

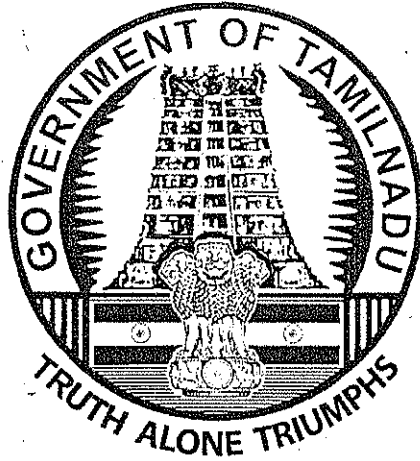


FINANCE DEPARTMENT

LOCAL FUND AUDIT DEPARTMENT

CONSOLIDATED AUDIT REPORT 2018-2019

Government of Tamil Nadu



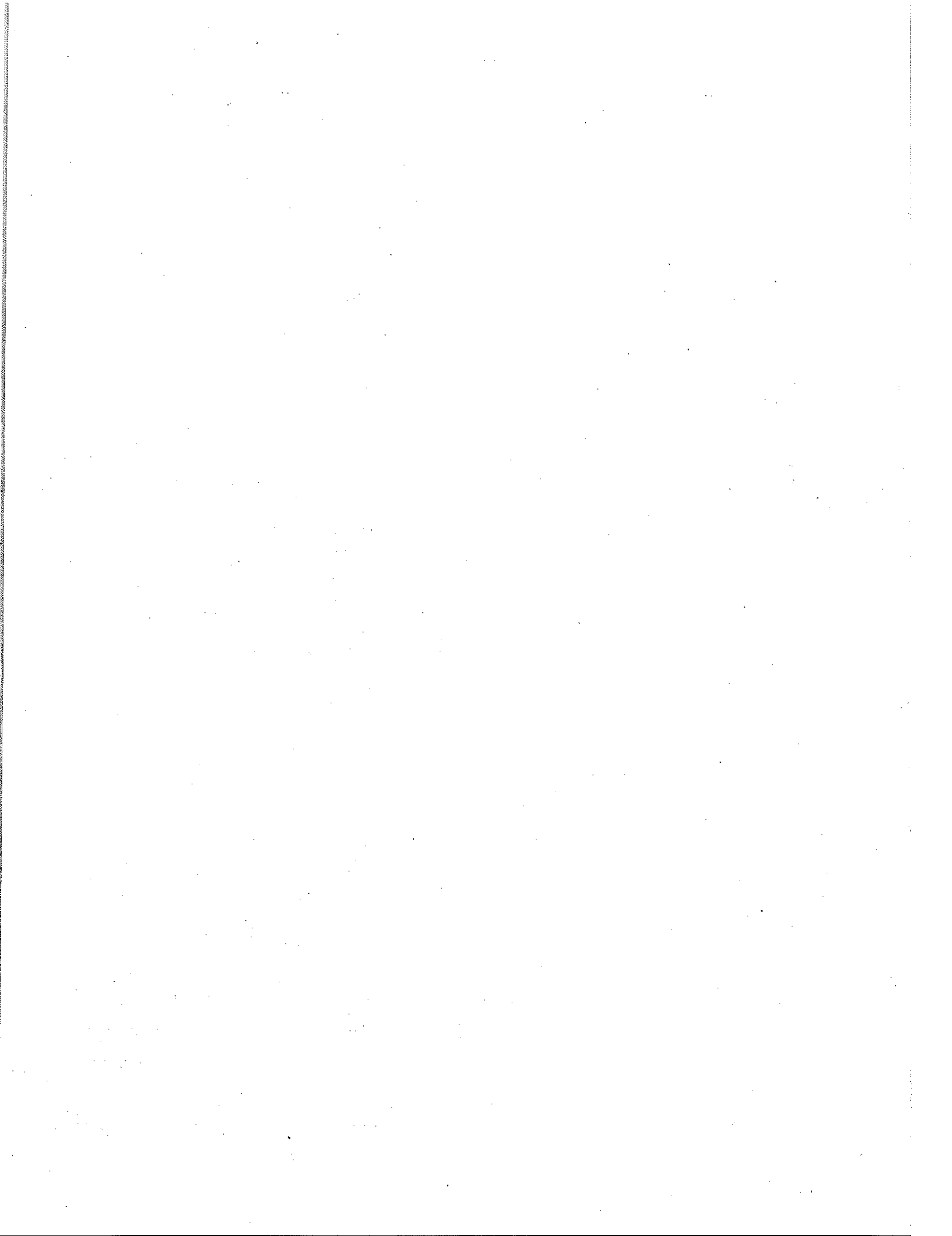
Finance Department

Local Fund Audit Department

Consolidated Audit Report

2018-19

Volume – I



INDEX

Sl. NO	CONTENT	Para.No	Page.No
	Executive Summary		i-xix
	Local Fund Audit Department-Origin		xx-xxv
	Gist of Audit Objections		xxvi-xxxv
Municipal Corporations			
1)	Greater Chennai Corporation	i) General	1 - 1.7
		ii) Annual Accounts Review	1.8 - 1.9
		iii) Audit Objections	1.10.1 - 1.10.3
2)	Other Corporations		2.1-2.2
	1) Madurai	i) General	2.3
		ii) Annual Accounts Review	2.3.1-2.3.2
		iii) Audit Objections	-
	2) Coimbatore	i) General	2.4
		ii) Annual Accounts Review	2.4.1 - 2.4.2
		iii) Audit Objections	2.4.3.1-2.4.3.2
	3) Trichirappalli	i) General	2.5
		ii) Annual Accounts Review	2.5.1-2.5.2
		iii) Audit Objections	2.5.3.1-2.5.3.2
	4) Salem	i) General	2.6
		ii) Annual Accounts Review	2.6.1-2.6.2
		iii) Audit Objections	2.6.3.1-2.6.3.3
	5) Tirunelveli	i) General	2.7
		ii) Annual Accounts Review	2.7.1-2.7.2
		iii) Audit Objections	-
	6) Erode	i) General	2.8
		ii) Annual Accounts Review	2.8.1-2.8.2
		iii) Audit Objections	-
	7) Tiruppur	i) General	2.9
		ii) Annual Accounts Review	2.9.1-2.9.2
		iii) Audit Objections	2.9.3.1-2.9.3.3
	8) Vellore	i) General	2.10
		ii) Annual Accounts Review	2.10.1-2.10.2
		iii) Audit Objections	2.10.3.1-2.10.3.2

Sl. No	CONTENT	Para.No	Page.No	
	9) Thoothukudi	i) General	2.11	118
		ii) Annual Accounts Review	2.11.1-2.11.2	118-123
		iii) Audit Objections	2.11.3.1	124
	10) Thanjavur	i) General	2.12	125
		ii) Annual Accounts Review	2.12.1-2.12.2	125-130
		iii) Audit Objections	-	-
	11) Dindigul	i) General	2.13	131
		ii) Annual Accounts Review	2.13.1-2.13.2	131-136
		iii) Audit Objections	-	-
3	Municipalities	i) General	3.1-3.8	137-140
		ii) Annual Accounts Review	3.9-3.13.1	141-149
		iii) Audit Objections	3.14.1-3.14.11	150-167
4	Town Panchayats	i) General	4.1-4.9	168-170
		ii) Annual Accounts Review	4.10-4.11	171-186
		iii) Audit Objections	4.12.1-4.12.8	187-201
5	District Panchayats	5	202-203	
6	Panchayat Unions	i) General	6.1-6.7	204-110
		ii) Annual Accounts Review	6.8	211-235
		iii) Audit Objections	6.9.1-6.9.6	236-244
7	Village Panchayats	i) General	7.1-7.8	245-249
		ii) Annual Accounts Review	-	-
		iii) Audit Objections	7.9.1-7.9.2	249-251
8	Universities	i) General	8.1-8.6	252-253
		ii) Annual Accounts Review	8.7	254-255
		iii) Audit Objections	-	-
9	Public Libraries	i) General	9.1-9.7	256-258
		ii) Annual Accounts Review	9.8	259
		iii) Audit Objections	-	-
10	Market Committees	i) General	10.1-10.4	260-261
		ii) Annual Accounts Review	10.5	262
		iii) Audit Objections	-	-
11	Non Preparation & Approval of Budget	11	263	

