be maintained in Form27.When payments to daily labourers are not made daily, the muster roll shall be nominal one i.e., the names of the labourers shall be entered in it. The nominal muster roll being the initial record of the labour employed each day for a work, Shatf be written up daily by the officer deputed for the purpose each morning before the labourers begin work. tt shali be closed immediately after the close of the week or such period for which jt is kept and the labourers paid soon thereafter. The payment shall be made in the presence of the Municipal Engineer or the Chief Municipal Officer, who shall initial with the date against the group or labourers paid on that date, the amount paid on each date, shali be noted in words as welt as in figures at the foot of the muster roll. The disbursement certificate shall then be signed by the officer witnessing the disbursement. CHAPTER -V PROCUREMENT AND CONTRACT MANAGEMENT Every Municipalities shall, purchase their stores and ancillaries from the products of Micro, Small & Medium Enterprises within the State, as provided in "Reserved Items" in Annexure A and B of the Madhya Pradesh Store Purchase Rules, 2015 and amended from time to •time. 13 2018 900 (201) 85. 86. 87e 88. 89. (2) Purchase upto Rupees twenty thousand can be made without any tender or quotation. The Sanctioning Authority shall certify that the purchase has been made at reasonable market price, quality and as per required specification: Provided that the Sanctioning authority shall not purchase more than five times in a month through above process. Purchase above Rupees twenty thousand but not exceeding Rupees One Lac for all Municipality on each occasion may be made through calling at least three quotations and it shall be necessary for the Sanctioning Authority to ensure that the rate which is being sanctioned, is not more than the prevailing market rate: Provided that the Sanctioning authority shall not purchase more than two times in a month through above process. In case of purchases above Rupees One Lac the Municipality shall call open tender on each occasion. For day to day purchases of items rate contract basis of procurement shall be followed. Items for which no valid rate contract exists or is not practicable to obtain, the items shall be acquired from open market through call of tenders, for which notice shall be published in one Hindi newspaper having wide spread circulation in the Sfate. The advertisement of notice shall provide the details of description and specification of goods, materials and services, estimated cost, earnest money, security deposit, last date and time and place for issue of tender documents and its cost, last date for submission of bid and date, time and place of opening of tender, and date of completion of supplies, terms and conditions, guidelines to be followed by the tenders, and sample contract. In respect of goods, materials and services reference may be made to rule 92 and 93. Combined tender notice may be issued for all goods, materials and services that are to be awarded around the same time. (1) Under the following circumstances, the Municipality may purchase through limited tenders, if — (a) the Authority certifies that the demand is urgent and any additional expenditure is involved by not procuring through advertised tender then the enquify shall be justified in view of the urgency. The Authority shall also put on record the nature of the urgency and reasons why the procurement could not be anticipated; 900 (202) 13 2018 (b) there are sufficient reasons to be recorded in writing by the Authority, indicating that it will not be in public interest to procure the goods, materials and services through advertised tender enquiry; and (c) the sources of supply are definitely known and possibility of fresh source(s) beyond these being tapped is remote: Provided that:- Note: - (2) (i) the number of supplier firms in limited tender enquiry to be made shall not be less than three; (ii) efforts shall be made to identify a higher number of approved suppliers to obtain more responsive bids on competitive basis; (iii) limited tender enquiry to be made shall be sent directly by same means such as speed post or registered post or courier or e-mail to firms which are on the list of approved suppliers maintained by the Municipality for goods, materials and services for which the enquiry is made; (iv) no limited tender enquiry shall be made for goods, materials and services above the value of Rupees

One Lac. In such cases the Municipality shall follow the advertised tender procedure. limited tenders shall be issued to only those suppliers who are registered with the Municipality •as described hereunder. With a view to • establishing reliable sources for procurement of goods, materials and services commonly required for the Municipality item-wise list of eligible and capable suppliers shall be prepared and maintained by the Municipality. Such approved suppliers shall be known as "Registered Suppliers". Such registered suppliers are prima facie eligible for consideration for procurement of goods, materials and services through limited tender enquiry. They are also ordinarily exempted from furnishing bid security along with their bids. A Head of the Department may also register suppliers of goods, materials and services which are specifically required by that Department. Credentials, manufacturing capabilityq quality control systems, past performance, after-sales service, financial background etc. of the supplier(s) shall be carefully verified before registration. The supplier(s) shall be registered for a fixed period (between 1 to 3 years) depending upon the nature of the goods, materials and services. At the end of this period, the registered supplier(s) willing to continue with registration are to apply afresh 13 2018 900 (203) (3) for renewal of registration. New supplier(s) may also be considered for registration at any time, provided they fulfill all the required conditions. Performance and conduct of every registered supplier shall be watched by the Municipality. The registered supplier(s) are liable to be removed from the list of approved suppliers if they fail to abide by the terms and conditions of the registration or fail to supply the goods, materials and services on time or supply substandard goods, materials and services or make any false declaration to the Municipality or for any ground which, in the opinion of the Municipality is not in public interest. 90

91. The Municipality may resort to single source procurement in the following circumstances:—(b) it is in the knowledge of the user department that only a particular firm is the manufacturer of the required goods, materials and services; and for standardisation of machinery or spare parts to be compatible to the existing sets of equipment (on the advice of a competent technical expert) the required item may be purchased only from a selected firm, after recording the reasons why no other make or model is acceptable, and obtaining financial concurrence and approval of the Authority. Publication of Tenders.- For every Municipality, the procedure in respect of publication of the tender (1) for any work or purchase of any goods, material and services valued at more than Rupees One Lac shall be as under:- (a) for every tender valued above Rupees One lakhs e-tendering shall be followed; for every tender valued Rupees One lacs and above, the advertisement shall be published in one Hindi newspaper having widespread circulation in the State of the notice inviting tender, as provided in

Form 28, with advertisement number, name of work, tentative value of work, date and on which website the details of the tender shall be available; for tenders valued Rupees One lakhs and above , it would be required to be published in at least one daily Hindi newspaper having widespread circulation in the State with the contents described in sub-clause (ii) above; and. 900 (204) 92. 93. (b) (b) 13 2018 for every tender valued above Rupees one crore, advertisement shall be published in one National Level English and one state level daily Hindi having widespread circulation with the contents described in sub-clause (ii) above; and for any works, material and services having value below Rupees ten lacs, first tender shall be invited for submission within a period that shall not be less than 15 days and for second time or subsequent invitation of the tender, the period for submission of tender shall be 7 days from the date of publication. For any works, material and services having value above Rupees ten lakhs, first tender shall be invited for submission within a period that shall not be less than 30 days from the date of publication and for second time or subsequent invitation of the tender, the period for submission of tender shall be 15 days. (2) A reduction of the time limit may be considered subject tc approval of the Authority as per the financial powers in rule 239 of these rules, in case of second call for tender. Tender Notice and Contents.- The tender notice issued by the Municipality for work contracts, material supplies and services shall clearly indicate:-- (b) (c) (d) (e) (g) the date up to which sealed tender may be received; the nature of work which is to be executed, and details of it and stage 1 estimate; the time within which the work contracts, material supplies and services is to be completed from the date of the receipt of orders to commence work; the amount of security deposit required; the amount of earnest money which must accompany each sealed tender; the name of the office where the blank tender form may be obtained and the price charged for each form, the number of plans concerning the work, supplies and services and the place and time where they may be inspected, if such plan do not form part of the tender document; the date and time at which the tender may be opened. The tender document shall as far as possible provide for a lump sum or lump sum cum item rate quotes and shall include the following:- 900 (205) (a) (b) (c) (d) (g) (h) 13 2018 copy of the public notice inviting tenders; any rules or directions necessary for the guidance of tenderers; the form of tender; form of agreement or indenture; conditions of contract; detailed specifications of the works, materials and services; affidavit accepting the conditions published or given in writing that firm or institution was not blacklisted or debarred from any Government department of the State Government or the Central Government. schedules.- (i) describing the works, materials and Services and the purpose to be served; (ii) enumerating the plans which accompany the specifications; (iii) the samples of materials and other articles which must be deposited; (iv) the date of completion of works and services; (v) schedule describing any works, materials and services which is the property of the Municipality which the contractor shall be required to utilise and the rate at which they shali be supplied

94. Receipt of Tenders.- (2) The procedure to submit tender has been mentioned in the tender document and may be submitted by speed post/ registered post or courier or by hand delivery in the tender box kept for the purpose. All tenders received shall be presented to a tender committee prescribed in these rules and shall be opened by the Chief Municipal Officer or any official duly authorised by him in the presence of the representatives of the bidders or tenderers, as present, on the notified date and time and each tender opened shall•be signed by the members of the tender committee. Subsequently, the tender committee shatt evaluate the tenders received, prepare a comparative statement of the evaluated tenders, and submit to the competent authority with its recommendations for approval. No such tender shall be accepted 'vvhich is not in the order or is not fully priced out, and is not in every way in accordance with the instructions 900 (206) 95. (3) (4) 13 2018 contained in the notice inviting such tenders. If the bidder or tenderer makes any reduction or any alteration other than correction of palpable arithmetical error after submission of the tender, that tender shall not be considered to be in order. The competent authority shall reserve the right of rejecting any tender even if it is the lowest in price terms, provided that in case fowest tender is not accepted, the reasons for such non-acceptance shall be recorded, and in accepting a tender, the financial condition of the bidder shall be taken into consideration in addition to all other relevant matters. Any tender received higher or lower than the final detailed estimate, the directive of the competent authority of the State Government shall be followed. If it is found that none of the tenders received by the Municipality is satisfactory or if for any reason it is believed that the requirements of the tenders have not been properly understood by the bidders or tenderers, so that fair bids have not been received, the tender in question shan be rejected and fresh tender shall be invited. Public Works.- (2) (3) Public Works are divided into

"building, roads and other than roads and buildings" and each of these is again sub-divided into "Original Work" and "Repair or Maintenance". The Class "Original Work" includes alt new construction, whether of entirely new work or of additions and alterations to existing works excepting as hereinafter provided; also repairs to newly purchased or previously abandoned buildings required for bringing them into use. When•a portion of an existing structure is to be dismantled and replaced, if the cost of such replacement represents a genuine increase in the permanent value of the property as an asset, the work should be classed as "Original Works" the cost (which should be estimated if not known) of the portion replaced being charged to "Original Work". In all other cases the whole cost of the new work should be charged to "Repair". The capital value of any portion of a building which is abandoned or dismantled without the replacement shall be written off from total capital value of the building. 13 2018 900 (207) (4) The Class "repairs" or "maintenance" includes all operations except the foregoing required to maintain, in proper condition buildings, roads and other works in original condition. 96. 97. 98

99. Except in cases of emergency or to prevent damage or loss, no work shall be commenced until a detailed estimate has been prepared and sanctioned. Procedure for Sanction of Works: The following procedure shall be observed for all works (other than transferred works) executed by the Municipality - (a) (b) (c) administrative approval as laid down in rule 98 shall be obtained; technical sanction to plans and estimates as laid down in rule 99 and 103 shall be obtained; and final sanction as laid down in rule 100 shall be obtained. Administrative Approval.- (2) The term 'Administrative approval' means the concurrence of the competent authority to the proposals for construction of a work or additions and improvements to an existing work before technical and financial sanctions are accorded. Administrative approval shall be as per the following procedure- (b) (c) administrative approval shall be required for all new works and improvements to existing works; proposal for administrative approval shall be accompanied by a preliminary estimate and plans duly signed as per rule 102; administrative approval shall be granted by the Authorities in ati cases, as prescribed under these rules. Technical Sanction.- (1) All the estimates for works shall be prepared in

Form 29 as follows:- preliminary estimate for administrative approval with the plans and plinth area; and final detailed plan and estimate for technical sanction. (b) Note: (1) preliminary estimates are not required for works for which standard plan exists. (2) it the works cost does not exceed Rupees twenty-five thousand then the final detailed estimates shall ordinarily be prepared. 900 (208) 100. 101. 102. 103. 104. (2) 13 2018 The powers to grant technical sanction for final detailed plans and estimates shall vest with the authorities as prescribed in these rules. Final Sanction to Works.- The competent authority shall grant sanction to the final detailed estimates for works and repairs under rule 97. Commencement of Work.- The competent authority may sanction the commencement of the work under rule 99 at any stage subject to budget provision. Such Authority may also order the collection of goods and material on an estimate sanctioned in the preliminary stage. This procedure shall only be adopted in cases of special urgency, and sanctioning authority shall satisfy himself first that the cost in the final stage is not likely to exceed the limits of his power of sanction. Signing of Plans and Estimates.- The plans and estimates shall be signed by the officers before whom they are submitted and also by the sanctioning and approving authorities. Responsibility for Technical Details.- The Municipal Engineer and where there is no such engineer, the officer in principal charge of the Municipal Public Works establishment shall be responsible for technical details of all estimates signed by him. Local inspection of the site shall be necessary as is generally the case in regard to estimates of bridges and causeways, etc. such inspection must be undertaken before the final detailed estimate is framed. It will hot generally be possible for the Superintending Engineer or the Chief Engineer to inspect proposals on the spot and ordinarily notes by these officers shall be confined to matters which can be dealt with or without such inspection and which indicate points which should be attended to on the site by the Municipal Engineer or where there is no Municipal Engineer, then the officer in principal charge of Municipal Public Works establishment. Construction and Development Works.- (2) the Municipality shall follow a Three-Envelope System for all open tenders. The first envelope shall contain the earnest money deposit. The second envelope shall contain technical bid consisting of all technical details along with commercial terms and conditions. The third envelope shall consist of financial bid indicating item-wise price for the items mentioned in the technical bid. The earnest money deposit envelope, technical and financial bid shall be sealed by the bidder in separate covers duly superscribed and all these three sealed covers shall be put in a bigger cover which shall also be sealed and duly superscribed. The first envelope containing earnest money deposit shall 13 2018 900 (209) 105. 106. 107. 108. 109, be opened and its validity and correctness shall be checked. The technical bids shall be opened by the tender committee at the first instance and evaluated. At the second stage, financial bids of only technically acceptable offers shall be opened for further evaluation and ranking before awarding the contract. Agreement.- An agreement on stamp paper of appropriate value shall be executed for every work given out on contract, specifying the terms and conditions of the contract and the penalties to which the contractor becomes liable if he fails to comply with all or any of the conditions; and bonuses, if any, that the contractor is entitled to fulfill the conditions, prescribed in Form-30. In case of any possible loss the Municipality shall take security in the form of performance security as provided in rule 217, before signing the agreement, for the due fulfillment of a contract. Supplementary Estimates.- Any development of a project thought- necessary while a work is in progress, which is not fairly contingent on the proper execution of the work as first sanctioned, must be covered by a supplementary estimate, accompanied by a full report of the circumstances which render it necessary. The abstract must show the amount of the original estimate, the total of the sanction required and the supplementary amount. The supplementary estimates must be sanctioned by the competent authority. Revised Estimate.- A revised estimate must be prepared and sanctioned v.lhen it is apparent that the original estimate will be exceeded by more than ten percent but not exceeding twenty percent in any case. When any excess of more than ten percent over a sanctioned estimate is foreseen, and there is likely to be an unavoidable delay in the preparation of a revised estimate an immediate report of the circumstances Shail be made to the sanctioning authority. When a revised estimate is submitted it must be accompanied by a statement comparing it with the latest existing sanction and by a report showing the progress made to date. It is the duty of the Engineer or Supervisor or Officer-in-Charge responsible for the works to watch carefully the progress of expenditure and to ensure that a revised estimate is prepared and submitted as the necessity arises. When excesses occur at such an advanced stage in the construction of work as to render the submission of a revised estimate purposeless, the excess should be explained in the completion report, as prescribed in rule 113.

