

CHAPTER-VI

REVENUE RECEIPTS

6.1 Outstanding Municipal Tax

Test checks of records of 4 ULB revealed huge arrears in collection of Municipal taxes viz. house tax, light-tax, water-tax, and property tax, Latrine-tax etc. The arrears accumulated to Rs.1.5 crores during April 2000 to March 2005 for these 4 ULBs.

Sl. No.	Name of Unit	Amount (Rs. In lakhs)
1	Kokrajhar MB	44.33
2	Moran TC	11.4
3	Chabua TC	33.22
4	Doomdooma TC	61.15
Total		150.01

The ULBs did not take steps such as issue of demand notice, impose penalty at the rate of three and one-eighth percent of the demand from the sixteenth day from issue of notice or initiate process for attachment and sale of any moveable property belonging to the defaulter. Inaction by the ULBs resulted in outstanding dues of Rs 1.5 crores unrealized for periods ranging from 2 to 7 years.

6.2 Outstanding Kist Money

Local markets are leased out to private parties every year by inviting open tenders. The highest bidder is awarded the lease on the condition that the bidder must deposit their kist money in three equal installments. However, ULBs failed to enforce this and kist money remained unrealized for years.

Test check of records for 4 ULB units revealed that Rs. 9.5 lakhs remained outstanding till the end of 2004-05 due from the concerned lessess / mahalder.

Further, the concerned ULBs made no efforts to realize these outstanding amounts and awarded contracts to the bidders in succeeding years even though they had not deposited the Kist amounts for previous years. ^ϕ

6.3 Irregularities in Allotment of Markets, Cycle Stand, etc.

The Town committees allot markets, cycle and rickshaw stands and bus stands within its jurisdiction by inviting open tenders on an annual basis. Test check of records for 4 ULB units revealed irregularities in the bidding and awarding process resulting in revenue loss to the Town Committee as detailed below:

- Doomdooma TC settled Bus and Taxi Stand lease for 2004-05 to lowest bidder at Rs.1, 20,825/- instead of the highest bid of Rs.1, 68,265/- resulting in loss of revenue of Rs.47, 450/- No reasons for rejecting the highest bids were available on record nor stated to audit.
- Moran TC leased Parking of Night Super Bus Stand for Rs. 65,875/- being the highest bidder and asked the bidder to deposit 70% of bid money amounting to Rs. 43,395/- vide

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Sl. No	Name of Unit	Amount (In rupees)
1	Kokrajar MB	219000
2	Moran TC	165351
3	Chabua TC	11500
4	Doomdooma TC	558219
Total		954070

No. MTC 4(10)/05/17 dt. 04-03-05. Subsequently another bid was accepted, without assigning any reason for cancellation of the earlier bid, at a lower value Rs. 30,000/- and asked to deposit Rs. 15,000/- being 50% of bid amount vide No. 4 (10)/99/P-II/20 dt. 27-4-2005 for 01-05-05 to 31.03.06. Thus the arbitrary award of contract resulted in loss of Rs. 35,875/-.

➤ Weekly market under Chabua Town Committee was allotted during 2004-05 at Rs. 1,75,771/- even though the highest quoted bid was Rs.2, 30,101/-. The arbitrary award of contract without assigning any reasons for rejecting the highest bid resulted in loss of Rs. 54,330/-.

➤ Scrutiny of records of Chabua TC revealed that no tenders were called for in 2005-06 but markets were allotted on extension of term by enhancing 1% on previous rate and fixed at Rs.1,12,211/-. Records however revealed that previous lease amount of weekly market was Rs.1,75,771/- for 2004-05 and considering the enhancement of 1% on the above rate, the lease amount for the year 2005-06 should have been Rs.1,77,529/- instead of Rs.1,12,211/- thereby resulting loss of revenue (Rs.177529/- - Rs.112211/-) of Rs.65,318/- to the town committee's fund.