EXECUTIVE SUMMARY

Overview of Consolidated Financial Position of Local Bodies

I) Urban Local Bodies

1) Municipal Corporations:

In respect of 12 - Municipal Corporations for the year 2018-19 the Income from Property Tax shows an increase of Rs.69317.21 lakhs (150335.23-219652.44) against the previous year's and the Income from Other Taxes show an increase of Rs.18672.00 lakhs (34917.80 - 53589.80) against the previous year's. The Government Grant received shows an decrease of Rs.41796.05 lakhs (100444.62 – 58648.57) against the previous year's.

The Establishment Cost for the year 2018-19 shows an increase of Rs.44001.28 lakhs (212183.26-256184.54) over the previous year's and the Operation & Maintenance Charges show an increase of Rs.11880.31 lakhs (143697.56 – 155577.87) over the previous year's and the Administrative Expenses show a decrease of Rs.1808.44 lakhs (25559.99 – 23751.55) over the previous year's.

2) Municipalities:

In respect of 124 - Municipalities for the year 2018-19 the Income from Property Tax shows a decrease of Rs.19175.95 lakhs (86651.06 - 67475.11) against the previous year's and the Income from Other Taxes show an increase of Rs.2954.64 lakhs (9374.42–12329.06) against the previous year's. The Government Grant received shows an decrease of Rs.51517.49 lakhs (120661.33 – 69143.84) against the previous year's.

The Establishment Cost for the year 2018-19 shows a decrease of Rs.42474.27 lakhs (164152.99-121678.72) over the previous year's and the Operation & Maintenance Charges show an increase of Rs.57091.79 lakhs (22713.71- 79805.50) over the previous year's and the Administrative Expenses shows an decrease of Rs.56965.28 lakhs (71842.13 – 14876.85) over the previous year's.

3) Town Panchayats:

In respect of 528 – Town Panchayats for the year 2018-19 the Income from Property Tax shows an increase of Rs.8618.14 lakhs (14238.77 - 22856.91) against the previous year's and the Income from Other Taxes show an increase of Rs.1615.25 lakhs (7319.19 –8934.44) against the previous year's. The Government Grant received shows an decrease of Rs.89096.28 lakhs (127711.07 - 38614.79) against the previous year's.

The Establishment Cost for the year 2018-19 shows an increase of Rs.8303.50 lakhs (47196.90–55500.40) over the previous year's and the Operation & Maintenance Charges show an increase of Rs.17315.66 lakhs (76129.92 - 93445.58) over the previous year's and the Administrative Expenses show an increase of Rs.3091.98 lakhs (18809.00-21900.98) over the previous year's.

II) Panchayat Raj Institutions

4) Panchayat Unions:

In respect of 385 - Panchayat Unions for the year 2018-19 the Income from Own Revenue shows an increase of Rs.63.31 Crores (731.93-795.24) against the previous year's and the Assigned Revenue shows a decrease of Rs.98.88 Crores (505.88-407.00) against the previous year's. The Government Grant received show an increase of Rs.2496.36 Crores (5159.39 - 7655.75) against the previous year's.

The Revenue Expenditure for the year 2018-19 shows an increase of Rs.377.95 Crores (2633.77 - 3011.72) over the previous year's and the Capital Expenditure shows an increase of Rs.566.72 Crores (5279.55 - 5846.27) over the previous year's.

5) District Panchayats:

In respect of 31 - District Panchayats the Income for the year 2018-19 shows an increase of Rs.52659.20 lakhs (16035.01- 68694.21) against the previous year's and the Expenditure shows an increase of Rs.34539.61 lakhs (10703.31-45242.92) over the previous year's.

I) Urban Local Bodies

Income

Sl. No.	Name of the Institution	Total No. of Local Bodies	Year	Property Tax	Other Tax	Government Grants	Other Income	Total	Surplus/ Deficit	Grand Total
				(Rs in Lakhs)						
1)	Greater Chennai Corporation	1	2017-18	58986.77	24969.19	15768.18	62881.97	202606.11	167885.17	370491.28
			2018-19	142320.17	43303.29	19516.73	107471.67	312611.86	43422.73	356034.59
2)	Other Municipal Corporations	11	2017-18	51348.46	9948.61	84676.44	85866.53	231840.04	45364.45	277204.49
			2018-19	77332.27	10286.51	39131.84	173584.05	300334.67	41406.87	341741.54
3)	Municipalities	124	2017-18	86651.06	9374.42	120661.33	7675.53	224362.34	34882.57	259244.91
			2018-19	67475.11	12329.06	69143.84	172630.48	321578.49	0.00	321578.49
4)	Town Panchayats	528	2017-18	14238.77	7319.19	127711.07	51154.56	200423.59	41685.42	242109.01
			2018-19	22856.91	8934.44	38614.79	175658.94	246065.08	31766.06	277831.14

Expenditure

Sl. No.	Name of the Institution	Total No. of Local Bodies	Year	Establishment Cost	Operating and Maintenance Charges	Administrative Expenses	Other Expenditure	Total	Surplus/ Deficit	Grand Total
				(Rs in Lakhs)						
1)	Greater Chennai Corporation	1	2017-18	117304.33	64810.52	11546.54	27116.03	220777.42	149713.86	370491.28
			2018-19	137459.61	67099.22	10788.60	123431.77	338779.20	17255.39	356034.59
2)	Other Municipal Corporations	11	2017-18	94878.93	78887.04	14013.45	89425.07	277204.49	0.00	277204.49
			2018-19	118724.93	88478.65	12962.95	121575.01	341741.54	0.00	341741.54
3)	Municipalities	124	2017-18	164152.99	22713.71	71842.13	536.08	259244.91	0.00	259244.91
			2018-19	121678.72	79805.50	14876.85	104777.69	321138.76	439.73	321578.49
4)	Town Panchayats	528	2017-18	47196.90	76129.92	18809.00	99973.19	242109.01	0.00	242109.01
			2018-19	55500.40	93445.58	21900.78	106984.38	277831.14	0.00	277831.14

Statement showing the Income and Expenditure of all Local Bodies for the year 2017-18 and 2018-19

II) Panchayat Raj Institutions

Sl. No.	Name of the Institution	Total No. of Local Bodies	Year	INCOME				EXPENDITURE		
				Own Revenue	Assigned Revenue	Government Grants	Total	Revenue Expenditure	Capital Expenditure	Total
				(Rs.in lakhs)						
1	Panchayat Unions	385	2017-18	731.93	505.88	5159.39	6397.20	2633.77	5279.55	7913.32
		385	2018-19	795.24	407.00	7655.75	8857.99	3011.72	5846.27	8857.99

Sl. No.	Name of the Institution	Total No. of Local Bodies	Year	INCOME		EXPENDITURE	
				(Rs.in Lakhs)			
				1	District Panchayats	31	2017-18
31	2018-19	68694.21				45242.92	

Overview of Annual Accounts of Greater Chennai Corporation:

The Gross Income for the year 2018-19 shows an increase of Rs.110005.75 lakhs against the previous year's and the Gross Expenditure shows a decrease of Rs.19426.56 lakhs against the previous year's however the net financial position for the year shows an annual deficit of Rs.26167.34 lakhs which is due to a marginal rate of decrease in expenditure. The accumulated deficit stands at Rs.11686.16 lakh as on 31.03.2019. The loan liability for the year 2018-19 stands at Rs.296209.24 lakhs which is Rs.28495.78 lakh over the previous year's loan liability.