Schedule of Rates.- The estimates shall be prepared according to the Schedule of Rates, as issued and amended from time to time, by the Urban Development and 900 (210) 110. 111. 13 2018 Environment Department of the State Government for Municipality (Integrated Standard Schedule of Rates). Inspection of Works.- (2) The Municipal Engineer or where there is no Municipal Engineer, the officer in principal charge of the Municipal Public Works establishment shall inspect as many works of all classes as he can whilst they are in progress. As regards final inspection, he shall follow the provision of rule 113. In case of all transferred works or works the cost of which is to be borne in whole or in part out of the contribution received from the State Government (including repairs) the Chief Engineer, Superintending Engineer, Executive Engineer or Assistant Engineer of the Public Works Department and such other officer as may be authorised by the State Government shall have power to inspect and exercise technical control and the advice or instructions given by any of these officers on technical matters shall be binding on the Municipality. Contractor's Bill.. The contractor's bill shall be prepared in Form 31 and presented to the officer-in-charge of the work who after taking measurement and after examination and attestation, shall forward them through the Municipal Engineer or where there is no Municipal Engineer, the officer in principal charge of the Municipal Public Works establishment to the Chief Municipal Officer who shall send the bill to the Accounts and Finance Department. The Accounts and Finance Department shall then check the bill with measurement book, estimate, agreement, previous payment (in case of running bills), balance of allotment available and arithmetical calculations and shall submit the same to the Chief Municipal Officer through the Head of Accounts and Finance Department, and if there is no Head of Accounts and Finance Department, direct to the Chief Municipal Officer. The Chief Municipal Officer, if he is competent to pass the bill shali pass orders or otherwise submit the bill to the President, with his recommendation. Running payment will usually be made up to nine tenths of the value of work done. The balance ten per cent will be paid when the final bill is submitted and certificate has been signed vide rule 112. The contractor's acknowledgement shall be obtained in original on the reverse of the bill. When this is not possible, reference to the separate receipt shall be carefully recorded on the bill. When the account is finally closed the contractor's receipt shall distinctly state that the account is finally settled in fuli- Contractor's bill for major works shall be prepared monthly but in case of small works the execution of which run over a few weeks only, it will be more convenient to measure and pay for the work on its completion, and the 13 2018 900 (211) 112. agreement with the contractor shall provide for this when practicable. The bills for such petty works shall be in Form 32. Note: (1) As far as possible all measurements for final bills shall be taken by the officer- in-charge and must be taken in the presence of the contractor. Note: (2) Bills prepared for contractors in the Municipal office shall be headed "Prepared at contractor's request", and must not be charged for. Note: (3) In case the Contractor Bill exceeds 10 percent of the sanctioned amount, such bill shall not be paid until the revised estimate is approved by the Competent Authority as per Rule 108. Measurement Book.- The Measurement Book in Form 33 is the basis of all accounts of quantities, (1) whether of work done by piece work or by contract or by daily labour or of (2) (3) materials received or issued. Details of measurements may be entered in pencil, other entries in ink and the date in red ink. Details of measurement if entered in pencil shall not be inked over. The progress of work shall be indicated lucidly so as to admit of easy identification and check. The measurement book, as a rule shall accompany bills in which charge is made on account of quantities of work, and it shall be carefully compared with the bills and also with the details in the sanctioned estimate before a payment order is made. Any difference due to errors, excess quantities or uoauthorised items of work shall be at once enquired into, and when passing a bill the Municipal Engineer or Officer-in-Charge and if there is no Municipai Engineer or Officer-in-Charge the Chief Municipal Officer, shall initial the measurement book in token of its having been checked and examined by him. To avoid disputes, the signature of the contractor also should be taken in the measurement book. Measurement books are important records. These should be carefully handled and after these are completed, these shall be returned to the Municipal Office for record. An account of issue and receipt of measurement books shall be maintained in Form 34. All the measurement books shall be numbered serially. Measurement book shall be uploaded on the website of the concerned Municipality in electronic form. 900 (212) 113. 114. 115. 116. 13 2018 Completion Report.- (1) (2) When a work is completed the Officer-in-Charge of it shall submit a completion report in Form 35 through the Municipal Engineer; and if there is no Municipal Engineer, directly submitted to the Chief Municipal Officer. When any item of the estimate has been exceeded he

shall compare and explain all difference between the quantity, rates and cost of the work executed and that estimated for. In case of a work the cost of which exceeds the limit of Rupees twenty five thousand the Chief Municipal Officer shall inspect it and certify that the work is completed to his satisfaction. In case of transferred works or works the cost of which is to be borne in whole or in part out of the contribution received from the State Government the completion report shall also be countersigned by the officer authorised to sanction estimate under rule 99 before submitting the report to the Chief Municipal Officer. Work consisting less than Rupees Five thousand shall be treated as petty, and completion reports on these shall be filled after perusal by the Chief Municipal Officer or such other officer, as may be authorised by him, who shall, satisfy himself that the work has been executed in order. Completion Certificate.- When a work is completed, a final completion certificate in Form 36 shall be recorded by the authorities as prescribed under Delegation of Powers of these rules: Provided that works costing individually less than Rupees five thousand shall be considered as petty, and no completion certificate shall be recorded. Final payment to contractors.- No contractor shall be finally paid until the completion certificate and the completion report required by the preceding rules have been furnished. Advance Payments«• Payments for services rendered or supplies made shall be released only after the services have been rendered or supplies made. However, advance payments may be made in following manner:- (a) (b) mobilization advance payment shall be made in accordance with guideline issued by the State Government for mobilization of works. while making mobilization advance payment, adequate safeguards in the form of Bank Guarantee in the format prescribed in Form 37 or any other manner as approved by the Municipality shall be obtained from the contractor. 13 2018 117. Purchase of Plant and Machinery. 900 (213) When indenting for plant and machinery etc., the indentor department shall take a decision as to the quantity of spares to be purchased along with the main equipment. The indenting officer shall also specify whether any of the following guarantees is required to be obtained from the supplier of the equipment:- (b) (c) a guarantee from the supplier of the equipment that he shall supply spare parts if and when required on an agreed basis for an agreed period. The agreed basis shall be an agreed discount on the published catalogue prices; a warranty to the effect that before going out of production for the spare parts, he shall give adequate advance notice to the Municipality of the matter so that the latter may order the balance of the life time requirement in one lot; and if possible, a warranty to the effect that the supplier of the original equipment shalt make available the blue print of drawings etc. of the spares if and when required, in connection with the main equipment. (2) (3) In the indent for spare parts, reference to the number and date of the contract for the main . equipment and any guarantee or warranty incorporated therein shall be quoted by the indenting officers. The indenting department shall endeavour . to adopt Iridian standard specifications wherever available, and where such specifications are not available, they shall permit relaxation in indigenous production, which shall be consistent with the requirement of safety, security and end use of the stores. 118

119. Powers of approval for Procurement of Technical Services.- Procurement of Technical Services may be sanctioned by the Authority as provided in rule 239. (1) Procurement of Technical Services,- (a) Approval of Authority shall be obtained before procurement of any services. (b) the department indenting the service shall prepare in simple and concise language the requirement, objective and scope of service to be procured; and the qualification and criteria shall also be identified for selection of the service provider; (c) the department indenting the service shall estimate reasonable expenditure for the same by ascertaining the prevalent market conditions and organisations engaged in similar service offerings; 900 (214) 120. 121. (2) 13 2018 (d) where the estimated cost of the service is above Rupees One Lac the Municipality shall follow the three envelope system described in rule 104; and (e) under some speciat circumstances, it may become necessary to select a particular service provider where adequate justification is available for such single source selection in the context of the overall interest of the Municipality. Full justification for single source selection shall be recorded and approval of the Authority obtained before resorting to such single source selection. Hiring of Manpower for various works I services.- For performing statutory functions of the Municipality on special occasions for services like sanitation, street cleaning etc., the Municipality shall call tender for engagement of manpower for various works I services and shall follow procedure as provided in rule 92 and 93 for calling tender. The expenditure on account of deployment of such manpower shall be recorded by the Municipality in accordance with the guidelines issued by the State Government from time to time under these rulesfor recording of expenditure relating to hiring of

manpower for types of said services and/or for outsourcing these services (under Primary Code 2, Major Head 30, Minor Head 80 and Detail Head-04). Sanctioning Works or Purchases by Piece Meal Prohibited.- The power of ianction specified in the foregoing rules are not to be exercised so as to lead to a work being sanctioned in portions or to the purchase at several times of goods, materials and services which ought to have been dealt with in the same estimate. E-Procurement.- (1) Subject to the rules and procedures of the State Government for e-procurement system, the Municipality may purchase goods, materials and services using the internet for procurement of the value of Rupees One and above Lakh. (2) In case of e-procurement, the Municipality shall, follow the following steps in an electronic form — (a) (b) (c) (d) to indents as per the requirements; to approve indents online; create and publish Notice Inviting Tender; sell tender documents; 13 2018 (f) evaluate bids; and (g) award purchase order or contract. 900 (215) (3) (4) tf the purchases of goods, materials and services is made through e-procurement system, it shall ensure, the following — (a) security features to ensure that all activities are logged, no unauthorised person has access to data, all sensitive data is encrypted, and the system can be restored in a minimal possible time in case of a disaster or system crash; (b) data encryption to support all price bids received against a tender enquiry are encrypted at the database level; and login passwords of all the users and the suppliers are also encrypted at the database level; (c) process validation so that a user cannot view the financial bid of a supplier till the technical evaluation of the tender is complete and the date and time specified for the opening of the financial bid is due; and (d) the entire solution shall be placed behind a firewall and intrusion detection system that protects it against unauthorised access and hackers. The Municipality shall install e-procurement trust tools, such as, digital signatures and verification .tools, bid encryption and decryption process, digital permission for e-tender box opening, etc. 122. 123

124. Procurement.- The Municipality shall follow procedures and mechanism for:— (b) (c) opening, registering and recording of bids in the presence of representative of the bidders or tenderers; evaluation of bids to ensure best value for money; and negotiate the final terms of contract. The Municipality shall ensure for compulsory disclosure of any conflict of interest that prospective bidders or tenderers may have in specific tenders and exclude such prospective bidders or tenderers from those tenders. The Municipality shall not consider received outside the bidding process. If the Municipality decides to consider bid outside of the normal bidding process, it has to be first placed to before the President—in-Council for consideration, discussion and approval. 900 (216) 125. 126. 127. 13 2018 Periodical indents shall be prepared and goods and materials shall be obtained by means of such indents. Care shall be taken that purchase in store is not made in adrance from actual requirements. Contract Execution: Subject to the provision of rule 105 and rule 106 — (a) (b) all contracts shall be made by an Authority empowered to do so by or under the Act or rules made thereunder: all the contracts and assurances of property made in the exercise of the executive power of the Municipality shall be executed on behalf of the Municipality. Not withstanding contained in these rules, the following general conditions shall be observed while entering into contracts: (a) (b) (c) (d) the terms of contract must be precise, definite and without any ambiguities. The terms shall not involve an uncertain or indefinite liability, except in the case ofa cost plus contract or where there is a price variation clause in the contract; standard forms of contracts shall be adopted wherever possible, with such modifications as are considered necessary in respect of individual contracts. The modifications shall be carried out only after obtaining financial and Kegal advice; in cases where standard forms of contracts are not used, legal and financial advice shall be taken in drafting the clauses in the contract; in respect of Works Contracts, or Contracts for Purchases valued between Rupees one lakh to Rupees ten lakhs, where tender documents include the General Conditions of Contract, Special Conditions of Contract and scope of work, the letter of acceptance shall result in a binding contract; in respect of contracts for works with estimated value of Rupees ten lakhs or above or for purchase above Rupees ten lakhs, a contract document shall be executed, with all necessary clauses to make it a self-contained contract. If however, these are preceded by Invitation to Tender, accompanied by General Conditions of Contract and Special Conditions of Contract, with full details of scope and specifications, a simple one page contract can be entered into by attaching copies of the General Conditions of Contract and Special Conditions of Contract, and details of scope and specifications, offer of the tenderer and letter of acceptance; 900 (217) (g) (h) 13 3-p•rq 2018 contract document shall be invariably executed in cases of turn key works or agreements for maintenance of equipment, provision of services etc; no work of any kind shalt be commenced without proper execution of an agreement as prescribed in the foregoing provisions; contract document, shall be executed within 30 days of the issue of letter of acceptance. Non-fulfillment of this condition of executing a contract by the Contractor or Supplier would constitute sufficient ground for annulment of the award and forfeiture of Earnest Money Deposit; price variation condition can be provided only in long-term contracts, where the delivery period extends beyond 18 months. In short-term contracts firm and fixed prices shall be provided for. Where a price variation condition is provided, the price agreed upon shall specify the base level viz. , the month and year to which the price is linked, to enable variations being calculated with reference to the price levels prevailing in that month and year; and describe a formula for calculation of the price variations that have taken (iii) (iv) (v) place between the Base level and the Scheduled Delivery Date shall be included in this condition. The variations shall be calculated by using indices published periodically by the Central or State Government; specify cut off dates for material and labour, as these inputs taper off well before the Scheduled Delivery Dates; provid.e for a ceiling on price variations, particularly where escalations are involved. It could be a percentage per annum or an overall ceiling or both. The Municipality shall ensure a provision in the contract for benefit of any reduction in the price in terms of the price variation condition being passed on it; stipulate a minimum percentage of variation of the contract price above which price variations will be admissible (e.g. where resultant increase is lower than two per cent. no price adjustment will be made in favour of the supplier); where advance or stage payments are made there shall be a further stipulation that no price variations shall be admissible on such portions of the price, after the dates of such payment; where deliveries are accepted beyond the Scheduled delivery date subject to levy of liquidated damages as provided in the Contract, the 900 (218) 128. 129. 130. (vii) (viii) (ix) (x) 13 2018 liquidated damages (if a percentage of the price) shall be applicable on the price as varied by the operation of the price variation

clause; no price variation shall be admissible beyond the original Scheduled delivery date for defaults on the part of the supplier; price variation may be allowed beyond the original Scheduled delivery date, by specific alteration of that date through a formal variation order to the contract in cases of Force Majeure or defaults by the Municipality; where contracts are for supply of equipment, goods and materials etc., imported (subject to customs duty and foreign exchange fluctuations) and I or locally manufactured (subject to excise duty and other duties and taxes), the percentage and element of duties and taxes included in the price shall be specifically stated, along with the selling rate of foreign exchange element taken into account in the calculation of the price of the imported item. The mode of calculation of variations in duties and taxes and foreign exchange rates and the documents to be produced in support of claims for such variations shall also be stipulated in the Contract; contain the mode and terms of payment of the price variation admissible; and include provision for payment of all applicable taxes by the contractor or supplier. Lumpsum contracts shall not be entered into except in cases of absolute necessity. Where lumpsum contracts become unavoidable, full justification shall be recorded. The contracting authority shall ensure that conditions in the lumpsum contract adequately safeguard and protect the interests of the Municipality. Issue of goods and materials by the Municipality should be avoided as far as possible. Where it is decided to supply goods and materials by the municipality, a schedule of quantities with the issue rates of such material as are required to execute the contracted work, shall form an essential part of the contract. In contracts where Municipal property is entrusted to a contractor either for use on hire charges or for doing further work on such property, specific provision for safeguarding Municipal property (including insurance cover) and for recovery of hire charges regularly, shall be included in the contract. Provision shall be made in the contract for periodical physical verification of the number and the physical condition of the items at the contractors premises. Results of such verification shall be recorded and appropriate penal action taken where necessary. 13 2018 900 (219) The terms of a contract, including the scope and specification once entered into, shall 131. not be materially varied. Wherever material variation in any of the terms and conditions in a contract becomes 132. unavoidable, the financial and other effects involved shall be examined and recorded and specific approval of the Authority to approve the revised financial and other commitments obtained, before varying the conditions. Al such changes shall be in the form of an amendment to the contract duly signed by all parties to the contract. Normally no extensions of the scheduled delivery or completion dates Shaf' be 133. granted except where events constituting force majeure, as provided in the contract, have occurred or the terms and conditions include such a provision for other reasons. Extensions as provided in the contract may be allowed through formal extension order to the contract duly signed by parties to the contract. All contracts shall contain a provision for recovery of liquidated damages for defaults 134. on the part of the contractor. A warranty clause shall be incorporated in every contract, requiring the supplier to, 135. without charge, repair or rectify defective goods and materials or to replace such goods and materials with similar goods and materials free from defect. Any' goods and materials repaired or replaced by the supplier shall be delivered at the Municipality premises without costs. All contracts for supply of goods and materials •shall reserve the right of the 136. . Municipality to reject goods and materials which do not conform to the specifications. Management of Contracts.- 137. (2) (3) Implementation of the contract shall be strictly monitored and notices issued promptly whenever a breach of provisions occur. Monitoring shall include a monthly review of all Bank Guarantees or other instruments expiring after three months, along with a review of the progress of supply or work. Extensions of Bank Guarantees or other instruments, where warranted, shall be sought immediately. Wherever disputes arise during implementation of a contract, legal advice Shal) be sought before initiating action to refer the dispute to conciliation and/or arbitration as provided in the contract or to file a suit where the contract does not include an arbitration clause. The draft of the plan for arbitration shall be vetted by obtaining legal and financial advice. Documents to be filed in the matter of resolution of dispute, if any, shall be carefully scrutinised before filing to safeguard the Municipality's interest. 900 (220) 138. 139. 140. 141. 13 2018 Workshop.- The Engineer, or Officer-in-Charge of the workshop, shall keep record of stock, stores, apparatus, fittings, etc., received for use in the workshop. This register shall be balanced and the stock, etc. in hand verified by the officer in immediate charge of the workshop at such intervals as the President—in-Council may prescribe, but not less than once a year. Work Register and Muster Roll.- (2) To enable a check to be kept upon the work done in the workshop, the Officer-in-Charge shall maintain a Work Register in