6.4 Loss of Revenue due to non-realisation of Trade license Fee

As per section 223 of Assam Municipal Act-1956, no land shall be used as a market without a trade licensee to be granted by a Board for one year and thereafter to be renewal annually. Scrutiny of records of Doomdooma TC revealed that TC failed to realize Trade license fee amounting to Rs.25,305/- till March 2005 from stalls and shops of the Market Complex in violations of these provisions. Further, no action was taken by the TC for realization of outstanding license fees. Inaction to realize of these dues reduced the earnings of the ULB thus widening the resource gap available for development.

6.5 Loss of Revenue due to non-deduction of AGST

As per Section 27 of the Assam General Tax Act, 1993 all DDOs of Government departments and government undertakings are under obligation to deduct tax at source for supply of any

taxable goods or for undertaking works contract. Further, Rule 35 of the Assam General Sales Tax Rules 1993 as amended provides that the tax so deducted should be deposited into designated Bank by appropriate challans within 10 days from the expiry of each calendar month.

Further, as per High Court verdict dated 26.03.2002 circulated vide Commissioner of Taxes, Government of Assam Notification No CTS-37/2000/98 dated 21.12.2002, Assam Government Sales Tax (AGST) is to be deducted @ 4.4% on the taxable turnover as certified by the Superintendent of Taxes.

Test check of records of 4 ULBs units revealed that Government suffered loss of Revenue of Rs.0.77 lakhs due to non-deduction of AGST from the Contractors/Suppliers bills, while making final payment by the 4 ULBs during 2000-2005.

Sl. No	Name of Unit	No of vouchers	Period	AGST (In Rs)
1	Kokrajhar MB	16	9/00 to 5/04	12,767
2	Moran TC	16	9/03 to 2/05	18,746
3	Chabua TC	17	8/03 to 1/05	14,986
4	Doomdooma TC	22	6/04 to 2/05	30,573
Total				77,072

Reasons for non-deduction and subsequent non-deposit of AGST from the Contractors/Suppliers bills were not available on record.

6.6 Loss of Revenue due to Non-deduction of Income Tax

Income Tax @ 15% is to be deducted from bills of contractors/suppliers relating to forest products sand, boulders, stone, chips, stone dust, etc.) And @2% on general bills plus ½% surcharge are to be deducted from bills of contractors/suppliers and deposited to the Government account within 10 days from the expiry of each calendar month.

Test check of records of 4 ULBs units revealed that Government suffered loss of Revenue of Rs 1.2 Lakhs as the ULBs failed to deduct/deposit income tax from the Contractors/Suppliers final payment bills during 2000-2005. (**Annexure-U**)

6.7 Outstanding of Room Rent of Market

Scrutiny of records of Kokrajhar Municipal Board revealed that arrears as well as current demand of rent from businessmen/traders who were allotted market rooms by auction or open bid amounted to Rs.2.58 lakhs for October 2001 to December 2005 have not been realized till January, 2006.

6.8 Loss of revenue due to undue financial assistance to Lessee

Kokrajhar Municipal Board authority had allotted rooms (shops) to the tenants on monthly rent of Rs.209/- & Rs. 299/- for different sizes of shops. Test check of records revealed that the MB authority had collected @ Rs.119/- and @ Rs.209/-per room per month instead of the prescribed rent of Rs.209/- & Rs. 299/-per room each month. Thus benefit of @ Rs.90/- per room per month was allowed from September 2002 to December 2005 to the tenants without assigning any reason causing loss of revenue to the Municipal Board.

Sl. No.	No. of Rooms	Period	Rate per Month	Total no of month	Amount Collected by lessee (In Rs.)
1.	24 nos.	1-10-01 to 31-12-05	@ Rs. 90/-	51	1,10,160
2.	24 nos.	1-9-02 to 31-12-05	-do-	40	86,400
Total					1,96,560

Details of any action taken to recover/recoup the loss were not available on record.



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