(Para 1.8.3 ---- Para 1.9.6)

The demand for Property Tax shows an increasing trend for the period of comparison. (ie) 2015-16 to 2018-19 but the increase in 2018-19 against 2017-18 is 139.72% and the absolute value stands at Rs.149247.00 lakhs against Rs.62259.00 lakhs respectively. This phenomenal increase is attributed to the revision of Property Tax in 2018-19, the last revision having on 1998-99.

Property Tax – Demand, Collection and Balance

Sl.No	Year	Demand	Collection	Balance	Percentage of Collection
1)	2015-16	56551	32689	23862	57.80
2)	2016-17	57984	36734	21250	63.35
3)	2017-18	62259	36518	25741	58.65
4)	2018-19	149247	82395	66852	55.20

The collection made out of the demand, however shows a decreasing trend and the collection to demand average % for the 4 year period stands at 58.77%. The authorities of Greater Chennai Corporation must take effective steps to improve Property Tax collection, which would correct the fiscal imbalance.

(Para 1.8.1)

The Profession Tax demand has marginally increased to 0.32% and stands at Rs.41511 lakhs over the previous year's Rs.41375 lakh. But the collection was Rs.27677 lakhs which is 9.17% decrease over the previous year's Rs.30473 lakhs.

(Para 1.8.2)

The Private Conservancy Expenditure Rs.24859.18 lakhs shows a decrease of Rs.1572.81 lakhs when compared with the previous year's Rs.26431.99 lakhs, but the

salary paid to the Sanitary Workers in the current year amounting to Rs.26036.28 lakhs constituting to the total Conservancy Expenditure of Rs.50895.46 lakhs, which is 30.80% of the total tax revenue. It clearly indicates the necessity of appropriate action to improve the revenue source to match the expenses.

(Para 1.4)

The defect of non-remittance of library cess of Rs.8083.53lakhs to the District Local Library Authority, Chennai has been found in the audit.

There is a surplus balance of Rs.19959.68 lakhs in the Elementary Education Fund after deducting the expenditure from the Educational Tax transferred from Municipal Fund. If this idle surplus had been utilized for improvement of infrastructure for Education, Quality education and facilities on par with Private Schools would have been provided.

(Para 1.5)

Moreover 7 - Zones of the Greater Chennai Corporation found to have collected 5 Paise / Rupee of Property Tax collected as library cess instead of collecting 10 Paise / Rupee of Property Tax collected as per the G.O.Ms.No.92, School Education Department issued in 23.04.2008. The defect has to be rectified.

(Para 1.6)

Audit Findings:

Tentative improvement charges to be collected along with the storm water drain charges for roads with breadth of 12 m & above were not collected in Zone 7 (Ambattur) which led to a revenue loss of Rs. 8,44,346 /- to the Greater Chennai Corporation. Building plan permission charges are being calculated digitally by a dedicated software called AUTODCR which calculate the plan permission charges for roads with width between 12.21M and above only and not for road beyond this dimension. Therefore, not only the loss amount should be recovered for the owners, but also the Software needs a correction to avoid the miscalculation in future.

(Para 1.10.1)

Building permission obtained for 275 sqm for residential purpose, but construction made for 492 sqm., for commercial purpose in Zone 7 (Ambattur) led to a revenue loss of Rs.2,12,610/- to the Greater Chennai Corporation. Action should be taken by the Enforcement Section of office of the Regional Deputy Commissioner (Central) for violation of rule which paved the way for the loss.

(Para 1.10.2)

In zone 14 (Perungudi) Vacant Land Tax wrongly assessed for an area of 148505 Sq.ft for 13 half years as Rs. 96,600/- instead of Rs.9,65,283/- moreover the wrongly assessed amount of Rs. 96, 600/- paid through demand draft was not presented to the bank within a stipulated period of 3 months which got lapsed and remains uncollected in the DCB statement. Appropriate action needed to recover the total amount.

(Para 1.10.3)

Audit paras raised in Greater Chennai Corporation

Sl.No.	Year	Total No of Audit Paras raised	Major Audit Paras selected for Consolidated Audit report
1)	2016-17	1347	5
2)	2017-18	807	2
3)	2018-19	964	3

Overview of Annual Accounts of 11 - Municipal Corporation:

The Gross Income for the year 2018-19 shows an increase of Rs.68494.63 lakhs against the Previous Year's and the Gross Expenditure show a increase of Rs.25447.73 lakhs against the previous year's. The loan liability for the year 2018-19 stands at Rs. 190762.02 lakhs lakhs which is Rs.184188.46 lakhs against the previous year's.

The Final Accounts of the 11 Other Corporations put together shows an annual deficit of Rs.41406.87 lakhs, and an accumulated deficit of Rs.210421.10 lakhs. The tax receivable worth Rs.151130.34 lakhs reveals the inaction on the part of administration in enhancing the Financial Position and the advance amount of Rs.225157.29 lakhs uncollected shows the administrative negligence.

The balance sheet reveals that out of 11 Corporations, 6 Corporations end with annual deficit and the remaining 5 Corporations end with annual surplus. Whose details are as follows:

Sl. No	Name of the Corporation	Annual Surplus		Annual Deficit	
		2017-18	2018-19	2017-18	2018-19
1)	Madurai	3364.51	3854.95	-	-
2)	Coimbatore	2675.01	4144.64	-	-
3)	Tiruchirappalli	3074.33	1993.39	-	-
4)	Salem	-	-	2441.14	241.69
5)	Tirunelveli	-	-	38.25	12943.70
6)	Erode	-	-	14593.18	19180.96
7)	Tiruppur	5218.17	2443.78	-	-
8)	Vellore	-	-	5542.21	8636.90
9)	Thoothukudi	-	-	1244.20	2028.55
10)	Thanjavur	5835.30	2572.69	-	-
11)	Dindigul	-	-	1705.70	529.29

Likewise 7 Corporations are having accumulated surplus and 4 Corporations are with accumulated deficit whose details are as follows:

Sl. No	Name of the Corporation	Accumulated Surplus		Accumulated Deficit	
		2017-18	2018-19	2017-18	2018-19
1)	Madurai	55460.29	15004.12	-	-
2)	Coimbatore	203420.15	215718.86	-	-
3)	Tiruchirappalli	48194.50	50172.50	-	-
4)	Salem	5744.48	7133.69	-	-
5)	Tirunelveli	-	-	10961.08	25967.90
6)	Erode	-	-	14005.93	31681.32
7)	Tiruppur	2655.38	4845.56	-	-
8)	Vellore	-	-	17599.65	25703.24
9)	Thoothukudi	-	-	4280.71	5565.95
10)	Thanjavur	3694.86	1122.18	-	-
11)	Dindigul	5665.72	5342.73	-	-

Audit Findings:

Short collection of building licence fees, debris removal charges, underground drainage deposits, Labour Welfare Fund etc led to a loss of Rs.3.78 lakhs to the Coimbatore Corporation.

(Para 2.4.3.1)

In Coimbatore Corporation, building licence was issued for a plot, for the application made enclosing the Vacant Land Tax receipt of another person led to a loss of Rs.23,374/- Similarly, building permission issued for 11 Cases, without Collecting Vacant Land Tax for 13 half years led to a loss of Rs.3,63,545/- Total loss amount of Rs. 3,86,919/- to be Collected from the concerned persons.