Form 38. He shall also keep a Muster Roll in Form 27. The workshop stock book and the work register shall be examined not less than once a month by the Municipal Engineer or Officer-in-Charge of Public Works, who shall sign the register in token of his having made this examination. This officer shall also at frequent and unexpected intervals check the muster rolls. Register of Works.- (1) (2) The accounts of every work undertaken by the Municipality shall be maintained in the manner and form as prescribed in these rules. The accounts of every work undertaken by the Municipality, the estimated cost shall be maintained in Form 39, in which columns shall be allotted according to the heads and items of sanctioned estimates, the kind of work and the rates for the same as per accepted tender or contract shall be noted in red ink in the blank columns at the top, and quantities and amount of the sanctioned estimates or tender for each kind of work shall be entered in the appropriate columns as soon as the estimate is sanctioned or the tender is accepted. In this register, actual expenditure incurred during the month, and the total of work done and the total expenditure up to the end of each month shall be entered month by month from the contractor's bill and vouchers drawn from time to time. When a work is finalised, a double red line shall be drawn below the entries and the following note shall be made "work completed and completion report received on (date)". Register of Purchases.- The accounts of every purchases of goods and materials made by the Municipality shall be recorded as prescribed in chapter 8 of these rules. Physical verification of stock shall be done by Chief Municipal Officer on annual basis. 142. 13 2018 Public Private Partnership.- 900 (221) the (1) (2) (3) For the purpose of Public Private Partnership (PPP) Projects municipality shall submit the PPP proposal along with ail relevant documents to Directorate, Urban Administration and Development For PPP projects selective tendering process shall be followed as described below:- (a) If in the opinion of the Directorate, Urban Administration and Development, the project is of the specialized nature and there may not be many competent bidders in the market, a two stage bidding process shall be adopted. The initial stage shall involve inviting the private sector for pre- qualification based on technical and financial capacity to undertake the work or project for which Public Private Partnership is sought. The pre-qualified or short listed parties shall be invited to submit their bids in response to the Request for Proposal for the Public Private Project. If in the opinion of the Directorate, Urban Administration and Development, the Project is of general nature, single stage bidding process may be adopted. Before deciding whether a particular project should be executed through PPP mode or not, the Directorate, Urban Administration and Development shall consider- (b) (c) (d) improved service quality; private operator's financial resources to be utilized; reduced life cycle cost; faster Implementation; better allocation of risk; generation of additional revenue: Provided that the Municipality shall with assistance of the Directorate of Institutional Finance (PPP cell) of the State Government or a competent and qualified Transaction Adviser establish the estimated cost of providing a service with the purpose of benchmarking and the benefits and costs shall be analysed considering quantifiable and non-quantifiable items. 900 (222) 13 2018 143

144. In addition, project specific factors shall be applied in regard to experience of (4) similar projects and quantifying project specific characteristics. Deposit Works.- Deposit works shall include the amount received from persons specifically for the construction works. Realisation of Deposits.- (2) (3) (4) (5) (6) Whenever a deposit work is to be undertaken, the deposit shall be realised before any liability is incurred on the work. One percent of the anticipated project cost shall be realised before preparation of preliminary estimates. In addition to the outlay on the work in the preliminary estimates, departmental charges at such percentages as are prescribed by the State Government from time to time shall also be realised in advance. No interest shall be allowed on sums deposited from any source, including private contributions. In the case of deposit works which are financed entirely from Government grants, and from whom receipt of deposits is assured, 33-113% of the estimated cost of the work, may be deposited in advance. Thereafter, the expenditure incurred may be reimbursed through monthly bills simultaneously with rendering of monthly accounts on the progress of work. The deposit of 33-1/30/0 obtained as the first installment shall be retained for adjustment against the last portion of the estimated expenditure. Where delays are experienced in obtaining deposits, and where the expenditure has to be incurred out of the 33-1/30/0 reserve to keep the works going, the matter shall be brought to the notice of the Chief Municipal Officer promptly for taking up the matter with the client. No expenditure shall be incurred on deposit works out of the Municipality's funds and vice-versa. To enable the client to provide additional funds in time whenever the expenditure is anticipated to exceed the preliminary estimate figure, a revised preliminary estimate shall be submitted to the client well in time during the execution of work. Where a client has defaulted in making the required deposit, or where the works outlay is predominantly for purchase of capital equipment and machineries, the entire deposit including departmental charges shall be realised in advance. In no case deposits received from a client for its work shall be diverted to other works. 13 2018 900 (223) (7) (8) The client is to be clearly made to understand that the Municipality does not bind itself to complete the work within the amount of the preliminary estimate, and that they should agree to pay for the excess expenditure that may occur. An acknowledgement of this clear understanding shall be obtained from the client before the deposit work is taken in hand, The Engineer-in-Charge of the work shall ensure that at any time during the progress of the work, the expenditure is not more than the deposits received for the work. Where the Engineer-in-Charge is doubtful about the timely receipt of deposits, he shall notify the client that if further deposit is not received, the work would be stopped, and any contractual liability arising out of such stoppage of work will be borne by the client. He should also bring this to the notice of the Chief Municipal Officer for taking up the matter with the client. 145. 146. 147, Execution of Deposit Works and Accounts.- (2) (3) With regard to design, estimate and execution of work, instructions as contained in the forgoing rules shall be followed. The scope of work shall not be altered without written permission of the client. The Engineer-in-Charge of the work shall send a quarterly report to the client showing the amount deposited and the expenditure incurred against each of the works for settlement of accounts. It is necessary that the Engineer-in-Charge of the work settle the accounts against the deposit works expeditiously so that the amount in the books of the Municipality as well as the client does not remain unsettled for long. Where there is no provision provided in these rules in regard to any works or supplies, the Municipality shali follow the procedures provided in the Public Works Department Manual of the State Government, without violating the provisions of the Act and rules made thereunder, until the issue of Works Manual by the Urban Development and Housing Department for Municipalities. CHAPTER - VI FIXED ASSETS, INVESTMENT AND GRANT Fixed Assets.- (1) All fixed assets, movable or immovable, owned by the Municipality or otherwise vested in it or held by it in trust shall be recorded in the fixed assets registers. These registers shall be updated as and when there is addition to or disposal off fixed assets, 900 (224) 148. 149. 150. (2) (3) 13 2018 Depreciation shall be provided every year onstraight line method on all fixed assets except land, heritage buildings, statues, valuable works of art and antiquities. Procedure for recording of fixed assets, provision of depreciation and rate of depreciation, shall be as prescribed by the State Government. An officer authorised by the Chief Municipal Officer shall carry out physical verification of fixed assets at least once during the financial year. Any discrepancies with the Fixed Assets Registers shall be reconciled and reported to the Chief Municipal Officer. The details recorded in the verification sheets shall be checked with the relevant Fixed Assets Registers and remedial steps shall be taken in case of discrepancies identified. Investment of Surplus Money.- (2) Surplus money which is not require immediately or at an early date for any expenditure or for

repayment of any loan raised by the Municipality, may be invested in compliance with the provisions of the Act and in accordance with the provisions of these rules. From out of the fund received under any scheme, the Chief Municipal Officer may, with the approval of President-in—Council, invest the funds in fixed deposit for the unutilized period and interest earned thereon shall be utilized under the scheme for whidh the fund was sanctioned. Investment Policy.- In making investment proposals and decisions, the Municipality shall consider (1) the following namely : (b) (c) (d) limiting the risk exposure by investing in more than one institution and distributing the investment over more than one investment category (i.e. government bonds, bank fixed deposits and public securities), as far as feasible; not investing with an institution where the degree of risk is perceived to be higher than the average risk associated with investment institutions; restricting the tenure of investment to not more than twelve months, until otherwise approved by the President—in-Council; obtaining offers from at least three banks in writing for any fixed deposits with scheduled banks; and 13 2018 900 (225) 151. 152. 153. fixing individual exposure limits for investments in banks and other financial institutions, (2) For safe investment options the Chief Municipal Officer, may take advice from qualified professional or expert. Disposal of investment.- Investments may be disposed before the maturity date after the Chief Municipal Officer of the Municipality has considered the need and justification for disposal and approved the same. On disposal of investment, the profit earned or loss incurred on disposal of investment shall be recorded in the books of account. Verification and Recording of Investments.- (2) At the end of every month, the Chief Municipal Officer of the Municipality shall examine and physically verify all the investment document with reference to the Investment Register and the verification shall be recorded in the Investment Register. In the first week of every month the Head of Accounts and Finance Department of the Municipality shall submit a report to the Chief Municipal Officer on the investments made, held and disposed of during the immediate preceding month. The report shall also indicate any defaults in payment of interest or principal amount on due date and action taken to realise the overdue or outstanding amounts. Grant.- (1) The Municipality receiving the grant shall be required to utilise it for the purpose for which the grant is given as follows - (a) (b) (c) the entire amount of the grant shall be utilised by the Municipality within one year from the release of the grant or in the same financial year in which the grant is given, as permitted by the terms of the grant; the Municipality shall within thirty days of close of the financial year send to the grantor a report of utilisation of the grant amount in

Form 40 under the authorisation of the Chief Municipal Officer; and auditor of the Municipality, shall certify that the grants have been utilized during the financial year and for the purpose for which it was sanctioned. (2) The President-in-Council shall review the grants recognised as receivable on the basis of grant sanction order but which have remained outstanding for a period exceeding three years, and if considered fit, the amount of the grant shall be written off. 900 (226) 154. 155. 156. 157. 158. 13 2018 CHAPTER vn CASH AND BANK Municipalities shall follow accounting principles as prescribed by the State Government for recording all items of Income and Expenditure. (1) (2) (3) (4) The Municipality may receive revenue through various options such as bill collectors, citizen facilitation centre, direct credit through Bank, collection by Banks, collection through internet. All money transactions to which the office-bearers, councillors, officers and servants of the Municipality in their official capacity are party shall without any reservation, be brought to account without delay and all sums realised by or on behalf of the Municipality shall be deposited into the bank account of the Municipality. All moneys received by the Municipality from any source, including amounts collected by outdoor collectors shall be deposited into the bank account of the Municipality on the same day or the next working day. No portion of collection shall on any account be kept back or used for current expenditure. Cash balance, if any, at the end of the day, shall be kept in a safe and secured place and under double lock system, within the premises of the Municipality. One key of the safe shall be •held by the cashier and the other with the Head of Accounts and Finance Department. (2) The Head of Accounts and Finance Department shall, once in every month, physically verify the cash in hand and check with the closing balance recorded in the Cash Book and countersign the Cash Book. The Chief Municipal Officer shall verify the cash balance with the Cash Book at least once in every quarter and countersign the Cash Book. If any discrepancy is found between the physical cash balance and cash balance as per the Cash Book, the matter shall be forthwith remedied or rectified. In case, the difference remains, it shall be immediately reported by the Head of Accounts and Finance Department to the Chief Municipal Officer of the Municipality for appropriate action. The Municipality shall take comprehensive insurance cover for appropriate amount for cash in hand and in transit. 13 2018 Bank Account.- 900 (227) d 59. 160. 161. 162. (1) (2) (3) (4.) Every Municipality shall open and maintain at least one bank account in its name. Municipality shall not open any bank account :- (a) (b) other than in its name outside the municipal area of the Municipality; and with a bank not in the list provided by the Finance Department of the State Government. Wherever required, separate bank account shall be opened for different schemes funded by the State Government or Government of India or any other agency. All receipts and expenses pertaining to a specific scheme shall be operated only through the bank account for such scheme. Income earned out of investments made from funds for specific scheme shall be credited to income from investments except where specific conditionality with regard to treatment of such income has been laid down by the funding agency or the State Government. Cash shall be withdrawn from the bank account for expenses of the Municipality only when required in exceptional circumstances and after approval by the competent authority. If cash is withdrawn reason for cash withdrawal shall be recorded in writing. Cheques.- Cheques shalt be withdrawn from the bank account for expenses of the Municipality only when required in exceptional circumstances and after approval by the competent authority. Payments shall be made by electronic means of fund transfer (i.e. RTGS and NIFT etc.). (1) (2) (3) On receipt of Cheque book from Bank, the Head of Accounts and Finance Department shall carefully examine and count the number of cheque leaves contained in each cheque book and record a certificate of count on the fly leaf. When relieved of his office, he shall take a receipt for the exact number of cheques made over to the relieving officer, a specimen of whose signature shall at the same time be forwarded to the bank concerned. Every cheque book and all counterfoils shall be kept in safe custody with the Head of Accounts and Finance Department. The Head of Accounts and Finance Department shall satisfy himself periodically that all unused cheques are in the book and none have been extracted. 900 (228) 163. 164. (4) 13 2018 The cheque book in use may be made over to any subordinate responsible for writing cheques whenever required but it shall be returned before the office is closed for the day and shall no account be left in the entire charge of the subordinate. Loss of a cheque book shall be notified promptly to the bank concerned and a complaint lodged in the Police Station promptly. (2) (3) Note: (4) No cheque shall ordinarily be signed unless required for immediate delivery to the payee. The practice of retaining signed cheques in the office shall not be permitted. As a general rule, cheques shall not be issued for sums less than Rupees fifty (except for payment of statutory deductions and recoupment

of permanent advance and shall be endorsed as account payee only. Cheques Shail not ordinarily be drawn in favour of any person other than the actual payee as per the payment voucher. In exceptional circumstances referred to in these rules when the money required for disbursement cannot be drawn in favour of any particular payee the cheque shall be drawn in favour of the Chief Municipal Officer who shall be responsible for the money until it has been fully paid and accounted for. An account of such money shall be maintained and kept in the custody of the Chief Municipal Officer. The amount of every cheque drawn shall be written in words as well as in figures both on the cheque itself and on the counterfoil which shall be initialled by the persons who sign the cheque. The amount of the cheque should be so recorded as to render any alteration, interpolations or insertion quite easily noticeable. The word 'only' shall be added after the amount written in words on each cheque. The amount of cheque after adding ONE Rupee shall also be written on the face of the cheque prefixing the words "Under RupeesU. Note: No payments shall be made by bearer cheque except in exceptional circumstances after following the procedure laid down in rule 161. For making payments of recurring expenditure for running day to day activities of the Municipalities, Cheques / documents required to be signed for electronic fund transfer shall be Jointly signed by the Chief Municipal Officer and Head of Accounts and Finance Department. 13 2018 Revenue expenditure for running day to day activities includes:- (a) Salary, wages and establishment expenses (b) Telephone bill (c) Electricity bill (d) Rent (e) Stationery (f) Repair &Maintenance (g) Conveyance Expenses (h) Consumables (i) Cleaning expenses (j) Staff welfare and refreshment expenses (k) Photocopy Expenses 900 (229) 166. (2) (2) (3) For making payments of non-recurring expenses, capital expenditure and project expenses of the municipalities, cheques and documents required to be signed for electronic fund transfer shall be signed Jointly by the Chief Municipal Officer and President of the Council. Revalidation of Cheques.- Cheques issued by the Municipality but not encashed within the period of its validity by the payee, may be revalidated by the Municipality at the request of the payee; and if it is still not encashed within •the extended validity then a new cheque may be issued in lieu of the cheque/returned/un-cashed after verification. Cancellation of Cheques: A cheque when cancelled shall be enfaced 'Cancelled' by the Chief Municipal Officer and the cancellation shall be noted in red ink under the initials of the drawer, upon the counterfoil and also across the payment order on the voucher. Cancelled cheque shall be pasted at the appropriate place in the cheque register. Stop Payment Order : When a cheque is reported as lost during the period of its validity the Chief Municipal Officer on written request of the payee, shall issue stop payment order to the bank •concerned. On receipt of 'non-payment certificate 'from the bank concerned in respect of the lost cheque the entry in the bank book of the Municipality for the cheque shall be reversed and a new cheque shall be issued and the fact of loss of the cheque and the number and date of the new cheque shall be recorded on the counterfoil of the old cheque. The number and date of the lost cheque shall be entered on the counterfoil of the new one. 900 (230) 167. (1) 1680 169. 170. (2) (3) (4) (5) (6) (2) (3) 13 2018 All payments by the Municipality shall be made through Electronic fund Transfer to payees' bank. Only jn exceptional circumstances payrnents shall be made by Cheque or Demand Draft or Pay Order. procedure laid down in rule 161 shall be followed if payment is made by cheque Pay Order or Demand Draft. All payments shall be supported by proper voucher and documents. Bill or claim for payment shall be prepared by the Head of the Department incurring the expenditure and shall be sent to the Accounts and Finance Department. The Accounts and Finance Department shall check it with reference to these rules for admissibility, propriety of the expenditure, approval obtained before incurring the expenditure, stores receipt in case of supply of materials, measurement book in case of civil works and/or such other documents as may be appropriate and for arithmetical accuracy. If after such checking, the bill for payment is found to be in order, it shall be sent to the Chief Municipal Officer under the signature of the Head of Accounts and Finance Department or an officer authorized by him, together with recommendations for obtaining approval of the Competent Authority, If any deficiencies are noticed in the bill or claim, it shall be returned to the Head of the Department concerned for rectification along with a statement citing the reasons for disallowing the payment. The Chief Municipal Officer may after reviewing the bill or claim approve payment and and send it to Account and Finance Department for preparation of payment voucher. In all vouchers, receipts, licences, amounts received or paid shall be expressed in words as well as in figures. Cheque number and date shall be written in the voucher for payment through bank. For payment made in cash from a permanent advance, the words 'paid in cash' shall be stamped on the payment voucher. Acquittance in respect of all payments including Electronic Clearing

