

CHAPTER-III

REVENUE RECEIPTS

3.1 Loss of Revenue of Rs.36.34 lakh on account of Registration Fees and Stamp Duties

Local markets, Par-ghats, fisheries etc falling under jurisdiction of Panchayats are settled/leased with individual bidders annually on lease basis by inviting open tenders. As per terms & condition of NIT the successful bidder should mortgage a plot of land of the same allotment value (bid value) or more by executing a registered deed at own cost within 7 (seven) days of settlement failing which the settlement will be treated as cancelled.

Further, as per Article No.35 (ii) of Assam Gazette Notification dated 5-7-89 stamp duty @ 3% of demand should also be borne by the lessee concerned in addition to Registration fee.

Test check of 19 (nineteen) PRIs revealed that 1038 markets/Par-ghat/ fisheries were leased during the period 2002-03 to 2005-06 but no agreement deed was registered between the Panchayat authorities and Lessees.

Thus due to non-registration of agreement deed due to non-mortgage and subsequent non deduction of stamp duty for a period ranging from 1 year to 4 years, 19 (Nineteen) PRIs, incurred a revenue loss of Rs 36.34 lakh (Registration fee Rs 22,99,106/-plus Stamp duty Rs 13,34,843/-).

No action was initiated by the PRIs to realize the outstanding dues. (**Annexure F**)

3.2 Outstanding Kist Money of Rs 89.88 lakhs not realized

Local markets are leased out to private parties annually 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.

Test check 13 (thirteen) PRIs revealed that kist money amounting to Rs.89. 88 lakh till the close of the year 2005-06, are yet to be realized. The Panchayat authorities did not initiate any action to realize the outstanding till March, 2007

This reflects inadequacy in control and monitoring mechanism in Panchayats. (**Annexure-G**)

3.3 Loss of Revenue due to the non-settlement of Markets to the highest bidder

Test check of records related to settlement of markets under 10 (ten) PRI units for the years 2002-2003 to 2005-2006 revealed that markets/Par-ghats, fisheries etc were not leased out to the highest bidder. The highest bidders were rejected without assigning any reason and other bidders were allotted markets etc on lease basis in 340 cases by the 10 APs.

Thus, the PRIs incurred loss of revenue of Rs 1.13 Crores lakh by violating rules by non-award of contract to highest bidders. (**Annexure-H**)

3.4 Loss of revenue due to remission of Market Kist

As per Section 95 (3) of the Assam Panchayat Act 1994, remission/exemption of receipts may be allowed if provided under bye laws or by the State Government on the recommendations of Zilla Parishad.

Test check of records of Sivasagar Zilla Parishad revealed that remission was allowed to lessees without recording any specific reason amounting to Rs.7.7 lakhs, in violation of the provision of the tender notice. Thus Sivasagar Zilla Parishad incurred loss of revenue of Rs. 7.7 lakhs due to remission of Kist money. #

02-03- Rs.7,10,284
04-05- Rs. 65,891
Total: Rs.7,76,175

3.5 Non-distribution of Hat/Ghats Share to the ZPs, APs and GPs

As per sub-section 6 of Section 105 of Assam Panchayat Act, 1994, out of total sale proceeds of hats/ghats in any Zilla Parishad/Anchalik Panchayat, 20% shall devolve to or be retained by the Zilla Parishad, 40% shall be equally distributed to all the GPs under the AP/ZP and the balance 40% should be retained by or devolve to the APs.

Test check of the records 11 (Eleven) PRI units revealed that PRI units violated the rule/provision in releasing the share to concerned units and depriving the recipients units of their due share and retained excess amount in the ZP and AP corpus.

2 (two) ZPs and 9(nine)APs retained Rs.1.06 crores and Rs.33.09 lakhs respectively in excess of their due share and deprived the concerned GPs of their share of Rs. 67.67 lakhs, APs of Rs.53. 04 lakhs and ZPs of Rs.18.46 lakhs. This holding back of funds caused revenue imbalances between ZPs, APs and GPs. (**Annexure-I**)

3.6 Loss of Revenue due to non-deduction and deposit 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 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 General Sales Tax (AGST) is to be deducted @ 4.4% on the taxable turnover as certified by the Superintendent of Taxes.

In violation of the above provisions, 19 Units did not deduct AGST from the contractors/suppliers bills against supplies of taxable materials, while making payment during the period 2002-06 resulting loss of revenue of Rs. 18.2 lakh. (**Annexure - J**)