(Para 2.4.3.2)

In Tiruchirapalli Corporation, while regularizing the house sites in unapproved layouts, Open Space Reservation Charges of 10% based on the revised market guideline value was not collected. The market guideline value was taken from websites instead of the value in registered documents. This led to a loss of Rs. 7,22,810/- which should be recovered.

(Para 2.5.3.1)

In Tiruchirapalli Corporation, provision of 12 % GST amount included in the estimate of the works contract to be deducted in works bill – 2 % of GST not deducted at Source from contractors bill - resultant payment made to contractors bill 12 % GST amount could not be accounted in GSTR form led to a loss to the Government to the tune of Rs.79,85,331/-.

(Para 2.5.3.2)

In the Suramangalam Zone of Salem Corporation, assessment of Property Tax for Senthil Public School was made for lesser extent than the actual extent of the building led to a loss of Rs.8,10,450/- to the Corporation.

(Para 2.6.3.1)

In Salem Corporation, security deposit not collected even from a Single Cinema Theatre in it's limits led to a loss of Rs.11,54,389/- which added with the non-collection in the Previous year totalling to Rs.215.25/- lakhs to be recovered.

(Para 2.6.3.2)

Non – remittance of employees & employer contribution for CPS in the appropriate account amounts to Rs.29,87,14,829 /- in the Salem Corporation.

(Para 2.6.3.3)

In Tiruppur Corporation, assessment of Property Tax at residential rates for the commercial establishments which were assessed to Profession Tax, led to a loss of Rs.30,08,658/- need to be recovered.

(Para 2.9.3.1)

Non – levy of Property tax to the Private Educational institution building and Government aided institution buildings conducting self financing courses led to a total revenue loss of Rs.3,13,05,841/- in the Tiruppur Corporation.

(Para 2.9.3.2)

Infrastructure amenities fees not collected for commercial building during licence approval led to a loss of Rs.10,60,428/- in the Tiruppur Corporation.

(Para 2.9.3.3)

Short levy of Property Tax for the 23 commercial building brought a loss of Rs.23,31,839 /- to the Vellore Corporation.

(Para 2.10.3.1)

Short levy of Property Tax for 18 residential buildings brought a loss of Rs.7,39,588 /- to the Vellore Corporation.

(Para 2.10.3.2)

Non – Collection of non tax items of leases let out for rent led to a loss of Rs.44,19,877 /- to the Thoothukudi Corporation.

(Para 2.11.3.1)

Audit paras raised in 11 – Municipal Corporations

Sl.No.	Year	Total No of Audit Paras raised	Major Audit Paras selected for Consolidated Audit report
1)	2016-17	5458	10
2)	2017-18	3715	12
3)	2018-19	4280	13

Overview of Annual Accounts of 124 - Municipalities:

The Gross Income for the year 2018-19 shows an increase of Rs.97216.15 lakhs against the previous year's and the Gross Expenditure shows an increase of Rs.61893.85 lakhs against the previous year's. The loan liability for the year 2018-19 stands at Rs.121886.24 lakhs which is Rs.96614.35 lakhs against the previous year's.

The overall Financial Position shows an annual surplus of Rs.439.73 lakhs. and an accumulated deficit of Rs.17219.11 lakhs. The tax receivable worth Rs.104475.93 lakhs reveals the inaction on the part of administration in enhancing the Financial Position and the advance amount of Rs.55527.75 uncollected shows the administrative negligence.

The balance sheet reveals that out of 124 Municipalities, 72 municipalities end with annual deficit and the remaining 52 Municipalities end with annual surplus.

Likewise 55 Municipalities are having accumulated surplus and 69 Municipalities are with accumulated deficit at the year ending on 31.03.2019.

(Para 3.9)

Audit Findings:

Excess and wrong calculation made in the measurement book and abstract for work under Swacch Bharat Mission led to the excess payment to the contractor to the tune of Rs.2,61,728/- to the Chengalpet Municipality.

(Para 3.14.1)

Open Space Reservation Charges at 10% not collected for the layout sub division above 74 cents brought a loss of Rs.5,26,280/- to the Pallavapuram Municipality.

(Para 3.14.2)

Under the AMRUT 2016-17 Scheme work, for the underground drainage connection work, higher rate was allowed to the contractor instead of the PWD Schedule of rate led to the loss of Rs.5,80,713/- to the Pallavapuram Municipality.

(Para 3.14.3)

In the Arani Municipality, for the water supply improvement scheme, work implemented through TWAD Board was not fully completed and handed over to the Municipality made the purpose of the scheme not served. The excess amount paid of Rs.262.87 lakhs to be reimbursed.

(Para 3.14.4)

In Karur Municipality for Uzhavar Santhai annual lease amount not collected at 14 % on land value led to the loss of Rs.1,15,35,511/-.

(Para 3.14.5)

In Thirumangalam Municipality, demand for 3246 connection not raised and deposit amount & maintenance charge not collected for the demand raised in 1769 connections for the Underground Drainage and Sewage Scheme led to a loss of Rs. 3,00,14,890/-.

(Para 3.14.6)

Non – Levy of Spot fine Rs. 500/- and penalty charges Rs. 100/- per day upto the date of regularization of the unauthorized buildings without buildings plan permission for which Property tax assessed, led to a loss of Rs.84,50,000/- in the Thirumangalam and Melur Municipalities.

(Para 3.14.7)

In Kodaikanal Municipality, pending shop rent collection with penal interest of 18% amount to Rs.350.20 lakhs.

(Para 3.14.8)

Fixing of demand without 5 % increase in lease led to a loss of Rs.49,59,897/- in the Ooty Municipality.

(Para 3.14.9)

Amount paid to the contractor from employee GPF account and not written to the GPF cash book. Principal and interest to be credited to the GPF account amounts to Rs. 15.86 lakhs in the Jayamkondam Municipality.

(Para 3.14.10)

Belated payment of electricity charges brought a loss of Rs. 19.07 lakhs in the form of penalty imposed on the Nagarkoil Municipality by the TNEB. The above loss should be regularized.

Audit paras raised in 124 – Municipalities

Sl.No.	Year	Total No of Audit Paras raised	Major Audit Paras selected for Consolidated Audit report
1)	2016-17	12928	9
2)	2017-18	11396	22
3)	2018-19	12621	11

Overview of Annual Accounts of 528 - Town Panchayats:

Comparison of Financial Position with previous Years

Sl.No	Details	2015-16	2016-17	2017-18	2018-19
		Rs.in Lakhs			
1)	Gross Income	160448.55	192436.96	200423.59	246065.08
2)	Gross Expenditure	216116.64	240243.51	242109.01	277831.14
3)	Net annual deficit	55668.09	47826.55	41685.42	31766.06
4)	Net Accumulated deficit	6424.41	176348.36	147513.22	262250.39
5)	Uncollected Taxes and Fees	18250.98	22156.56	19647.64	24540.71
6)	Advances Recoverable	9500.70	24757.22	23299.44	28681.18
7)	Loan liability	15583.24	18924.62	14195.78	13956.67

The overall Financial Position for the year 2018-19 shows net annual deficit of Rs.31766.06 lakhs and net accumulated deficit of Rs.262250.39 lakhs. The uncollected taxes and fees are amounting to Rs.24540.71 lakhs and advances recoverable is of worth Rs.28681.18 lakhs.

It is increasing when compared to previous years, measures should be taken to collect the uncollected taxes to augment the own sources of revenue. Advances recoverable amount is increasing year by year. Action should be taken to adjust the advances pending.

The gross income shows an increase of Rs.45641.49 lakhs against the previous year of Rs.200423.59 lakhs and the expenditure shows the increase of Rs.33044.82 lakhs against the previous year of Rs.166814.31 lakhs.