Service payments shall be obtained from the payee. Any claim preferred on behalf of a deceased employee shall be paid to the nominee or legal heir. If a payment is made on a duplicate bill; the Head of the Department concerned shall certify thereon that the original bill has not been paid. 13 2018 900 (231) 171. 172. 173

174. All the claims, which are time barred, shall be settled as per the rules prescribed by the State Government. Reconciliation.- At the end of every month following procedures shall be carried out by the Municipality: (b) (c) (d) checking general ledgers and sub-ledgers with Cash, Bank and Journal books; verification of receipts issued with revenue colleetion records; reconciliation and recording of expenditure incurred out of permanent advances; reconciliation of deposits, advances, receivables, and incomes; accrual of interest on borrowings; and accrual of interest on advances and investments. CHAPTER - VIII STORES Receipt of Goods and Materials.- (1) (2) While receiving goods and materials from a supplier, the Officer-in-Charge of stores of the Municipality shall refer to the relevant contract terms and follow the procedures as laid down in these rules for receiving the materials. All goods and materials shall be counted, measured or weight and subjected to visual inspection at the time of receipt to ensure that the quantities are correct, the quality is according to the reauired specifications and there is no damage or defect in the goods and materials. Technical inspection, where required, shall be carried out at this stage. An appropriate receipt, in terms of the relevant contract provisions may also be given to the supplier on receiving the goods and materials. (3) Details of the materials so received, count, weightment or measurement shall be maintained in Goods Receipt Note in

Form 41 and the total quantity rate per unit and total value of materials received shall be simultaneously entered in the Stores Register in Form 42. Issue of Goods and Materials.- (1) At! issues of goods and materials shall be made only on the basis of stores indent or requisition in Form 43 duly authorised by the indenting or requisitioning department of the Municipality. (2) On issue of goods and material a written acknowledgement of receipt of materials issued shall be obtained on the Stores indent from the indenting or 900 (232) 175. 176. (3) (4) 13 2018 requisitioning department of the Municipality; and the total number of quantity, rate and total value of goods and material issued shall be recorded in the Stores Register in Form 42 on First-lil-First-Out basis. In case of goods and materials issued to contractor, the cost of which is recoverable from the contractor, all relevant particulars, including the recovery rates and the total value chargeable to the contractor shall be acknowledged from the contractor duly signed and dated: Provided that no goods and material shall be issued to the contractor without duly authorised stores indent from the department responsible for the work of the contractor: Provided further that for the purpose of recording in the Stores Register, goods and materials issued to the contractor shall, not with standing the amount to be recovered from the contractor, be recorded on First-In-First- Out basis. If the Officer-in-Charge of Stores of the Municipality is unable to comply with the indent in full, he shall make the supply to the extent available and make suitable entry to this effect in the indentor's copy of the indent. In case alternative goods and materials are available in lieu of the indented goods and materials, a suitable indication to this effect may be made in the indent copy of the indentor. Return of Good and Materials.- (2) Goods and materials issued from stock if returned in whole or in part by the indenting department shall be counted, weighed or measured and subjected to visual inspection at the time of receipt by the store-keepar to ensure the quantities are correct and there is no damage or defect in the goods and materials. Details of goods and materials so received shall be maintained in Goods Return Note in Form 44 and a copy thereof shall be given to the department returning the goods and material as acknowledgment of receipt. Balancing of Stock.- At the end of each month, the Officer-in-Charge of Stores of the Municipality shall total the receipts and issues of each item of stores and draw the balance in hand, showing the quantity and value, and the closing balance of stock of each store item shall be drawn on First-ln-First-Out basis: 13 2018 900 (233) 177

178. Provided that the balance of each store item shall be drawn after every transaction is recorded in the Stores Register. Custody of Goods and Materials.- The Officer-in-Charge of stores of the Municipality having custody of goods and materials, especially valuable and/or combustible articles, shall take appropriate steps for arranging their safe custody, proper storage accommodation, including arrangements for maintaining required temperature and dust free environment, etc. Dispensary.- These rules in respect of stores shall be followed mutatis mutandis for medicine and other items stored at dispensaries and health centres of the Municipality. 179. 180

181. Physical Verification.- (2) (3) (4) (5) Physical verification of all stores and consumables (including medicines) shall be carried out at the end of every financial year by the Stores-in-Charge in presence of the representatives Auditors and Account and Finance Department , A certificate of verification along with the findings shall be signed by the verifier and the officer responsible for the inventory verified and shall be submitted to the Chief Municipal Officer. The physically verified stores shall be reconciled with the balances as per the stores records. Discrepancies, if any, including shortages, damages and unserviceable goods and materials, shall be recorded in the Stores Register and shall be immediately brought to the notice of the Chief Municipal Officer for appropriate action. The value of physically verified closing stock shall be incorporated in the financial statements. Buffer Stock.- (1) Depending on the frequency requirement and quantity thereof as well as the pattern of supply of a goods and material, buffer stock shall be determined by the Chief Municipal Officer. (2) The Chief Municipal Officer shall ensure that the total requirement and quantity of goods and materials before issuing the order for buffer stock. Transfer of Charge.- In case of transfer of Officer-in-Charge of stores, the transferred officer shall ensure that the goods or materials are handed over correctly to the relieving officer. A statement giving all relevant details of the goods, materials, 900 (234) 182. 183. 184. 13 2018 etc. in question shall be prepared and signed with date by the relieving officer and the relieved officer. Each of these officers shall retain a copy of the signed statement and a copy of it shall be submitted to the Chief Municipal Officer. Disposal of Goods.- (1) An item of store may be declared surplus or obsolete or unserviceable if the same is of no use to the Municipality. The reasons for declaring the item surplus or obsolete or unserviceable shall be recorded by

the Chief Municipal Officer for approval. Note: Goods and Material remaining in stock for over a year shall generally be (2) (3) considered surplus, unless adequate reasons to treat it otherwise exist. The Chief Municipal Officer may, at his discretion, constitute a committee at appropriate level to declare item(s) as surplus or obsolete or unserviceable, The book value, guiding price and reserved price, which will be required while disposing of the surplus goods and materials, shall also be worked out. In cases where it is not possible to work out the book value, the original price of the goods and materials in question may be utilised. A report of stores for disposal shall be prepared. (4) In case an item becomes unserviceable due to negligence, fraud or mischief on the part of an employee of the Municipality, responsibility for the same shall be fixed. Modes of Disposal.- Surplus or obsolete or unserviceable goods and materials of assessed residual value shall be disposed of by: — obtaining bids through advertised tender; or (a) public auction. (b) Disposal through Advertised Tender.- (1) The broad steps to be followed white disposing the goods and materials through advertised tender shall be as follows — (a) (b) (d) preparation of bidding or tender documents; invitation of bid or tender for goods and materials to be sold; receipt of bids or tenders; opening of bids or tenders; analysis and evaluation of bids or tenders received; 900 (235) (g) (h) (j) 13 2018 selection of highest responsive bidder or tenderer; collection of sale value from the selected bidder or tenderer; issue of sale release order to the selected bidder or tender; release of sold goods and materials to the selected bidder or tenderer; and return of bid security to the unsuccessful bidders or tenderers. (2) The important aspects to be kept in view while disposing the goods and materials through advertised tender shall be as follows: - (a) the basic principles for sale of such goods and materials through advertised tender is ensuring transparency, competition, fairness and elimination of discretion. Wide publicity shall be ensured of the sale plan and the goods and materials to be sold. All the required terms and conditions of sale are to be incorporated in the bidding or tender document comprehensively in plain and simple language. Applicability of taxes, as relevant, shall be clearly stated in the bidding or tender document; (b) the bidding or tender document shall also indicate the location and present condition of the goods and materials to be sold so that the bidders or tenderers can inspect the goods and materials before bidding, if they so desire; (c) the bidders or tenderers shall be asked to furnish bid security along with their bids or tenders. The amount of bid security shall ordinarily be ten per cent of the assessed or reserved price of the goods and materials. The exact bid security amount shall be indicated in the bidding or tender document; (d) the bid of the highest acceptable responsive bidder or tenderer shall normally be accepted. However, if the price offered by the highest responsive bidder or tenderer is not acceptable, negotiation may be held only with that bidder or tenderer. In case such negotiation does not provide the desired result, the reasonable or acceptable price may be counter-offered to the next highest responsive bidder(s) or tenderer(s); (e) in case the total quantity to be disposed of cannot be taken up by the highest acceptable bidder or tenderers the remaining quantity may be 900 (236) 185. (g) (h) 13 2018 offered to the next higher bidder(s) or tenderer(s) at the price offered by the highest acceptable bidder/tenderer; full payment, i.e. the residual amount after adjusting the bid security, shall be obtained from the successful bidder or tenderer before releasing the goods and materials; in case the selected bidder or tenderer does not show interest in lifting the goods and materials, the bid security shall be forfeited and other actions initiated, including re-sate of the goods and materials in question at the risk and cost of the defaulter, after obtaining legal advice; and late bids, i.e. bids received after the specified date and time of receipt, shall not be considered. Disposal through Public Auction.- (2) The Municipality may undertake public auction of goods and materials to be disposed of either directly or through auctioneers approved by the State Government. The important aspects to be kept in view while disposing the goods and materials by public auction shall be as follows — (a) the basic principles to be followed are similar to those applicable for disposal through advertised tender so as to ensure transparency, competition, fairness and elimination of discretion. The public auction plan including details of the goods and materials to be auctioned and their location, applicable terms and conditions of the sale etc. should be given wide publicity in the same manner as is done in case of advertised tender. (b) while starting the public auction process, the condition and location of the goods and materials to be auctioned, applicable terms and conditions of sale etc., (as already indicated earlier while giving wide publicity for the same), shall be announced again for the benefit of the assembled bidders. (c) during the public auction process, acceptance or rejection of a bid shall be announced immediately on the stroke of the hammer. If a bid is accepted, earnest money (not less than twenty-five per cent. of the bid value) shall immediately be taken on the spot from the successful

bidder either in cash or in the form of Demand Draft or Banker's Cheque, drawn in favour 13 2018 900 (237) (3) of the Municipality selling the goods. The goods shall be handed over to the successful bidder only after receiving the balance payment. (d) the composition of the public auction team shall be decided by the Chief Municipal Officer. The team shall however include an officer of the Accounts and Finance Department of the Municipality. Certain surplus or obsolete or unserviceable goods and materials such as expired medicines, which are hazardous or unfit for human use shalt be destroyed immediately by adopting suitable mode so as to avoid any health hazard and/or environmental pollution and also the possibility of misuse of such goods and materials. 186

187. Powers to write off.- All profits and losses due to revaluation, stock-taking or other causes shall be duly recorded and adjusted where necessary. Formal sanction of the Authority shall be obtained in respect of losses. Power to write off the losses shall be as prescribed in rule 246. Accounting of Stores.- (1) (2) (3) (4) Expenditure in respect of goods and materials, equipment, etc., procured shall be recognised on accrual basis, i.e., on admission of bill by the Municipality in relation to goods and materials, equipment, etc., delivered. The cost of inventories shall include the purchase price including the expenditure incurred to • bring the inventories to its present location and condition i.e. freight inward, duties and taxes, etc. Accounting of 'goods and materials received and accepted' where bills are received after the balance sheet date shall be accounted for based on the value as stated in the invoice. However, where the bills are not received upto the cutoff date for preparation of annual accounts the value used shall be as stated in the purchase order. The stock as at the close of the year shall be valued at cost following the First-ln-First-Out valuation method. Value of store, goods and materials disposed of or sold shall be recognised on actual receipt basis. Inventories of consumable supplies, such as stationery and fuel shall be treated as expenditure and charged to revenue at the time of purchase. 900 (238) •188. 1890 190. 191, 192. 13 2018 CHAPTER - IX ADVANCE AND DEPOSIT GIVEN Advances and Deposits given.- Acknowledgement Shati be obtained by the Municipality for all advances and deposits given whether in form of cash, or demand draft or different kinds of permitted securities Recording of Advances and Deposits given.- (1) Deposits kept by the Municipality with third parties or any Government agency shall be accounted for and recorded under appropriate head of accounts. (2) All advances and deposits given by the Municipality shall be recorded in the registers as prescribed by the State Government. Recovery of advances from Employees.- (2) (3) (4) The recovery of loans and advances given to employees shall be made from their monthly salary. The amount recovered along with interest, if any, (as recorded in the monthly pay bill) shall be adjusted against the advance made to the employee together with the interest payable thereon. All advances shall be in the name of the recipient of the advance. Any advance which is not recovered within the period permitted for recovery shall be recovered as revenue recovery. Subject to approval of President —in —Council, employeé of the Municipality shall be entitled for personal advances, as applicable to the employee of State Government. In case of transfer/resignation/death of any employee last pay certificate shall be issued which shall contain the detail of recovery dues Reconciliation of Advances and Deposits given.- The advances and deposits given shall be reconciled at the end of each month between the respective ledger accounts and deposit or advance registers. Permanent Advance.- (1) An officer whose duties cause him to incur petty expenses which must be paid before money can be drawn on a contingent bill may, with the sanction of the Chief Municipal Officer, be allowed a permanent advance of an amount fixed and the recoupment shall be made at least once a month. The permanent advance, when first drawn, shall be charged in the cash book to the head 'Advances' and shall be debited to the holder's account in the Advance Ledger. 13 2018 900 (239) The permanent advance granted shall be accounted for under the head 'Advances' and recorded in form as prescribed by the State Government Each holder of a permanent advance shall, on first receiving it and thereafter annually on the ISt of April, sign an acknowledgement that the amount is due from and to be accounted for by himself. On transfer of charge of an officer, a similar acknowledgement for full amount shall be signed by the relieving officer. The acknowledgement shall be filed. A permanent advance account in

Form 45 shall be maintained by each advance holder who shall enter each payment from his advance as he makes it, preserving all sub- vouchers and receipts to each of which he shall assign a serial number to be entered in the advance account. The permanent advance limit shall be as follows:- Municipality (Nagar Parishad) :- Municipality (Municipal Council):- Rupees two thousand Rupees three thousand 193. 194. (2) The holder of permanent advance shall be responsible for the safe custody of the money placed in his hands and he shall at all times be ready to account for it by producing the relevant vouchers or cash or both. Recoupment of Permanent Advances.- (1) When the cash in hand is running low, and also at the end of the financial year, whatever the amount in hand then may be, the advance shall be recouped in full after ensuring that supporting vouchers are tallied with the advance account and the account is signed by the account holder and submitted to the Accounts and Finance Department of the Municipality for scrutiny and recoupment. (2) All permanent advances shall be settled by 31st March of the financial year. Purpose of Advances and their Adjustments.- (1) Save as provided in rule 192, advances shall ordinarily not be given. However, the Chief Municipal Officer may sanction as advance for any of the following purposes whic;r; shall be specified in the sanction order:- (a) conducting of cases instituted in court on behalf of or against the Municipality; 900 (240) 195. 196. (2) (3) (4) (5) 13 2018 (b) purchase of fodder; and (c) any other purpose incidental to the duties of the Municipality under the Act, or the rules or bye-laws made thereunder which the Chief Municipal Officer may, for reasons to be recorded, declare to be one for which a cash advance is unavoidably necessary. No advance shall be drawn unless the expenditure is likely to be incurred within one month and no advance be diverted to a purpose other than that for which it has been sanctioned except with the express permission of the Chief Municipal Officer. Entries in respect of the advances and its adjustments whether by repayment in cash or by work bill shall be made immediately after the transaction takes place under the signature of the Accounts Officer and if there is no Accounts Officer, by the Chief Municipal Officer, after such bill has been accepted and duly passed by the competent authority who will record in it an order stating the amounts to be adjusted. No advance shall be made to a Councillor for execution of a work or purchase of articles. All payments on this account shall be made either out of permanent advance or by cheques drawn in the name of actual payee. Payment of a fresh advance for the purpose of repaying the one which is outstanding is strictly prohibited. CHAPTER - X LOANS AND BORROWINGS Borrowing Power.- The Municipality may borrow from the State Government or with the sanction of the State Government from other sources for any of the functions and operations assigned to it under the Act. Application for Loan.- When the Municipality desires to raise a loan, it shall pass a resolution to that effect. The Chief Municipal Officer shall then submit the application to the State Government showing: (a) (b) (c) (d) the source from which the loan is to be raised; the purpose for which the loan is required and an estimate of the cost of the entire work or such part of it as it is proposed to carry out from the loan; the amount of the loan which it proposes to raise; the dates within which: the loan is to be raised and when it is proposed to raise the loan in instalments, the dates within which the first instalment is to 13 2018 900 (241) (g) be raised and the time frame in which it is intended to raise the other instalments; the rate of interest at which it is proposed to raise the loan; the term in years for which it is proposed to raise the loan and the method by which it is to be repaid; and an account of the financial position of the Municipality including a statement of all existing prior charges on its funds and a statement of its income and expenditure for the last three financial years. 197. 198. 199. 200