The loan liability shown an decrease of Rs.239.11 (14195.78-13956.67) lakhs against the previous year of Rs.14195.78 lakhs.

(Para 4.10)

The balance sheet reveals that out of 528 Town Panchayats, 375 Town Panchayats end with annual deficit and the remaining 153 Town Panchayats end with annual surplus.

Likewise 75 Town Panchayats are having accumulated surplus and 453 Town Panchayats are with accumulated deficit at the year ending on 31.03.2019.

The non – availability of centralized software and entrustment of the onward collection of taxes and maintenance of Accounts to the private company named Primatrix Software Solution without any approval from Government led to serious defects in the Town Panchayats. Cheque collection made through banks are first credited to the above said private company’s account, and the same is transferred to the bank account of Town Panchayats after one week, the delay needs attention.

(Para 4.11 and 4.11.1)

Audit Para raised in 528 Town Panchayats

Sl.no	Year of Audit Report	Total Number of Audit Paras raised	Major audit paras selected for consolidated audit report
1	2016-2017	26024	7
2	2017-2018	24000	2
3	2018-2019	27632	8

Audit Finding:

Tax & Non –Tax Collected through Online by the Private Concern named Primatrix Software Solution Ltd., not fully remitted into the bank accounts of the respective Town Panchayats in Coimbatore District a financial loss of Rs.1,27,97,456 /- observed to be recovered.

(Para 4.12.1)

Grants under Schemes “Housing for All” Sanctioned to two ineligible beneficiaries brought a loss of Rs.90,000/- to the Chettipalayam Town Panchayat in Coimbatore District to be recovered from the concerned officials of the Town Panchayat.

(Para 4.12.2)

During the course of disbursement of final bill amount to the contractors in two respective work excess payment made without considering the withheld amount in the previous bills led to the total loss to the tune of Rs 4,66,649/- to the Pooluvapatti Town Panchayat in Coimbatore District.

(Para 4.12.3)

Non – Collection of GST for the revenue earned by the lessee in Possession of immovable asset of the Annur Town Panchayat in Coimbatore District brought a loss to the Government to the tune of Rs. 16,06,548/- the amount to be recovered.

(Para 4.12.4)

Lease Amount fixed less than the previous year and less than the average of preceding three years for the lease of fruit bearing tamarind tree brought a loss amounting to Rs. 3,25,667/- in the Vettaikaranpudur Town Panchayat in Coimbatore district.

(Para 4.12.5)

Short collection of regularization charges, development charges and scrutiny fees for the plots / layouts regularized in the Vadipatti & Sholavandhan Town Panchayats in Madurai District led to a loss of Rs.35,10,858/-.

(Para 4.12.6)

Solid waste handling charges not collected from Residential, Commercial and Industrial assessments in the Sholavandhan, Paravai and Vadipatti Town Panchayats located in Madurai District led to the loss amounting to Rs.13,43,735/-.

(Para 4.12.7)

Non – Assessment of Property tax for eight Private Schools in C.Pudupatti Town Panchayat in Madurai District led to a loss of revenue of Rs.9,17,958/-.

(Para 4.12.8)

Overview of Annual Accounts of 31 District Panchayats:

Regarding grants, SFC grant got sanctioned was Rs.33290.24 lakhs and Rs.10375.09 lakhs released for SFC works. Unspent grant for the previous year's accumulated to Rs.57.64 lakhs was pointed out in audit to remit into the Government Head of Account. The interest earned on the balance of grants Rs.975.38 lakhs also not remitted into the Government Head of Account was pointed out in Audit.

Total number of Audit objections raised during the course of audit and for the previous years are as follows.

Audit paras raised in 31 – District Panchayats

Sl.no	Year of Audit Report	Total Number of Audit Paras raised	Major audit paras selected for consolidated audit report
1	2016-2017	2388	Nil
2	2017-2018	1732	Nil
3	2018-2019	2359	Nil

Overview of Annual Accounts of 385 Panchayat Union:

Government Grant received in the Financial year of 2018-19 stands at Rs.7655.75 crores and Rs.3011.72 crores spent as Revenue Expenditure and Rs.5846.27 crores as Capital Expenditure, which is 65.99% of the total expenditure clearly indicates the creation of new assets was not upto the mark.

Comparison of Financial Position with previous Years

Sl.No	Details	2015-16	2016-17	2017-18	2018-19
		Rs.in Crores			
Receipts					
1	Own revenue	929	797	731.93	795.24
2	Assigned revenue	713	333	505.88	407.00
3	Grants	4758	5711	5159.39	7655.75
Total		6400	6841	6397.20	8857.99
Charges					
1	Revenue Expenditure	1711	1941	2633.77	3011.72
2	Capital Expenditure	1985	3019	5279.55	5846.27
Total		3696	4960	7913.32	8857.99
Percentage of capital expenditure to the total expenditure		54 %	61 %	67 %	65.99 %

(Para 6.6(ii) and Para 6.6(iii))

Audit paras raised in 385 – Panchayat Unions:

Sl.No	Year of Audit Report	Total Number of Audit Paras raised	Major audit paras selected for consolidated audit report
1	2016-2017	24324	6
2	2017-2018	19674	4
3	2018-2019	20888	6

Audit Findings:

Short collection of Labour Welfare Fund for the construction made by the M/S.Apollo Tyres Ltd., based on the building plan & approval issued for the purpose led to a loss of Rs. 2,13,285/- to the Government in Kundrathur Panchayat Union in Kanchipuram District.

(Para 6.9.1)

In the approval / Sanction of building Plan of the Ms. Aravind Laboratories for construction of cosmetics company in Vaiyavoor Village 3 % market value of the land as per G.O.Ms.No.79, H &UD Department, dated 04.05.2017 was not collected and remitted to the Government Account led to a loss to the Government to the tune of Rs. 4,56,750/- in the Maduranthagam Panchayat Union.

(Para 6.9.2)

Short collection of development charges in the layout approval of the Prasanna Garden of Senkuruchi village in Thirunavalur Panchayat Union in Villupuram District led to a loss of Rs.3,61,025/-, the amount to be recovered.

(Para 6.9.3)

For the Chitra Pournami and Karthiga Deepam festivals of the Arunachaleswarar Temple, the contribution amount from the temple authorities as per G.O.No.139, Tourism Heritage Culture and Religious Endowments Department, dated 05.06.2013 was not collected for the year 2015-16 to 2018-19 amounts to Rs.2,10,95,740/- in the Tiruvannamalai Panchayat Union.

(Para 6.9.4)

Short levy of Licence Fees and Property Tax for the Dhanalakshmi Srinivasan Sugars Private Ltd., in Udumbiam Panchayat in Veppanthattai Panchayat Union of Perambalur District led to a loss of Rs.17,43,401/-.

(Para 6.9.5)

Estimates not prepared on the basis of schedule of rates and non – deduction of GST in the work bill for the installation of RO plant in Panchayat Union Schools and Primary Health Centres in the Dharapuram and Gundadam Panchayat Unions of Tiruppur District led to a loss of Rs.56,16,720/-, the amount to be recovered.

(Para 6.9.6)

Overview of Annual Accounts of Village Panchayats (22%) :

The procedure of Budget, organisational setup, source of revenue, source of Fund, Accounts maintained in the Village Panchayats and also the audit arrangement and audit objectives for the Village Panchayats in addition to the serious irregularities noticed in audit are dealt with in Chapter 7 of the audit report.

Out of 12524 Village Panchayats only 22 % of Village Panchayats are audited every year by Local Fund Audit Department. In the span of 5 years all the 12524 Village Panchayats are audited.

Audit paras raised in Village Panchayats (22%):

Sl.No	Year of Audit Report	Total Number of Audit Paras raised	Major audit paras selected for consolidated audit report
1	2016-2017	68470	7
2	2017-2018	57461	5
3	2018-2019	72695	2

Audit Findings:

During the course of approval of building plans in Vaniyangudi Village Panchayat in Madurai District, non-collection of 1% of the estimate cost of the building as Labour Welfare Fund led to a loss of Rs.16,16,863/-.

(Para 7.9.1)

Short remittance of tax and fees collected by cash into the Village Panchayats bank accounts led to a loss of Rs.8.86 lakhs in Tanjavur District. This short remittance may be a permanent defalcation or temporary misappropriation of funds, to be recovered from the concerned persons and needed appropriate action.

(Para 7.9.2)

Overview of Annual Accounts of Universities

The overall income and expenditure of 23 Universities for the year 2018-19 are Rs.8,41,657.67 Lakh and Rs.8,00,525.21 Lakh respectively.

The cost of audit is charged based on the actual cost of the audit establishment except for the Annamalai University for which the cost of audit is based on average cost.

The demand of total cost of audit for the 23 Universities for the year 2018-19 stands at Rs.513.70 Lakh.

Overview of Annual Accounts of Public Libraries

The total receipts and charges of the 32 local Library authorities for the year 2018-19 are Rs.33,209.14 Lakh and Rs.33,826.57 Lakh respectively.

Except for the LLA, Chennai city whose audit fee is charged based on the actual cost of the audit establishment, all other LLAs enjoy free audit service. The audit fee for the year 2018-19 is Rs.1.07 lakh.

Overview of Annual Accounts of Market Committees

The total receipts and charges for the year 2018-19 of the 26 Market Committees and 3 Agriculture Engineering Divisions and one Agricultural Marketing Board stand at Rs.58,839.38 lakh and Rs.46,727.13 lakh respectively.

The Audit fee is charged at the rate of 2% of the expenditure of the Market Committees and the audit fee for the year 2018-19 is Rs.376.12 lakh.

Non-preparation and approval of Budget in Local Bodies:

The non-preparation and approval of Budget for the succeeding financial year in the Local Bodies, the non-adherence to the procedure creating hindrance in watching the flow of income and expenditure.

Local Fund Audit Department

Genesis:

Local Fund Audit Department has a long historical background. This department began to function under the administrative control of Accountant General and in the District level under the control of Local Boards, since 1849.

In the year 1880, the Local Fund Audit Department was created as per the provisions of Local Boards Act of 1844.

The Local Fund Audit Department began to function as separate department as per the G.O.Ms.No.609/Finance/dated 22.03.1880.

It was brought under the administrative control of District Collector as per the G.O.Ms.No.514/Finance/dated 10.03.1885. From 1885 to 1920 this department was functioning under the control of District Collector.

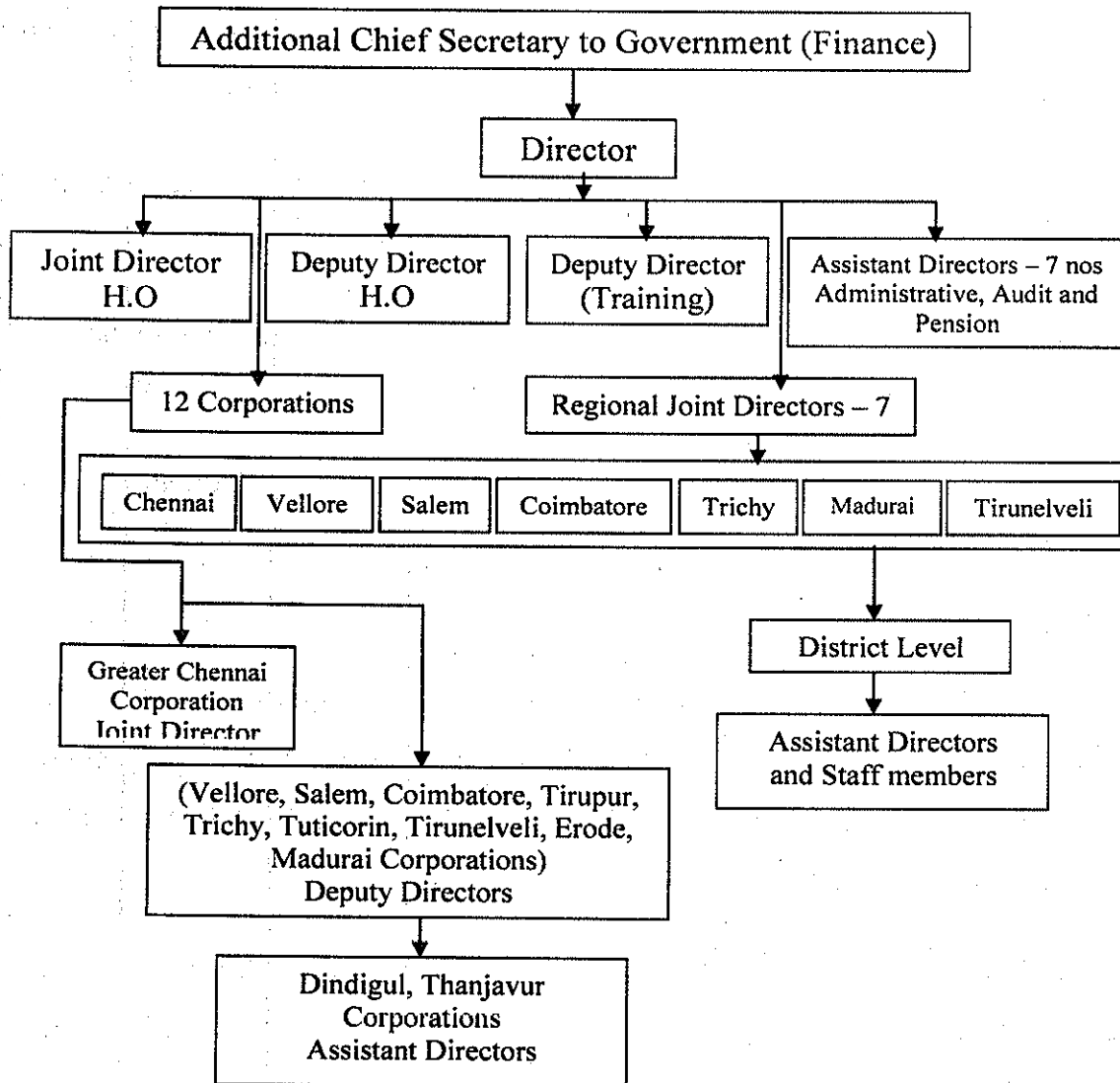
This department has been brought under the administrative control of Finance Department as per the recommendations of the expert committee appointed in the year 1920. The G.O.Ms.No.125/Finance dated.10.02.1921 has been issued in this regard.

The Examiner was appointed as the head of the department for the Local Fund Audit Department as per the G.O.Ms.No.1016/Finance dated 27.11.1922. From that day onwards this department began to function under his control.

As per the G.O.Ms.No.848/Finance (LF) dated 09.11.1995 the nomenclature of this department has been changed. The name "Examiner" has been changed as the Director and name of office has been changed as the Directorate of Local Fund Audit.

Administrative Setup:

Local Fund Audit Department is now functioning under the following administrative setup:



Local Fund Audit Act - 2014:

Second State Finance Commission recommended to enact a separate act to control and channelise the Local Fund Audit Department and to take up the audit of the Local body institutions and to empower the Director of Local Fund Audit Department to take up their audit. To implement these recommendations, the draft bill has been placed before the Legislative Assembly under the section 130 of Tamil Nadu Assembly rules on 05.12.2014. It has been enacted as the Local Fund Audit Act 2014 by the State Legislative Assembly.