201. Examination by the State Government.- The State Government may cause examination of the statements contained in the application and utility of the purpose for which the loan is proposed to be raised. Period for Application of Government Loan.- If the loan is proposed to be raised from the State Government, then a resolution containing details shall be submitted to the State Government not later than the 15th day of September preceding the financial year in which the loan is required. Rejection of Application.- If it appears to the State Government that the loan ought not to be raised, it may reject the application for reasons which may be specified. Sanction of Loan.- If it appears to the State Government that the loan ought to be raised, it may sanction the raising of the loan subject to such change in the proposals received from the Municipality as it deems suitable and the State Government may consult the Municipality in regard to the change proposed. Prescribed Conditions by the State Government.- Any loan from the State Government shall be subject to the following conditions - (a) the term of the loan does not exceed twenty years unless the State Government fixes a longer period as a special case; (b) funds are available from the grant voted by Legislative Assembly for the purpose of such loans; (c) the rate of

interest payable on the loan is such as the State Government may determine; (d) interest shall be charged yearly or half yearly as the State Government may determine, and shall be reckoned and paid on such instalment from the date on which such instalment is taken; 900 (242) 202. 203. 13 2018 (e) repayment made shall first be appropriated towards interest and balances, if any, towards principal; (f) the State Government may lay a penal rate of interest at such rate as may be determined by the State Government not exceeding two and half per cent above the normal rate. Penal interest shall be payable on all overdue instalments of the principal and interest; and (g) the State Government may also deduct overdue instalments of the principal and interest along •with penal interest from the Grants, if any, sanctioned and payable to the Municipality. For sanctioning a loan, the State Government may prescribe, any further conditions hot inconsistent with the Act and the rules, as it may deem fit. In case of application for loan to be raised from a source other than the State Government, the procedures laid down in rules 195, 196 and 197 shall be followed. The State Government shall make endeavor to communicate a decision for approval or rejection of the application to the Municipality within a period not exceeding 3 months from the date of receipt of the application and may levy a guarantee fee where such a guarantee is provided by the State Government. No such loan shall be obtained unless the following conditions are fulfilled — (a) the term of loan does not exceed fifteen years unless the State Government agrees for a longér period as a special case; (b) the rate of interest is not more than that approved by the State Government; (c) the Municipality submits its annual estimates of income and expenditure during the period of its indebtedness for confirmation by the State Government; (d) debt service coverage ratio as may be determined by the State Government Note:-DSCR= Operating Surplus (operating income less operating expenditure less debt charges) Debt Charges (e) the Municipality submits a Bank Guarantee to the agency granting the loan in accordance with the format provided by the agency. (f) loans to Municipality against Government Guarantee shall be subject to the Madhya Pradesh Government Guarantee Rules, 2009. 13 2018 900 (243))204. 205

206. Sanction of Urgent Loans.- Where the Municipality in its application desires immediate sanction to the raising of a loan on the ground that it is satisfied that the loan is urgently needed, the State Government may sanction the raising of such loan at any time after the receipt of the application. Control and Inspection of Works and Account.- (2) The State Government may make such provision as it may deem necessary for ascertaining and securing that the loan raised is duly applied for the purpose for which it has been borrowed and that the unexpended balance of the loan is not employed otherwise than in accordance with these rules. Every work carried out wholly or partly through the loan and the accounts connected therewith shall be open at all time to the inspection of - (a) the Superintending Engineer or Executive Engineer of the State Government in whose circle or division, the work is situated; (b) any person who may be authorised to inspect the accounts of the Municipality; and (c) any other person specialty authorised by the State Government in this behalf. Unexpended Balances of Loans.- The accounts of expenditure on the work for which the Municipality has raised the loan, shall be kept separate and if on the completion of the work, the State Government is satisfied that the whole of the loan has not been spent for the purpose for which it was . raised, it may proceed as follows— (a) in case of Government loan, the State Government may direct that the unexpended balance shall be forthwith repaid to the State Government with interest and the principal of the debt reduced by an amount equivalent to be repaid less interest. The State Government may direct such variation, as it may consider necessary, on this account in the instalments fixed for the liquidation of the loan; (b) in case of a loan other than from the State Government, the State Government may direct that the unexpended balance shall be utilised, in the reduction of the debt of the Municipality; and (c) if in the opinion of the State Government, the Municipality has failed to comply with any of the conditions prescribed in the Act, and in these (244) 207. 208. 209. 210. 211. 13 2018 Rules with respect to any loan, it may at any time further direct that any amount advanced shall be repaid immediately with interest thereon. Repayment of Loans Prior to Maturity.- With the previous consent of the State Government the Municipality may at any time repay the whole or part of a loan in advance of the period fixed by the conditions of the loan. Sinking Fund.- (1) (2) (3) Subject to the provisions of the Act, and where the terms of sanction for. raising loan or issuing debenture provides for establishment of a Sinking Fund, an amount as may be stipulated in the terms of sanction shall be transferred to the Sinking Fund from the Municipal Fund at the end of each financial year and deposited in a separate bank account. Investment from the Sinking Fund shall be in compliance with

the provisions of the Act. The Sinking Fund shall not be applied for any purpose unless the loan or debenture for which it is created is repaid in full. Accounting and Recording Procedure.- (1) The Municipality Loan transactions by in a register as may be prescribed by the State Government. (2) . The entry of borrowed amount shall• be made in the books of account on receipt of the money borrowed. Expenses incurred on Raising of Loans or on Bonds or Debentures.- The Municipality may incur expenses such as security creation fees, stamp duty etc. for raising of loans o? for issuing debentures or bonds. Such expenses connected with the raising of long-term loans shall be amortised over a period of 5 years or the tenure of loan, whichever is lower. Borrowing costs so amortised shall be fully written off if loans have been pre-paid or premature redemption of debentures has been made. Accounting for Interest and Other Charge.- Interest and other charges including commitment charges, penal interest payable etc. shall be recorded at the time of when the interest and other charges accrue as per the terms of the loan, even if the payment of the said interest or charges may not be due within the financial year. 13 2018 900 (245) (2) Interest on borrowings shall normally be treated as an item of revenue expenditure of the Municipality except where the borrowing relates to acquisition of a capital asset in which case the interest shall be capitalised as cost of the capital acquired. 212. 213

214. Confirmation of Balances.- Head of Accounts and Finance Department of the Municipality shall obtain from the lender a statement of account showing the interest accrued during the financial year, the principal and interest paid and balance of loan payable at the end of the year. The amount intimated by the lender shall be reconciled with the loan register and balance as per the accounts of the Municipality. In the event of any significant difference, the same shall be brought to the notice of the Chief Municipal Officer immediately and necessary corrective steps shall be taken. CHAPTER ADVANCES AND DEPOSITS RECEIVED Receipt of Deposits and Advances.- (1) All deposits and advances received by the Municipality whether in form of cash, demand draft or different kinds of permitted securities such as Government promissory notes, municipal and other debentures etc. shall be acknowledged by the Municipality through issue of receipt. (2) The registers shall be maintained by the Municipality for different types of deposits and advances as prescribed by the State Government. Refunds of deposit.- (2) (3) Security deposit shall be returned by the Municipality to the contractor or supplier, as the case may be, according to the terms and conditions of the agreement and only after satisfactory completion of the work, services or supplies, as the case may be, and full satisfaction of the Municipality's claim against the party. The depositors seeking refund of the deposit shall furnish the original deposit receipt to the Municipality for making the refund. At the time of authorisation of refund, the Head of the Accounts and Finance Department of the Municipality shall verify that the amount is actually outstanding. Head of the Accounts and Finance Department of the Municipality or such other officer as authorised by him shall at the time of issuance of refund record the word "refund issued on and record particulars of the 900 (246) 215. 216. 13 2018 payment of refund on the face of the deposit receipt which shall be attached to the copy of the payment or refund voucher. Time Barred and Unclaimed Deposits.- (2) If the deposit, which is refundable, is not claimed within three complete financial years such deposit shall lapse and shall be transferred to the credit of the Municipal Fund. The deposits credited to the Municipal Fund shall not be repaid without the sanction of the President-in-Council and when so repaid the entry for the repayment shall be made by debiting the Municipal Fund. The Head of the Department concerned shall prepare a list of all lapsed deposits and forward it to Head of the Accounts and Finance Department. Upon being satisfied that the contractor or supplier, as the case may be, has actually not claimed the amount upto three complete financial years the Head of the Accounts and Finance Department shall recognise the income by passing necessary journal entry. Reconciliation of Deposits and Advances Received.- The deposits received from contractors or suppliers shall be reconciled at the end of each month between the respective ledger accounts and deposit or advance registersas prescribed by State Government. Form of Earnest Money Deposit, Performance Security and Security Deposit for works.- (a) the Municipality shall charge up to a maximum of •2 percent of the estimated contract value of works from the contactor as Earnest Money Deposit in the form of Demand Draft or any other form as may be specially permitted by the State Government. The Municipality shall verify the form of Earnest Money Deposit provided by the issuing bank before acceptance; Note: The rate of Earnest Money Deposit shall be as follows:- No. Particulars For tenders up to Rupees Two Lakhs. For tenders more than Rupees Two Lakhs and up to Rupees Ten Lakhs. Rate 2 per cent of tender cost than but not less Rupees One Thousand in any case 1 per cent 13 2018 For

tenders more than Rupees 0.75 per cent Ten Lakhs and up to Rupees One 900 (247) Crore. For tenders above Rupees One Crore. 0.5 per cent (b) the Municipality shall charge a maximum of 3 percent of the estimated contact value of the works as performance security in the form of Bank Guarantee from any scheduled bank or any other form as may be specially permitted by the State Government. The Municipality shall verify the form of Performance Security provided by the issuing bank before acceptance; (c) a maximum of 7 percent of the gross amount of the contract value shall be deducted as Security Deposit from every running bill presented by the contractor on achievement of each millstone as may be decided by the Municipality; and (d) the Municipality shall release Earnest Money Deposit for every unsuccessful bidder after the award of contract for the works to the successful. bidder and retain Earnest Money Deposit of the successful bidder till the signing of the contract with the Municipality and retain the performance security and security deposit as retention money till the approval of the final bill for payment. (2).. Form of Earnest Money Deposit, Performance Security for Supplies:- (a) •the Municipality shall charge up to a maximum of 2 percent of the estimated contract value of supplies from the supplier, as Earnest Money Deposit in the form of Demand Draft or any other form as may be specially permitted by the State Government. The Municipality shall verify the form of Earnest Money Deposit provided by the issuing bank before acceptance; Note: The rate of Earnest Money Deposit shall be as follows:- Sl. No. Particulars For tenders up to Rupees Two Lakhs. Rate 2 per cent of tender cost but not tess than Rupees One Thousand in any case 900 (248) 13 2018 For tenders more than Rupees Two Lakhs and up to Rupees Ten Lakhs. For tenders more than Rupees Ten Lakhs and up to Rupees One Crore. For tenders above Rupees One Crore. 1 per cent 0.75 per cent 0.5 per cent (b) the Municipality shall release Earnest Money Deposit for every unsuccessful supplier after the award of the supplies to the successful supplier and retain Earnest Money Deposit of the successful supplier till the signing of the contract; (c) the Municipality shall charge 2 percent of the estimated value of the Supplies as Performance Security, if the estimated value of the Supplies is less than Rupees five lakhs or 1 percent of the estimated value of the Supplies, if estimated value of the Supplies is Rupees five lakhs and above from every successful supplier; (d) the Municipality shall accept Performance Security in the form of Bank Guarantee. from any scheduled bank or any other form as may be specially permitted by the State Government. The Municipality shalt verify the form of Performance Security provided by the issuing bank before acceptancé; and (e) the Municipality retain the Performance Security as retention money till the approval of the final bill for payment after ensuring the quality check of the every supplies. (3) Form of Bid-Security and Performance Security for the services:- (a) bid security: - The Municipality shall charge from a service provider 2% of the estimated value of the services as Bid Security, if the estimated value of the services is less than Rupees ten lakhs or 1% of the estimated value of the services, if estimated value of the services is Rupees ten lakhs and above. The Municipality shall accept Bid Security in the form of Demand Draft from any scheduled bank or in any other form which is specially permitted by the State Government. The Municipality shall verify the form of bid security provided by the issuing bank before acceptance; 13 2018 900 (249) 218. 219. (b) the Municipality Shail release the Bid Security for every unsuccessful bidder after the award of the services to the successful bidder and retain the Bid Security of the successful bidder till the signing of the services agreement with the Munjcjpa)jty; (c) performance Security: - the Municipality shall accept from a service provider a maximum of 5% of the contract value as Performance Security in the form of Bank Guarantee issued by any scheduled bank or in any other form which is specially permitted by the State Government. The Municipality shall verify the form of bid security provided by the issuing bank before acceptance; and (d) the Municipality shall retain the Performance Security as retention money till the approval of the final bill for payment after ensuring the quality check of the final deliverables of the services. The percentage deducted from the bills and accepted as performance security and security deposit as provided in sub-rule (1), (2) and (3) of rule 217 held as "Retention Money" in connection with contracts to execute works, supplies and services, as the case may be, shali not be paid till the final bill has been prepared, passed and the conditions of the relevant contract are complied with. CHAPTER- ANNUAL FINANCIAL STATEMENTS , REPORT AND AUDIT Annual Accounts.- (1) The Annual Financial Statements shall be prepared by the Municipality as per the guideline prescribed by the State Government and shall comprise of the following: (a) (b) (c) (d) (f) balance sheet; income and expenditure statement; statement of cash flow, receipts and payments account; notes to accounts; significant accounting principles; and 900 (250) 220. (2) (3) 13 2018 (g) financial performance indicators with special reference to water supply,

sewerage, health and sanitary services, property tax collection and defaults, and other important functions and services of the Municipality. The Chief Municipal Officer shall, within three months after the end of the financial year, prepare a annual financial statements referred in sub-rule (1) and submit to the Auditor for audit. The Audited Annual Financial Statements shall be sent to the Commissioner, Urban Administration And Development within 15 days of completion of audit. Audit.- (2) (3) (4) (5) The Annual Financial Statements shall be subject to audit by the auditor as prescribed under the Act. Audit of the Annual Financial Statements shall be completed within six months from the close of the financial year, i.e. not later than thirtieth day of September each year. Besides, audit under sub-rule (1), the accounts of specific loan funds, grants, etc. provided under any scheme or programme of the Government of India or external agency may be audited in accordance with the directions/guidetines issued by the Government of India or external agency in this regard. Besides, audit under sub-rule (1) and 3 (i), State Government may order "Special Audit" of Accounts of any or all Schemes or programmers, and fees for such audit shall be paid by the Municipality. Municipality, after approval of the State Government, may for internal audit appoint a Chartered Accountant empanelled with Comptoller and Auditor General of India" Municipality shall get its Account audited by a Chartered Accountant annually. This annual audit shall be in addition to the audit mentioned in clause (1) to (4) above