The rules for the Local Fund Audit Act of 2014 has been issued through the G.O.(Ms) No.240/Finance (LF) Department dated 24.08.2016 and published in the Government Gazette on 24.08.2016. The audit of the year 2018-19 was conducted by this department and the consolidated report is now submitted before the Assembly of Tamil Nadu as per the instructions of Local Fund Audit Act 2014 Section 20.

The Audit Report in English is the translated version of the Tamil Audit Report. Utmost care has been taken to avoid discrepancies while translating into English. If any discrepancies occur, the point or meaning in Tamil version shall be the final.

Technical guidance of Accountant General:

The Audit on the funds released to Local Bodies is undertaken by the Accountant General as per Section 20 of Auditor General of India's Act 1971. The Accountant General is providing Technical guidance and support to the Director of the Local Fund Audit Department.

In the section 15 (3) of the Local Fund Audit Act of 24/2014 and G.O.(Ms)No.93 / Finance (FCIV) department dated 28.03.2003, it is advised that the Local Fund Audit staff shall get the technical guidance, from the Accountant General in the matters to follow, during the course of Audit, approach, in drafting the audit paras, compiling the audit report in order to ensure the quality of the audit and audit report.

The Accountant General has issued the guidelines in this regard to this department through his letter no.Pr.AG (C&SSA) SS11/LB11 unit 11/ 14-15 / 219. dated 23.10.2014.

Audit Procedure:

Concurrent Audit units have been created on 15.09.2000 for panchayat unions. 116 concurrent units are functioning in the 385 Panchayat unions in the 31 districts.

Concurrent Audit units are functioning in all special grade municipalities.

All corporations and 13 universities are being audited by the concurrent Audit unit staffs.

District Panchayats, Town Panchayats, Municipalities and other auditable institutions are being audited regularly by the District Audit staff annually.

As far as the Village Panchayat audit is concerned the Panchayat Union concurrent audit staff are auditing the village panchayats accounts. With the objective of completing the test audit of all village panchayats in five years, 20% of village panchayats are test audited every year. Besides that, 2% of the village panchayat audit chosen by the Director of Rural department are also being taken up by this department.

Auditable Institutions:

The audit of the following institutions is under taken by the Local Fund Audit Department, every year

S.No	Institutions	Nos
1	Municipal Corporations	12
2	Municipalities	124
3	Town Panchayats	528
4	District Panchayats	31
5	Panchayat Unions	385
6	Universities	23
7	Agricultural Marketing Committee at District Level	24
8	Tamil Nadu Agriculture Marketing Committee Engineering Division	03
9	Tamil Nadu State Agriculture Marketing Board	01
10	District Library Authority	32
11	National Social Schemes	32
12	Other Institutions	12
13	Local planning Authority	27
14	Village Panchayat Audit (Out of 12524 village panchayat every year 22% Audit)	2847

Other Special Works:

1. The Local Fund Audit Department besides doing the audit of the above institutions, pension accounts for local body staff (Panchayat Union, Municipalities and Town Panchayats) are being maintained by this department. The Pension for retired employees is being paid every month by this department.
2. Interest on Provident Fund closing balance of the local bodies is being sanctioned by this department every year.
3. The Director acts as Treasurer for the Endowments entrusted to this department by the Government.

Submission of Audit Report to the Government – Objections rectified – Audit recovery to the tune of Rs.8.11 lakhs.

The audit on the accounts of 2018-19 was completed and significant audit paras were selected to be placed in the Assembly. They were submitted to the Rural Development Department, Commissioner of Municipal Administration, Director of Town Panchayats, Commissioner of Agricultural marketing and Agricultural Business and Director of libraries. The replies to the audit objections were received from them. It is verified that an amount to the tune of **Rs.8.11 lakhs** is recovered as audit recovery on the basis of audit paras. They are detailed below.

S. No	Institutions	No of Paras	Value of selected Paras for Assembly (Rs. in lakhs)	Value of Settled Paras (Rs. in lakhs)	Balance (Rs. in lakhs)
1	Greater Chennai Corporation	3	20.22	-	20.22
2	Other Municipal Corporations	13	3694.12	-	3694.12
3	Municipalities	11	1211.67	1.65	1210.02
4	Town Panchayats	8	210.51	-	210.51
5	Panchayat Unions	6	294.87	5.74	289.13
6	Village Panchayats	2	25.03	0.72	24.31
Total		43	5456.42	8.11	5448.31

Audit Fees:

Audit of all institutions for the year 2018-19 have been completed. The audit fees payable by the Corporations, Municipalities, Universities, Agricultural Marketing Committee worth Rs.2312.80 lakhs has been raised as demand and noted in the audit paras. Speedy action have to be taken to remit the above audit fees into the Government head of account.

GIST OF AUDIT OBJECTIONS

1. Greater Chennai Corporation

S. No	Para No	Details of Objections	Loss Amount	Amount Settled	Balance	Page No.
			(Rs.in Lakhs)			
1	1.10.1	Greater Chennai Corporation – Zone 7 – Ambattur - 2018-2019 – Town Planning Audit – Tentative Improvement charges were not collected along with the Storm Water Drain Charges leads to loss of Rs.8.44 lakhs accordingly. (Para No. 33 / 2018-19)	8.44	-	8.44	13-16
2	1.10.2	Greater Chennai Corporation – Zone 7 – Ambattur - 2018-2019 – Town Planning Audit –Building Permission obtained for Residential Purpose Charges not collected on Commercial basis leads to loss of Rs.2.13 lakhs needs enforcement action. (Para No. 37 / 2018-19)	2.13	-	2.13	17-18
3	1.10.3	Greater Chennai Corporation - Zone -14 (Perungudi) 2018-2019 Audit – Revenue Department – Vacant Land tax Assessed-calculated and collected at lesser rate – for 13 half years - Demand draft collected Rs.96,600/- not submitted into bank owing timbered loss of Rs. 9.65 lakhs. (Para No. 18 / 2018-19)	9.65	-	9.65	19-20
Total			20.22		20.22	

2. Other Municipal Corporations

S. No	Para No	Details of Objections	Loss Amount	Amount Settled	Balance	Page No.
			(Rs.in Lakhs)			
4	2.4.3.1	Coimbatore Corporation –Main office-Town Planning Section-West Zone-building license –Short collection of building license fees, debris Removal charges and labour welfare fund etc - Loss of Rs.3.78 lakhs to be collected (Para No. 4.7 / 2018-19)	3.78	-	3.78	43-48
5	2.4.3.2	Coimbatore Corporation –main office – 2018-19 – Town planning Section – South zone – building license issued – vacant Land Tax for 13 half years has not been collected- Loss of Rs. 3.87 lakhs /- should be collected from the concerned person. (Para No.4.10 / 2018-19)	3.87	-	3.87	49-50
6	2.5.3.1	Trichirapalli registration after the implementation of the revised market value guidelines – short collection of open space reservation charge of 10% and Sanction of planning permission and building license – revenue loss of Rs.7.23 lakhs (Para No.34 / 2018-19)	7.23	-	7.23	58-60
7	2.5.3.2	Tiruchirappalli Corporation - Works – Provision of 12% of Goods and Service tax amount included in the Estimate of the works contract to be deducted in works bill - 2% of GST not deducted at source from contractors bill – Resultant in payment made to Contractors bill 12% GST amount could not be accounted in GSTR form – loss to the Government Rs.79.85 lakhs (Para No.29 / 2018-19)	79.85	-	79.85	61-62
8	2.6.3.1	Salem Corporation - Suramangalam Zone - 2018 - 2019 Division 3 – short levy of property tax for Senthil Public School – property tax calculated for lesser extent of building than actual extent - Loss to corporation Rs. 8.10 (Para No.15 / 2018-19)	8.10	-	8.10	69-70
9	2.6.3.2	Salem Corporation – Main Office - 2018 – 2019 – Entertainment Tax – Security Deposit not collected – Security deposit to be collected by the corporation Rs.203.72 lakhs and interest loss Rs. 11.54 lakhs to be recovered. (Para No. 28 / 2018-19)	215.25	-	215.25	71-80