221. Annual Report: The Annual Report of the Municipality shall consist of —(a) annual financial statements as referred to in sub-rule(l) of rule 219; (b) auditor's report; 13 2018 (c) report of the Chief Municipal Officer on the Annual Accounts; and 900 (251) 222. (d) action taken report of President-in-Council on the qualifications and the comments of the auditor and on the report of the Chief Municipal Officer of the Municipality. CHAPTER - BUDGET Form and Manner for Preparation of Budget.- (2) (3) (4) (5) (6) Every Municipality shall prepare annual budget estimates in the forms as prescribed by the State Government. The estimate so prepared for providing a closing balance, which the Municipality shall maintain at its credit at the end of the financial year, of an amount which shall be not less than five per cent of its budgeted aggregate annual income. Whenever, after prior approval of the Commissioner, Urban Administration and Development , Reserve Fund is utilised the same shall be replenished within the period stipulated in the approval for such use. At the time of presentation of budget for the next financial year, a note of explanation for the reasons of variation exceeding 10 percent in the closing balance shall be appended to the budget. At least 25% of the annual estimated income from Municipality's own revenue shall be earmarked for providing 'basic services for the urban poor', •including inhabitants of slum areas. Note:- For the purposes of this rule expenditures on 'basic services for the urban' poor shall include expenditure on capital and revenue account incurred on water supply, drainage, construction of community toilets, solid waste management, connecting roads, street lighting, public parks and play grounds, community and livelihood centres, community health centres, pre- primary education centres, affordable housing for the poor. If the budget allocation for "Basic Services for Urban Poor" for a financial year remain unutilised at the end of that financial year, amount equi valent to the unutilized budget provision shall be transferred to the Basic Services for Urban Poor fund and shall be carried forward for utilisation in the subsequent years. Budget provision for "Basic Services for Urban Poor" shall be non- lapsable. 900 (252) 223. 224. 13 a-Ttræa 2018 Extract of the Budget.- As soon as the budget is finally adopted by the Council, it shall cause extracts to be made from it, for each department of the Municipality and forward to the concerned Head of Department. No Expenditure to be Incurred without Budget Provision.- Any expenditure prior to being incurred must be identified to its budget head for allocation of money. No expenditure shall be incurred for which there is no budget provision unless: (a) (b) (2) (3) (4) (5) it can be met from ascertained savings in the budget; or if the Municipality is not indebted to the State Government and the expenditure has been sanctioned at a special meeting and if it would reduce the closing balance below the prescribed minimum, a sanction of the Commissioner, Urban Administration and Development thereto has also been obtained; if the Municipality is indebted to the State Government sanction of the Commissioner, Urban Administration and Development has been obtained; Notes:(l) The Chief Municipal Officer may, the absence of the President-in-Council, in sanction re-appropriation of funds upto a maximum limit of Rupees fifty lakhs in the case of Municipal Council and upto a maximum limit of Rupees •ten lakhs in the case of Nagar Parishad •and approval of the President—in-Council shall be obtained at its next meeting; Re appropriation proposal shall be submitted as soon as the necessity for the same is foreseen and not after the expenditure; Subject to the provisions of the act, municipalities may

prepare a supplementary budget, if funds are required to be expended under any head as a result of sanction of a new scheme and project of Government of India State Government and any other agency, or any other unseen reasons arising after the budget is passed; The general scheme of operations set forth in the budget estimates shall not be deliberately set-aside and savings in the provision for works shall not ordinarily be appropriated to meet revenue expenditure; Earmarked grant shall be utilised for the purpose for which they are sanctioned and may not be used for any other purpose either temporarily or permanently without the previous sanction of the Commissioner. Urban 13 2018 900 (253) (7) Adminstration and Development (6) The words "in the budget" occurring in clause (a) of this rule does not include an excess of actual over estimated opening balance or the estimated closing balance in excess of the fixed minimum balance; and Any sum set apart by a resolution of the Council for a particular purpose shall be utilised for the purpose for which it is earmarked and shall not be used for any other purpose either temporarily or permanently without the previous sanction of the Council. Any sum set apart for a particular purpose in this manner shall be considered to be an addition to the prescribed closing balance of the Municipality so long as it remains unspent. 225. 226

227. The Want of Budget Provision,.- The want of budget provision shall not operate to prevent payment of any sums due by the Municipality nor shall it prevent record of any actual payment under its proper head of account. No payment shall be classified under "Advances" for want of budget provision. All liabilities shall be liquidated, and under no circumstances they shall be allowed to stand over to be discharged from the budget grant of the next financial year nor shall payment or refunds be postponed to the last day of a month of the financial year. Budget Variance Report.- A budget variance report shall be prepared as prescribed by the State Government on quarterly basis or at such interval as may be decided by the Municipality and submitted to the Chief Municipal Officer who shall submit it to thé President-in-Council for review and appropriate decision. CHAPTER - PUBLIC- PRIVATE PARTNERSHIP Subject to the provisions of any policy of the State Government or in accordance with any other orders and notification issued relating to development, operation, maintenance and management of public infrastructure and services that includes municipal infrastructure and services, the Municipality may in discharge of its functions as prescribed in the Act, and as may be assigned by the State Government enter into a Public-Private Partnership agreement to promote the undertaking of any project for supply of urban infrastructure or services, water supply, drainage and sewerage, solid waste management, commercial infrastructure, etc. by participation of a company, firm, society, trust, or any body corporate or any institution or any agency under any other taw for the time being in force (hereinafter these entities individually and collectively referred to as private sector partners) in financing, construction, maintenance and operation of such project of the Municipality. 900 (254) 228. 229. 230. 13 2018 Public-Private Partnership arrangements referred in rule 227 includes but not limited tothe following: (a) (b) (c) (d) (g) (k) (2) Build-Own-Operate —Transfer Agreement; Build-Own-Operate- Maintain Agreement; Build and Transfer Agreement; Build-Lease-Transfer Agreement; Build-Transfer-Operate Agreement; Lease and Management Agreement; Management Agreement; Rehabilitate—Operate—Transfer Agreement; Rehabilitate-Own-Operate-Maintain Agreement; Service Contract; and Supply-Operate-Transfer Agreement. The Public-Private Partnership agreement may comply with the terms and conditions prescribed in the guidelines for Public Private Partnership Projects in the State of Madhya Pradesh issued by the State Government and as may be amended from time to time. The Municipality shall follow the model guidelines, rules and/ or bye-laws for Public Private Partnership projects issued by the Government of India or by any other government authorities, as may be appropriate, and as may be amended from time to time: Provided that where the provisions of the rules and bye-laws are in conflict with the guidelines, the rules, and thereafter, the bye-laws shall prevail. Prior to enerting into any arrangement for public private partnership or any arrangement with a person, the Chief Municipal Officer shall satisfy himself, in accordance with rule 229 (1) that: (a) the nature, scope and extent of the project is clearly understood by the Council, and can be interpreted in line with the provisions of the Act, with respect to the functions covered within such project; 13 2018 900 (255) (2) (b) the responsibilities of the municipality and the private party, in terms of their obligations, liabilities to each other and to the public at large are clear and in line with the provisions of the Act; (c) whether the nature of involvement proposed for the private party results in greater efficiency for the concerned functions covered under the proposed project; and (d) technical sanction has been accorded by the competent authority as specified in rule 238. The Chief

Municipal Officer shall also ensure, in accordance with rule 229 that: (a) The project is financially viable and offers a certain return on investment to the private party involved, comparable to similar projects elsewhere and under similar circumstances; (b) Financial assistance required from the State Government or the Government of India, if any, is firmed up, and the application of such financial assistance is made clear to the State Government; and (c) an appropriate mechanism is established within the Municipality to monitor the progress of the project during construction phase (if applicable), or its performance during the operational phase. 231

232. The cost of preparation of the feasibility report shall be born by the Municipality, unless it is prepared under any scheme or programme sponsored by the Central Government or the State Government, which provides for funding the cost for preparation of the feasibility report.(1) (2) The Chief Municipal Officer shall ensure that the project structure, proposed outcomes and the liabilities of the Municipality are placed for scrutiny before any person or authority as may be notified by the State Government from time to time in a manner as may be described by the State Government. Where the Chief Municipal Officer has disposed of such comments, objections and suggestions as may have been received during the process as described in sub-rule (1), he shall place before the President-in-Council, the report together with all prescribed terms and conditions of the Guidelines for Public-Private Partnership Projects in the State of Madhya Pradesh issued by the State Government: 900 (256) 233. 234. (2) (3) (2) 13 2018 Provided that the term 'disposed of' shali imply any action taken with repect to accepting or rejecting such comments, objections and suggestions: Provided further that in the report submitted to the President-in-Council as per the provisions of sub- rule (2) above, the Chief Municipal Officer shall specify the action taken against each comment, objection or suggestion received. Depending on the value of the financial liability of Municipal body and the nature of work as specified in rule 239, the President-in-Council shall delegate such power to accord financial sanction of the project to the concerned authority. Where the value of the financial liability of Municipality corresponds with the value requiring financial sanction from the Municipal Council, the President-in- Council shall place before the Council the report as specified in sub-rule (2) of rule 232 and shall deliberate in line with the provisions of the Act, the decision to proceed with the project; and accept or reject any comments, objections or suggestions against which the Chief Municipal Officer has specified any form of disposal. The Council shall, laid down procedure as specified in the Act and rules and pass a resolution about the proposed project or rejecting the same, or to reconsider the project with certain modifications as may deems fit. The Municipal Authority shall submit the full PPP proposal along with all relevant documents to the Directorate, Urban Administration and Development. •After scrutiny the proposal shall be forwarded through the Department for getting the approval of the project, as per specified procedure laid down by. the State Govt. from time to time from the Departmental Level Empowered , Committee (DLEC) or State Level Empowered committee, constituted especially for Approving PPP projects, as the case may be. If Viability Gap Funding is required for the Public-Private Partnership Project, the Municipality shall submit the proposal to the State Level Committee for Public-Private Partnership in the format prescribed by the Directorate of Institutional Finance (PPP Cell) of the State Government. Note:- Viability Gap Funding is the quantum of financial support 'to be provided in the form of capital grant at the stage of project construction and during the opeption and maintenance period, as determined and subject to the maximum limit prescribed by the State Government. 13 2018 900 (257) (3) On approval of Viability Gap Funding by the State Level Committee for Public Private Partnership, the terms and conditions, if any, attached and/or

forming part of the approval shall be complied with by the Municipality. 235. 236. 237. S. No. 1. 2. 3. 4. 5

238. Rules pertaining to procurement of Public-Private Partnership as specified under rule 142 for Procurement and Contract Management shall apply to Public-Private Partnership Agreement.CHAPTER - XV DELEGATION OF POWERS General.- Subject to the powers specified in the Act, and the foregoing rules, the power delegated to various officers to provide approval or sanction for different transactions of the Municipality are set out hereunder. Administrative Approval.- The powers for grant of administrative approval for all works, supplies and services shall be vested in the various authorities as under:- Authority (2) The Chief Municipal Officer President President-in-Council Municipal Council Commissioner, Urban Administration and Development Municipal Council (3) Upto Rupees One Lac. Exceeding Rupees One Lac but not exceeding Rupees Five Lacs. Exceeding Rupees Five Lacs but not exceeding Rupees Twenty Lacs. Exceeding Rupees Twenty Lacs but not exceeding Rupees ThreeCrores Full Power Nagar Parishad (4) Upto Rupees Fifty Thousand. Exceeding Rupees Fifty Thousand but not .exceeding Rupees Two Lacs. Exceeding Rupees Two Lacs but not exceeding Rupees Ten Lacs. Exceeding Rupees Ten Lacs but not exceeding Rupees OneCrore. Full Power Technical Sanction.- The powers for grant of technical sanction to final detailed plans and estimates shall vest in the authorities as follows:- 900 (258) S. No (1) 1. 2. 3. 4. 5 S. No 1. 2. 3. 4. 5. 13 2018 (l) For all new works:- Powers Technical Sanction Authority (3) (2) Upto Rupees One Lakh Assistant Engineer Upto Rupees Two Crores Executive Engineer Upto Rupees Five Crores Superintending Engineer Up to Rupees Ten Crores Chief Engineer Full Powers Engineer-in-Chief (It) For all repair works:- Technical Sanction Powers Authority (3) (2) Assistant Engineer Executive Engineer Superintending Engineer Chief Engineer Engineer-in-Chief Conditions (4) If the amount of the detailed estimate exceeds by or is less by or more than 20% of the administrative approval, revised approval must be obtained before the estimate is sanctioned. Conditions (4) Upto Rupees Fifty Thousand Upto Rupees Five Lakhs Upto Rupees Twenty Five Lakhs Upto Rupees Fifty Lakhs Full Powers Note: - In case there is no Assistant Engineer in place, the powers for grant of technical sanction shall lie with the Executive Engineer to the extent of the powers vested with him

239. Financial Powers.- The Financial Powers shall be vested in the various authorities as under— S. No. (1) 1

2. Authority (2) The Chief Municipal Officer President Municipal Council (3) Upto Rupees One Lac. Exceeding Rupees One Lac but not exceeding Rupees Five Lacs. Nagar Parishad (4) Upto Rupees Fifty Thousand. Exceeding Rupees Fifty Thousand but not exceeding Rupees Two Lacs. 13 a-Ttr•q 2018 900 (259) 3. 4, 5

6. President-in-Council Municipal Council Commissioner, Urban Administration and Development State Government Exceeding Rupees Five Lacs but not exceeding Rupees Twenty Lacs. Exceeding Rupees Twenty Lacs but not exceeding Rupees Three Crores. Exceeding Rupees Three Crores but not exceeding Rupees Twenty Five Crores. Exceeding Rupees Twenty Five Crores. Provided that in case of Externally Aided Projects, Exceeding Rupees Two Lacs but not exceeding Rupees Ten Lacs Exceeding Rupees Ten Lacs but not exceeding Rupees One Crore. Exceeding Rupees One Crores but not exceeding Rupees Twenty Five Crores Exceeding Rupees Twenty Five Crores. Centrally Sponsored Schemes, Deposit Works or specific State Government Projects, the State Government may, by order, authorize the Chief Municipal Officer or the President-ln-Council of the Municipal Council/Nagar Parishad to exercise such enhanced financial powers, as it may deem fit

240. Tender Committee.- (1) The tender committee shall consist as under:— Evaluation Committee for Technical bid — (1) (2) (3) (4) (2) (3) Divisional Executive Engineer, Urban Administration and Development Chief Municipal Officer Executive Engineer, if available, otherwise Assistant Engineer and if the Assistant Engineer is also not available then Sub- Engineer The Head of Department of such department to which the work relates Evaluation Committee for Financial bid — Chief Municipal Officer Executive Engineer, if available, otherwise Assistant Engineer and if the Assistant Engineer is also not available then Engineer The Head of Department of department to which the work relates Sub- such Chairman Member Secretary Member Member Chairman Member Secretary Member 900 (260) 241. 242. 243. 13 2018 Tender Approval.- Acceptance of tenders for works, goods and services shall be as under— (a) single source procurement: upto a maximum of Rupees One Lac subject to compliance with rule 90 and

1190f these rules and with the approval of President-in-Council; (b) advertised Tender to the extent of the financial powers vested with the Authorities in rule 239; and (c) the Municipality shall take approval from State Level Technical Committee for centrally sponsored or State Supported program as per orders issued by the State Government. Administrative and Financial sanctions shall vest in accordance with the Authorities prescribed in rule 239. Rate Contract.- For routine, normal and general repair works, the Municipality may invite tenders for annual rate contract in accordance with the provisions of the Works Manual of Public Works Department of the State Government. The annual rate contract shall be an agreement between the Municipality and the contractor or supplier or services provider, as the case may be, to carry out the works or supply the goods or materials and services at specified prices during the financial year covered by the contract. The Chief Municipal Officer shall place the order for works or supply of goods or materials and services after the officer in charge of such works or supplies have endorsed the requisition for placement of works or supply order. For different classes of Municipalities, the power for annual rate contract for works, materials and services shall be as follows:- S. No. (1) 1. 2. 244. (a) Category of Body (2) Municipal Council Nagar Parishad Expenditure (3) Rupees twenty Five lacs Rupees ten lacs The items which may be considered for rate contract by the Municipality on each item on annual basis:- For works and supply of materials: (i) WBM road repair patch work; road repair patch work; cement concrete reinforced cement concrete road repair; 13 2018 repair work of damaged bridges culverts; 900 (261) (v) (x) repair work of damaged drain (brick-made drain , stone's drain, RCC drain, half round pipe drain , V-shape drain etc. repair work); repair work of buildings; repair work of Hand Pump and General work; repair work on water supply pipeline and General work; repair work of electric equipment and General work; and materials which are utilized for equipment repair and General work. (b) (c) 245. For Services: (viii) refreshment served in official meetings/workshops; working lunch during meetings/conferences / seminars / workshop; expenditure on the occasion of national and state festivals; expenditure on ceremonies and special occasions; hiring of tent house services, flower vendors, and distribution of sweets; office stationery, colorlblack and white photo copy and spiral binding of documents; fitting, repair and replacement of any electronic items; printing flag, invitation card, pamphlets and board; computer repair and related items; and refurbishment of equipment, furniture and fittings; Annual Maintenance Charges: for street light points, air-conditioner, air-cooler, refrigerator, printing machine, photo-copy machine,tetephone, electronic items, furniture and fittings of the Municipal Office as per the limit fixed in the budget of the Municipality and vested to different authorities under rule 239 in respect of delegation of powers. Mode of Executing Contracts.- (2) Every contract entered into by the Chief Municipal Officer, on behalf of the Municipality, shall be entered in such form as would bind the Chief Municipal Officer, if such contract was on his own behalf. For every work given out on contract* an agreement on stamp paper shall be prepared specifying the terms and conditions of the contract and the penalties 900 (262) 13 2018 to which the contractor or vendor becomes liable if he fails to comply with all or any of the conditions of the contract

246. Stores Related Powers.- The authority and corresponding power for declaration of surplus or unserviceable stores, write-off and disposal shall be as follows— No. (1) (iii) Note: Description (2) To issue orders declaring stores including spare parts of vehicles, other than those not involving losses, as surplus or unserviceable. Losses due to depreciation of stock Write off Losses on stores due to theft or negligence of the individual Sales of Stores to Bidders Authority (3) The Chief Municipal Officer President-in-Council The Chief Municipal Officer The Chief Municipal Officer The Chief Municipal Officer Power (4) As per the Financial Power vested in rule 239 Full Power Full Power Full Power Full Power The Chief Municipal Officer can sub-delegate his powers to any other officer of the Municipality upto the limit as he may deem fit

247. Special Functions of the Chief Municipal Officer.- (1) (2) (3) Any of the powers, duties or functions conferred or imposed upon or vested in the Chief Municipal Officer by the Act may be exercised, performed, or discharged under the Chief Municipal Officer's control and subject to his superintendence to such conditions and limitations, if any, as he may think fit to prescribe, by any Municipal Officer whom the Chief Municipal Officer may generally or specially empower in writing in this behalf. A delegation or sub-delegation as stated in sub-rule (1) is revocable at will and shall not prevent the Municipality from acting in a matter. An executive of the Municipality shall be responsible to

the Chief Municipal Officer for efficient and effective exercise of the power delegated to him. 13 2018 CHAPTER - RESPONSIBILITIES FOR ACCOUNTS AND FINANCE FUNCTIONS 900 (263) 248. 249

250. General.- Subject to the provisions of the Act, the Head of Accounts and Finance Department shall be the Officer-in-Charge of the finance and accounts functions of the Municipality.ln the absence of the Head of Accounts and Finance Department, all duties of the Head of Accounts and Finance Department shall vest with the Accountant and in the absence of the both, functions of the Accounts and Finance Department shall be exercised by the Chief Municipal Officer. (2) The Head of Accounts and Finance Department of the Municipality may, as far as possible, be an officer having a background in accounts and finance and shall directly report to the Chief Municipal Officer. The staff of the Accounts and Finance Department shall as far as possible have working knowledge of commercial accounting and computers. if necessary, staff would be provided training. Duties of the Head of Accounts and Finance Department.- (2) The Heåd of Accounts and Finance Department shall be responsible for overall financial administration of the Municipality. The Head of Accounts and Finance Department shall be specifically responsible for the following:- (a) (b) (c) (d) (g) maintenance of records of all financial transactions on regular basis and in an accurate manner as per the procedures prescribed in the rules; verification of particulars of the payment voucher before payment; to verify all particulars, including account head and account code, in all vouchers; checking of all deductions and recoveries tobe effected and payment for the net amount only; passing of necessary journal entries at the end of every day; ensuring that proper distinction has been made between revenue and capital transactions and between the transactions having effect in two financial years; maintenance of books of account as provided in these rules on regular basis; 900 (264) 251. (h) 0) (k) (m) (n) (o) (p) (q) 13 2018 preparation of financial statements annually and for such other period as may be required; physical verification of cash balance as per cash book; to ensure all statutory compliance and timely payment of all statutory dues (i.e timely deduct and submit service tax, deduction of T DS, VAT,Local tax, Direct or Indirect taxes as revied by State Government or Central Government, from time to time); preparation of utilisation certificate, as prescribed in

Form 40 for grants received from the State Government; recommendation with explanatory statement for closing of bank accounts non-operating for more than three years; ensuring proper managemenent and quarterly verification of employer pension schemes and provident fund; to ensure payment of pension contribution and leave salary contribution in respect of employees on deputation to the lending departments; to ensure reconciliation of all bank accounts of the Municipality every month by 10th of succeeding month and make necessary adjustments in the books of account; when defalcation of cash or stock is discovered or suspected, the same shall be reported immediately to the Chief Municipal Officer, President-in-Council and the Director, Local Fund Audit; and other duties as prescribed in these rules. Expenditure Management.- The Head of Accounts and Finance Department shall be responsible for management of expenditure and take all reasonable steps to ensure that- (a) (b) an effective system of expenditure control, including procedures for approval, authorisation and payment of fund, is maintained; adequate management, accounting and information system is maintained to — (i) recognise expenditure when it is incurred; (ii) account for payments made; and (iii) account for creditors or payables. 13 2018 900 (265) (c) (d) a system of internal control is maintained in respect of creditors or payables; payments are made by account payee cheques, or demand draft or pay orders or electronic bank transfers and only under exceptional circumstances and with the approval of the Chief Municipal Officer, payment may be made in cash up to a maximum limit of Rupees five hundred; payment of taxes, duties, pension, audit fees and other statutory dues. 252. 253

254. Budget Implementation.- The Head of Accounts and Finance Department shall be responsible for taking effective and appropriate steps to ensure that — (a) (b) (c) (d) spending of funds is in accordance with the budget provision and under the correct budget head; revenue and expenditure are properly monitored; spending is reduced as necessary when revenue is anticipated to be less than projected in the budget; there is no diversion of funds. if necessary in emergency, approval of competent authority should be taken and funds should be transferred back to the original budget head from which funds were used. Financial Reports.- The Head of Accounts and Finance Department through the Chief Municipal Officer shall submit to the President—in-Council, budgetary and other financial reports about any financial difficulties arising at any point of time, including: any impending or actual:- (a) under collection of revenue dues; shortfall in budgeted revenue; and overdraft in any bank account for a period exceeding one month, and as per provision of the Act. steps taken to rectify such financial difficulties. (b) Duties of Accountant.- (1) the Accountant shall be specifically responsible for the following (b) (c) verification of particulars of the payment voucher before payment; to verify ail particulars, including account head and account code, in all vouchers; verification of cash and cheques received and issuance of receipts in the prescribed format; 900 (266) 255. (d) (e) (h) 13 31TI'q 2018 ensuring accounting of loans and advances under appropriate heads; physical verification of cash; to ensure maintenance of Cash and Bank Books; to ensure reconciliation of all bank accounts of the Municipality every month by 10th of succeeding month and make necessary adjustments in the books of account; and when defalcation of cash or stock is discovered or suspected, the same shall be reported immediately to the Head of Accounts and Finance Department, the Chief Municipal Officer, President-in-Council and the Director, Local Fund Audit. (2) Apart from above duties the Accountant shall be responsible for all the duties as specified in sub-rule (2) of rule 250: Provided that in the absence of Head of Accounts and Finance Department, all duties of the Head of Accounts and Finance Department shall vest with the Accountant. Duties of the Cashier.- The cashier shall be responsible for:— (b) (c) (d) (g) (h) verification of cash and cheques received and issuance of receipts in the prescribed format on daily basis; verify all particulars, including account head and account code, in all vouchers; to ensure maintenance of Cash and Bank Books; to ensure the safety of the cash in hand and cheque books; disbursement of bills approved by authorised officer; depositing all moneys (both cash and cheques received) in the bank as early as possible and not later than next working day of receipt thereof; to maintain lost or destroyed or stale or obsolete cheques in the prescribed format; to ensure reconciliation of all bank accounts of the Municipality every month by 10th of succeeding month and make necessary adjustments in the books of account; daily closing and balancing the Cash and the Bank Books and affix his signature; 13 2018 900 (267) (j) (k) when defalcation of cash or stock is discovered or suspected, the same shall be reported immediately to the Accountant, Head of Accounts and Finance Department, the Chief Municipal Officer, President-in-Council and the Director, Local Fund Audit; and other duties as prescribed in these rules. 256

257. Duties of the Heads of All Other Departments.- the Heads of all Departments, in the Municipality, shall have the following responsibilities in respect of accounts and finance matters:-- (b) (c) (d) (e) (f) (g) to maintain accounts relating to income and expenditure and submit to the Accounts and Finance Department periodical statements by the fifth day of the every month for verification by the Accounts and Finance Department; to provide data to the Accounts and Finance Department in regard to income and expenditure of his department for preparation of the departmental budget; to propose the amount to be provided for in the budget in regard to expenditure for basic urban services for the poor provided by his department; and new proposals in this regard for inclusion in the budget of the succeeding financial year; to examine the bills received for payment for works or services contracted for by his department and, if found in order, forward the same to the Accounts and Finance Department With recommendation for payment; to provide records, data or information required for accrual based double entry accounting system to the Accounts and Finance Department; when defalcation of cash or stock is discovered or suspected, the same shall be reported immediately to the Chief Municipal Officer, President-in-Council and the Director, Local Fund Audit; and other duties as prescribed in these rules. Duties of the Chief Municipal Officer.- There shall be following duties of the Chief Municipal Officer of the Municipality for financial and accounting management (a) (b) to ensure preparation of annual financial statements and submit the same to the Council through the President—in-Council; to ensure all statutory compliance and timely payment of all statutory dues (i.e. timely deduct and submit service tax, deduction of T DS, VAT,Local tax, Direct or Indirect taxes as levied by State Government or Central Government, from time to time); 900 (268) 258. (c) (d) (g) rrq•qa, 13 2018 verification of particulars of the payment voucher before sanctioning payment; to re-appropriate the expenditure which is not covered by the budget in accordance with the provisions of the Act and procedures prescribed in these rules; to ensure maintenance of Cash and Bank Books and reconciliation of all bank accounts with bank pass books or bank statements on a monthly basis; opening of new bank accounts with any scheduled banks with approval of the Council; closing of bank accounts non-operating for more than three years with approval of the Council; to arrange for investment of surplus funds with approval of the Council in accordance with the provisions of the Act and procedures prescribed in these rules; to ensure accounting of all receipts and payments of the Minicipality, maintenance of the books of accounts and reconciliation of receivables and collections in respect of all taxes, rent, fee and user charges; to ensure physical verification of fixed assets and inventory at least once in a year; when defalcation of cash or stock is discovered or suspected, the same shall be reported immediately to the President-in-Council and to the Director, Local Fund Audit; and other duties as prescribed in these rules. CHAPTER -xvii MISCELLANEOUS Embezzlement.- (2) Whenever any loss of the Municipal Fund or property by embezzlement, theft or otherwise is discovered or suspected, the fact shall be promptly reported by the Chief Municipal Officer on the advice of Head of Accöunt and Finance Department or Account Officer or Head of the related department to the President-in-Council and to the Director, Local Fund Audit . The matter shall also be brought to the notice of the Council at the next meeting held after the embezzlement is discovered or suspected. The matter shall be fully inquired by the Chief Municipal Officer and he shall send a complete report to the Council showing the total sum of money misappropriated the method in which embezzlement was effected and the steps taken to recover the money and punish the offender. If there is a prima facie case of embezzlement, theft or otherwise, the Chief Municipal Officer shall except in trial cases, promptly report the case to the police for investigation in case of cognizable offence, and in case of non-cognizabte offence lodge a complaint in the court. Report of such embezzlement shall be made within 15 days from the day when it was first known, to the President-in-Council and the Director, Local Fund Audit in

Form 46. 13 2018 900 (269) 259. (3) (1) (2) All cases in which amount involved in loss exceeds Rupees Five Thousand shall be brought to the notice of the State Government through the Chief Municipal Officer. Emergency Expenditure.- The President-in-Council may approve and incur such expenditure as is reasonably required to be spent to deal with an emergency situation; and may sub-delegate the power to the Chief Municipal Officer to approve and incur such expenditure in regard to: (a) (b) (c) fire services, emergency medicai services, search and rescue, water rescue and assistance and protection for people and property in the event of disasters including, but not limited to, civic commotion or riot, floods, earthquake, tempest, motor vehicle accidents and any other natural calamities beyond the control of the administration; AND any VIP and WIP visit for which arrangements and works are required to be undertaken by the Municipality; AND any other special arrangements required for compliance of above clauses (a) and (b) of sub-rule (1). Details of emergency expenditure incurred shalt be accounted for and recorded and statement of such expenditure and the outcome of such expenditure shall be placed at end or close of the emergency situation to the President-in-Council for review and ratification as it may deem appropriate. The Chief Municipal Officer shall provide a brief explanatory statement to the President-in-Council for the emergency expenditure incurred. Maximum cost which may be incurred on any public reception, etc. — Subject to the maximum limit of 2 percent of "own revenue" of the Municipality for the previous financial year, the maximum cost which may be incurred by the Municipality on any public reception, ceremony, entertainment or exhibition shall be as follows: MUNICIPALITY RECEPTION CEREMONY Municipal Council Rupees 25000 Rupees 25000 Rupees 15000 Rupees 15000 Nagar Parishad ENTERTAINMENT Rupees 25000 Rupees 20000 EXHIBITION Rupees 50000 Rupees 30000 Note: (1) the amount prescribed in this column is in addition to the amount of the actual income, if any, derived from an exhibition. 900 (270) 260. 2619 262. 263. 13 2018 (2) "reception" means any social event arranged to welcome one or more special guests or a function, especially intended to provide a welcome or greeting to any person or persons and in which food and beverages are served. (3) "exhibition" means any exhibition of best practice performed by the Municipality or by the State Government, the public display of artistic works, crafts, farm or factory products, performance skills, or objects of general interest. (4) "entertainment" means any performance or show including sports, games, social and cultural program. (5) "ceremony" means any formal public event with special traditions, actions, or words used to celebrate a traditional or religious event or an official ceremony at which a new building is inaugurated or opened or the foundation stone is laid or an occasion in which a particular person is provided a sign of admiration or respect or is intended to honor and remember an important person or event. (6) in case two or more occasions occur together at the same time and in the same place, the Municipal Council may expend upto seventy five percent amount prescribed in the above columns. Destruction of Accounting Records.- Records connected with accounts except cash book, bank book, journal book, stock register, pay register, loan •and advance . register may be destroyed by the Municipality in accordance with the manner and procedure as may be prescribed by the State Government. Publication of Annual Financial Statements and Budget.- The Chief Municipal Officer shall publish audited Annual Financial Statements and approved Budget on the website of the Municipality or at Urban Development and Housing Department website if the Municipality does not have its own website. Suit and Prosecution Suit Register.- To enable the Municipality watch the progress of regular civil suit filed by or against it, a Suit Register in Form 47 shall be maintained in the office of every Municipality. The Officer-in-Charge of the Law and General Administration Department of the Municipality shall be responsible for its maintenance. The register shall be examined every month by the Chief Municipal Officer or any other officer authorised by him. Prosecution Register.- All prosecution filed under the Act, rules, bye-laws made thereunder or any other Act shall be entered in the Prosecution Register in Form 48. 13 2018 900 (271) 264. 265. 266

267. The order of the Courts, the amount of fine imposed shall be noted against each case. This register shall be maintained by the Officer-in-Charge of the Law and General Administration Department of the Municipality. Interpretation of Rules.- If any question arises relating to the interpretation of any provision of these rules, •it shall be referred to the State Government whose decision thereon shall be final and binding. Power of Government to prescribe forms, formats, procedures, etc.- (2) The State Government may issue detailed. guidelines, circulars, manuals, orders, etc., laying down the forms, formats, procedures, etc., to be maintained by the Municipalities and the Financial Statements, Reports, etc., to be prepared and submitted by the Municipalities under these rules. The State Government may issue, from time to time, such guidelines, clarifications, or instructions as it may deem fit, not inconsistent with the provision of the Act to ensure proper implementation of these rules. Relaxation.- Any provision of these rules, due to the reasons, shall be explairied, may be relaxed with the pervious Sanction of the State Government. Repeal and Saving.- (2) The Madhya Pradesh Municipal Accounts Rules, 1971, Rules Regarding Maximum Cost to be incurred on any Public Reception, etc., Rules Regarding Irrecoverable Sums, Madhya Pradesh Municipalities Borrowing of Money Rules, 1974 and Madhya Pradesh Municipalities (Budget Estimates) Rules, 1962 is hereby repealed: •All rules, byelaws or orders, corresponding to these rules in force immediately before the date of commencement of these rules shall stand repealed: Provided that any action taken or anything done under the rules, byelaws or orders so repealed shall, so far as they are not inconsistent with the provisions of these rules, shall be deemed to have been taken or done under the corresponding provisions of these rules. By ()rder and in the name of the Govcrner of Madhya Pradesh (Rajee Deuputy e retary Government of dhya Pradesh Urban Devlopment & Housing Dcpto 900 (272)

FORM NO. 2. 3. 4. 5. 6. 7. 8. 9. 10. 119 12. 13. 14. 15. 16. 17. 18. 19. 20. 13 2018 TABLE OF FORMS FORM DESCRIPTION Increase and Decrease Statement Assessment list of taxes of the period Register of Enhancement or remission Original/Counterfoil for Notice of Demand Original/ Counterfoil Notice of Distress Warrant Licenceissued by Municipality Driver license License for carriages Carriages license Register Register of tax on vehicle habitually used within the Municipality Register of. Licenses Receipt for cattle registration fees Register of cattle registration fees Register of fees- Sarai/Dharamsha:a Register of daily Market fee Register of Compost manure Receipt for impounding cattle Receipt for release of cattle Register of Pound Keeper Notice under Cattle Trespass Act 900 (273) 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 13 2018 Account of cattle sold, delivered to the owner or agent Challan to be sent with the impounded cattle sent for sale Return of fodder received and issued to cattle Register of Pay scale Travelling Allowance Bill of the Establishment Diet money and travelling allowance received from courts for employees called as witnesses for giving evidence. Muster Roll Notice Inviting e-Tender format Estimate Agreement Format Contractors Bill Petty Contractor's Bili Measurement Book Register of receipts and issues of measurement books Completion Report Completion Certificate Bank Guarantee for Advance Payment Work Register Register of Works Utilization Certificate of Grant Goods Receipt Note Stores Ledger Stores Indent 900 (274) 44. 45. 46. 47. 48. 13 2018 Goods Return Note Permanent Advance Accounts Statement of losses of money and property Register of Civil Suits Prosecution Register 13 2018 900 (275) 900 (276) 13 2018 o o z 1.0 (0 3 o o LL O o 13 2018 900 (277) 900 (278) 13 2018 z 1.6 13 2018 900 (279) o 0 z z z 0) z a a 900 (280) FORM -6 [Rule 40] Municipality (Licence issued by Municipality) Book No No Name of License Fathers name Address Trade Purpose of Licence Site Date of Licence. Amount paid• Signature of Licensing Officer Progressive total Received licence and a copy of the rules and conditions subject to which the licence has been granted. Signature of Licence Holder 13 2018 FORM -6 [Rule 40] Municipality Book No Serial No mereas paid to. Dated to the has Municipality he is permitted at within the Municipal area from Description of Licence to Signature of Licensing Officer. This licence is granted subject to the rules and conditions for the regulation and control of the a copy of which has been this day fumished to the licensee by me. Licensing Officer Licence Holder Note: The site and the endorsement shall be entered when the licence is conditional The endorsement shall be cancelled when the licence is of general nature. 900 (281) FORM -7 [Rule 40] Municipality Book No No Driver's Licence 20 20 Driver Name Fathers Name Address Amount of fee (Dated 20 Received payment and of book. Licensing Officer credited on page the cashier's cash Licensing Officer 13 2018 FORM [Rule 401 Municipality Book No Drivers Licence 20 20 Driver Name Fathers Name Address Age Amount of fee (March, 20 Dated This licence is to be in force till the 31st Licensing Officer 900 (282) grant ... . residing .. ..hereby 13 2018 FORM -8 [Rule 40] Municipality Licence for Carriages For the year ending 20.....20... Book No... ... No... ... . This Municipality... grant unto... .... at... ... .in .... to keep within... .....,,..... the under mentioned carriage. FORM -8 [Rule 40] Municipality .... Licence for Carriages For the year ending 20.....20..... This Municipality .... at... .... hereby in . residing ... ...this licence this licence to keep within.... ...o... ....the under mentioned carriage. No. Rate No. Description of carriage Rate Amount of tax received on page Description of carriage This licence is to cease on the 20.. . Amount of tax received ... ...20... This licence is to cease on the ... .20 Received payment and credited No .. . .of cashier's cash book. Dated..... Licensing Officer Received payment. Dated... ..... . Licensing Officer 13 2018 900 (283) 900 (284) o 13 2018 o 13 2018 900 (285) 900 (286) 13 2018 13 2018 900 (287) 900 (288) 13 2018 z z 13 2018 900 (289) 13 2018 900 (290) 13 2018 900 (291) 900 (292) O 13 2018 o c 00 FORM-17 [Rule 541 Counter Foil Book Receipt No... Name of cattle pound... ... . Date and hour of impoundment of cattle...o.,:..... Name and residence of owner (if known). Kind and description of the cattle impounded. Signature of Assistant Revenue Inspector or Pound keeper 13 2018 Receipt for Impounding Cattle FORM -17 [Rule 54] To be given to the person impounding the cattle Book No. Receipt No... ..... . Name of cattle pound... Date and hour of impoundment of cattle. .... Name and residence of owner (if known)..... Kind and descriptiÖn of the cattle impounded. Signature of Assistant Revenue Inspector or Pound keeper 900 (293) FORM-17 [Rule 541 To be sent with the account Book No Receipt Name of cattle pound... ... ... Date and hour of impoundment of cattle... ..... Name and residence of owner (if known)..... Kind and description of the cattle impounded. Signature of Assistant Revenue Inspector or Pound keeper 900 (294) FORM -18

[Rule 541 Book No Receipt No No. of receipt of Form No.17. Name of cattle pound Date and hour of impoundment of cattle Kind and description of cattle impounded Name of the owner Date and hour of release of cattle Amount of fine Feeding charges with rates water charges with rates. Total Signature of Assistant Revenue Inspector or Pound keeper x-rqq7, 13 2018 Receipt for Release of Cattle FORM -18 [Rule 541 To be given to the person impounding the cattle Book No Receipt No No. of receipt of Form No.17 Name of cattle pound Date and hour of impoundment of cattle Name of the owrler Date and hour of release of cattle Amount of fine Feeding charges water charges Total Signature of Assistant Revenue Inspector or Pound keeper FORM-18 [Rule 541 To be sent with the account Book No Receipt No... No. of receipt of Form No.17. Name of cattle pound Date and hour of impoundment of cattie Kind and description of cattle impounded Name of the owner Date and hour of release of cattle Amount of fine Feeding charges with rates water charges with rates. Total Signature of Assistant Revenue Inspector or Poundkeeper 13 2018 900 (295) 900 (296) 13 2018 o z o C Z o O co 13 2018 900 (297) o 900 (298) 13 2018 13 2018 900 (299) 900 (300) 13 2018 -o 0 o 13 2018 900 (301) o 900 (302) 13 2018 13 2018 o 900 (303) o o a. 900 (304) 0 00 13 a-TTIkT 2018 O 13 2018 900 (305) 900 (306) 13 2018 O a.) o 13 2018 900 (307) 900 (308) 13 2018 3 o o 13 2018 900 (309) 900 (310) 13 2018 13 2018 900 (311) 13 2018 900 (312) 900 (313) An agreement made the 13 2018 FORM -30 AGREEMENT FORMAT [Rule 1051 Municipality ---Stamp Paper (Appropriate value) day of two thousand and between (hereafter called the "contractor") of the one part and the Municipality (hereinafter called the "Council") of the other Part, whereas the contractor has by tender dated. offered to provide, supply, deliver, erect, construct, lay and maintain and all other works set out in the schedule hereto, whereas the said tender has been accepted by the Chief Municipal Officer/President. And whereas it is necessary that the contract so entered into shall be embodied in a document in writing in the form hereinafter appearing: Now, it is Agreed as follows:- 1. 2

1. The contractor shall in accordance with the conditions set out below do execute the works set out in the Schedule hereunder written in consideration of the payments therein set out. The contract embodied in the document shall be in substitution for the contract entered into by tender and acceptance as hereinbefore recited which contract shall be deemed to be null and void in so far as it differs from the contract herein contained: Conditions The work is to be carried on with due diligence and all works executed is to be done in the most substantive and workman like manner. The materials used, when supplied by the contractor are to be the best quality and in all cases are to be subject to the approval of the Engineer/SubEngineer/Chief Municipal Officer for the time being whose decision as to the rate of progress and quality of work of materials shall be final. 900 (314) 2. 3. 4. 5. 6. 13 2018 Appendix- I Forms 1 To 48 The quantity of work executed shall be measured and payments made on the satisfactory completion of the work. In the case of delay, bad work of material the supervising authority may remove the same and have them replaced, deducting the value of the work rejected or materials removed or the cost of replacing the same as it may think proper, from any amount due or that may become due to the party making the tender. The designs, drawings and instructions in writing relating to the work signed by the Chief Municipal Officer/Engineer and lodged in his office for inspection during office hours shall be strictly conformed to. The President/ the Chief Municipal Officer I the Engineer shall have power to make any alterations in the original designs or instructions that may occur to him to be necessary during the progress of work and such alterations shall be carried out on the same condition as agreed to in respect of the main work within such time as the President Ithe Chief Municipal Officer/the Engineer may in writing when specifying the alterations direct. Extra work, if any, necessitated by such alterations shall be paid for:- (a) at the rate already agreed to if it be of the same nature as specified in the agreement; (b) at the rates mentioned in the schedule of rates as may be applicable it is is of a different nature and there be no rate agreed upon such work; and (c) at the rates deemed' to be reasonable by the sanctioning authority on an analysis of the current market rates of labour and materials, if the extra items are not included in the schedule of rates applicable to the Municipality. Such alteration shall not invalidate the contract but the time for completion of the work will be extended in the proportion that the extra work bears tothe original contract work. If it shall appear to the President/the Chief Municipal Officer/the Engineer tlat any work has been executed with unsound, imperfect or unskillful workmanship or with materials of an inferior description, the contractor shall on demand in writing forthwith rectify, remove or reconstruct in whole or in part, as the case may require, without any additional charge; and in the event of his refusing to do so within the period specified by the President/the Chief Municipal Officer/the Engineer; as the case may be, or in the case of failure to remove from the site of the work within a specified period any materials or articles which are considered of unsound or inferior quality and are not in accordance with the terms of the contract and to provide immediately suitable materials or articles in lieu of those condemned, than damages shall be paid at the rate of one per cent on the 40 900 (315) 7. 8. 13 2018 amount of the estimate for every day not exceeding 10 days for failure to comply with the written demand of the President/the Chief Municipal Officer/the Engineer. Should the sanctioning authority consider that the work although not executed in strict accordance with the specification may be to stand it is empowered to pay for the same at such reduced rates as it may fix but this proceeding is quite optional on its part. A deduction of 10 per cent of value of work done to be made from the contractor's bill in case the work is not completed within the time noted below. The schedule above referred to Name of Work No. of Item Class and Description of work Quantity of work to be executed Unit of Calculation Rate of Payment Date of Completion Dated this BETWEEN And In Municipality Name and Signature of the contractor with date Signature of the witness with date Name and Signature of the Chief Municipal Officer of the Municipality with date Signature of witness with date 900 (316) No. of voucher 13 2018

FORM -31 Contractor's Bill Name of work Name of contractor Authority of work Number and date of last voucher for this work Patticulars Rate (5) Quantity of work executed since last certificate (2) Amount Up-to-date (6) Quantity of work executed up-to-date as per measurement (3) Since last certificate (7) Item (4) Remarks 13 2018 Total value of work done to-date Deduct value of work shown on last certificate Net value of work done since last certificate 900 (317) conta... Name and Signature of contractor Name and Signature of Engineer-in-Charge of work Certified that the foregoing claim is correct that the necessary measurement were taken by me on the 20 and are recorded at page of measurement book No and that the work has been satisfactorily performed. Dated pay Name and signature of the Engineer-in-Charge/Engineer/ The Chief Municipal Officer Only. Name and signature of The Chief Municipal Officer/ President-in-Council Received only on account of this work. ReceiDt stamo if over Dated 20 AccountantContractor 900 (318) No. of voucher Name of work Name of contractor Authority 13 2018 FORM -32 Petty Contractor's Bill Rate Quantity Particulars (2) At (3) per (4) Amount (5) Remarks (6) Name and Signature of the Engineer-in-charge of work Name and Signature of the Contractor Certified that the foregoing claim is correct, that the necessary measurements made of Measurement book and are recorded at page 20 by me on the and that the work has been satisfactorily performed. No Dated Pay Rupees (Received Rupees (Accountant Name and Signature of the Engineer-in Charge/Engineer/ Chief Municipal Officer.) only.) for the above mentioned work Name and Signature of the Receipt stamp if over 201- The Chief Municipal Officer/ President-in-Council Contractor 13 2018 [Rule 112 (1)1 Measurement Book Municipality Measurement Book No Name of Officer Designation Date of first entry Date of last entry N.B. This portion should be printed as a title page. Name of work Situation of work Agency by which work is executed Date of measurement (These four lines should be repeated at the commencement of the relating to each work) Measurement u to-date 900 (319) measurements Rate per 6 Particulars 1 Total value to date 7 No. B D or -Eid* Deduct previous measurement Quantity 9 Since last measurement Page 8 Quantity columns 5-9 10 Value at rates in column 6 11 Remarks 12 900 (320) 13 2018 13 2018 900 (321) o Q) 900 (322) 13 2018 13 2018 900 (323) 900 (324) 13 2018 900 (325) ef. ate : 13 2018 FORM -37 BANK GUARANTEE FORMAT [Rule 116 Municipality Stamp Paper (Appropriate value) Bank Guarantee: BANK GUARANTEE FOR ADVANCE PAYMENT he Chief Municipal Officer)ear Sir, n consideration of Municipality, (hereinafter referred to as the "Client", which expression hall, unless repugnant to the context or meaning thereof include its successors, ldministrators and assigns) having awarded to Of Contractor Supplier/Servicesl (hereinafter referred to as the "Contractor/Supplier/Services") which xpression shall unless repugnant to the context or meaning thereof, include its ;uccessors, administrators, executors and assigns, contract by issue of Client's Contract \greement dated and the same having been unequivocally accepted by the hntractor/Supplier/Service provider, resulting in a Contract valued at (Rupees only) for (hereinafter called the "Contract/Agreement") and the Client having to make an advance payment to the Contractor/Supplier/Servicesprovider for the 900 (326) 13 2018 performance of the above Contract amounting to (Rupees only)as an advance against Bank Guarantee to be fumished by the Contractor/Supplier/Services provider. we, of Bank]having registered office at (hereinafter referred to as the Bank), which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators executors and assigns, do hereby guarantee and undertake to pay the Client immediately on demand any or, all monies payable by the Contractor/Supplier/Setvice provider to the extent of as aforesaidat any time upto without any demur, reservation, contest, recourse or protest and I or without any reference to the Contractor/Supplier/Service provider. Any such demand made by the Client on the Bank shall be conclusive and binding notwithstanding any difference between the Client and the Contractor/Supplier/Service provideror any dispute pending before any Court, Tribunal, Arbitrator or any other authority. We agree that the Guarantee herein contained shall be irrevocable and shall continue to be enforceable till the Client discharges this Guarantee. The Client shall have the fullest liberty without affecting, any way the liability of the Bank under this Guarantee, from time to vary the advance or to extend the time for performance of .the Contract by the Contractor/Supplier/Services provi4er. The Client shall have the fullest liberty without affecting this Guarantee, to postpone from time to time the exercise of any powers vested in them or of any right which they might have against the Client and to exercise the same at any time in any manner, and either to enforce or to forbear to enforce any covenants, contained or implied, in the Contract between the Client and the Contractor/Supplier any other course or remedy or security available to the Client. The Bank shall

not be relieved of its obligations under these presents by exercise by the Client of its liberty with reference to the matters aforesaid or any of them or by reason of any other act of forbearance or other acts of omission or commission on the patt of the Client or any other indulgence shown by the Client or by any other matter or thing whatsoever which under law would but for this provision have the effect of relieving the Bank. The Bank also agrees that the Client at its option shall be entitled to enforce this Guarantee against the Bank as a principal debtor, in the first instance without proceeding against the Contractor/Supplier/Service provider and notwithstanding any 13 2018 the Client may have in relation to the security or other Guarantee Contractor's/Supplier's/Service provider's liabilities. Notwithstanding anything contained herein above: (a) our liability under this Guarantee is limited to 900 (327) (Rupees including may be desired by only) it shall remain in force upto and and shall be extended from time to time for such period, as [ContractodSupplier/Service provided on whose behalf this Guarantee has been given. (b) this Bank Guarantee shall be valid upto (c) •we are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only and only if you serve upon us a written claim or demand on or before Dated: (Bank) (Authorized Signatory) Signature/Address of Witness 900 (328) 13 2018 13 2018 900 (329) 900 (330) 13 2018 13 2018 O 900 (331) .0 900 (332) 13 2018 13 2018 900 (333) ooaa 900 (334) 13 2018 13 2018 900 (335) 900 (336) 13 2018 13 2018 900 (337) o 900 (338) 13 2018 0) 13 2018 900 (339) 900 (340) 13 2018 13 2018 900 (341) 900 (342) 13 a-Trrq 2018 13 2018 900 (343) 900 (344) 13 2018 13 2018 900 (345) 900 (346) 13 2018