S. No	Para. No	Details of Objections	Loss Amount	Amount Settled	Balance	Page No.
			(Rs.in Lakhs)			
10	2.6.3.3	Salem Corporation – Contributory Pension Scheme – Employees Contribution and employer (Salem Corporation) Contribution not remitted into appropriate account – Amount Rs.2987.15 lakhs needs to be remitted (Para No. 43 / 2018-19)	2987.15	-	2987.15	81-82
11	2.9.3.1	Tiruppur Corporation – Property tax audit property tax on Residential rate levied on commercial buildings which assessed to profession tax loss of revenue serious deficit – loss Rs.30.09 lakhs (Para No. 8 / 2018-19)	30.09	-	30.09	101
12	2.9.3.2	Tiruppur Corporation – Tamil Nadu Municipal laws (Second Amendment) act 2018 – Amended to levy property tax upon all private educational institutional buildings and upon buildings used for conducting Government aided self financing courses except those which are run by the Government or Corporation or any other Local Authority or institutions aided by the Government – tax not levied thus far – Revenue Loss Rs.313.06 lakhs (Para No 9 / 2018-19)	313.06	-	313.06	102 -106
13	2.9.3.3	Tiruppur Corporation – Building License – Zone 1 and 3 : Infrastructure and amenities fees were not collected for Commercial Building License approval – Revenue Loss Rs.10.60 lakhs (Para No. 9 / 2018-19)	10.60	-	10.60	106 -107
14	2.10.3.1	Vellore Corporation- Property Tax - Commercial Buildings – Short Levy of Property Tax – Recurring Revenue Loss to Municipal Corporation – Rs.23.32 Lakhs to be recovered from the persons responsible – Defect. (Para No. 26 /2018-19)	23.32	-	23.32	114-115
15	2.10.3.2	Vellore Corporation - Property Tax — 18 Residential Buildings – Short Levy of Property Tax – Recurring Revenue Loss to Municipal Corporation – Rs.7.40 Lakhs to be recovered from the persons responsible – Defect. (Para No. 27 /2018-19)	7.40	-	7.40	116-117

S. No	Para. No	Details of Objections	Loss Amount	Amount Settled	Balance	Page No.
			(Rs.in Lakhs)			
16	2.11.3.1	Thoothukudi Corporation – Miscellaneous Demand – Non Collection of 18% penal interest from the lessee for the non payment of rent and lease amount during the audit year – Monetary loss – Rs.4.42 lakhs (Para No.22 / 2018-19)	4.42	-	4.42	124
Total			3694.12	-	3694.12	

3. Municipalities

S. No	Para. No	Details of Objections	Loss Amount	Amount Settled	Balance	Page No.
			(Rs.in Lakhs)			
17	3.14.1	Kanchipuram District – Chengulpet Municipality – Clean India Mission (Swachh Bharat Mission) – Scheme Excess and Wrong Calculation in Measurement book and Abstract – Excess Amount paid to contractor loss Rs.2.62 lakhs. (Para No.29 (1&4))	2.62	1.65	0.97	150-151
18	3.14.2	Kanchipuram District – Pallavapuram Municipality – Layout sub-division – Open space Reservation charge not collected for Layouts formed Sub division made from above 74 cents after 05.08.1975 – loss Rs.5.63 lakhs. (Para No. 65 / 2018-19)	5.63	-	5.63	152-153
19	3.14.3	Kanchipuram District – Pallavapuram Municipality - AMRUT 2016-17 scheme work – Under Ground Drainage connection work – Higher rate allowed than PWD schedule of rate – Loss Rs. 5.81 lakhs (Para No. 24(c) / 2018-19)	5.81	-	5.81	153-154
20	3.14.4	Tiruvannamalai District – Arani Municipality – Water supply improvement scheme – Implemented through TWAD Board – Work not fully completed – Handed over to Municipality – Purpose of the scheme not fully achieved – Excess Amount paid to be reimbursed – Rs.262.87 lakhs. (Para No.17 / 2018-19 / Water Supply and Drainage Fund)	262.87	-	262.87	155-158

S. No	Para. No	Details of Objections	Loss Amount	Amount Settled	Balance	Page No.
			(Rs.in Lakhs)			
21	3.14.5	Karur District – Karur Municipality-Uzhavar santhai – Annual lease not collected – 14% on land value – Rs.115.36 lakhs (Para No. 29 / 2018-19)	115.36	-	115.36	158-159
22	3.14.6	Madurai - District – Thirumangalam Municipality – Deposit amount and Maintenance Charge fixed under Subrule 46 of Underground Drainage and Sewage Scheme – Demand not raised for 3246 Connections – Deposit amount and Maintenance charge not collected for demand raised 1769 Connections – Revenue loss Rs.300.15 lakh (Para No.17/(g))	300.15	-	300.15	160-163
23	3.14.7	Madurai - District – Thirumangalam and Melur Municipalities – Property tax Assessed for Building Plan Permission not obtained Unauthorized buildings – Spot fine Rs 500/- and penalty charges Rs.100/- per day upto the date of regularisation Not collected – Unauthorised building register not Maintained – Loss Rs.84.50 lakhs. (Para No's. 17(f) and 14 (i)/2018-19)	84.50	-	84.50	163
24	3.14.8	Dindugul District – Kodaikanal Municipality – Shop rent not collected – Pending amount Rs. 2,96,77,928/- – For late Charges – Pending-18% Penal interest Rs. 53,42,027 /- Amount to be Collected Rs. 350.20 lakh (Para No. 35 / 2018-19)	350.20	-	350.20	164
25	3.14.9	Niligiri District – Ooty Municipality – In 2018-19 Demand not fixed with 5 percentage increase in lease Revenue Loss Rs.49.60 lakhs to be collected. (Para No. 18 / 2018-19)	49.60	-	49.60	165
26	3.14.10	Ariyalur District – Jayamkondam Municipality – Amount paid to contractor from employees General Provident Fund – Expenditure detail not shown- Expenditure not written in General Provident Fund cash book – Principle and Interest to be credited in General provident Fund account - Rs.15.86 lakhs (Para No. 90 / 2018-19)	15.86	-	15.86	165-167

S. No	Para. No	Details of Objections	Loss Amount	Amount Settled	Balance	Page No.
			(Rs.in Lakhs)			
27	3.14.11	Kanyakumari District – Nagarkoil Municipality – Electricity Charges – due to belated payment – penalty imposed- Belated payment surcharge paid – Loss Rs.19.07 lakhs. (Para No. 62 / 2018-19)	19.07	-	19.07	167
Total			1211.67	1.65	1210.02	

4. Town Panchayat

S. No	Para. No	Details of Objections	Loss Amount	Amount Settled	Balance	Page No.
			(Rs.in Lakhs)			
28	4.12.1	Tirupur Region - Coimbatore District - Town Panchayats – 2018-19 Audit - Tax and Non-Tax collected through online by a private concern named M/s.Primatix Software Solutions Ltd - Not fully remitted into bank accounts of respective Town Panchayats Rs.3615216/- Even after audit period – Observed a financial loss of 1,27,97,456/- to the Town Panchayats to be recovered. (Para No. 3(1) / 2018-19)	127.97	-	127.97	187-190
29	4.12.2	Tirupur Region - Coimbatore District - Chettipalayam Town Panchayats – 2018 - 19 – Audit “Schemes Housing for All ” – 2015-2016 grants sanctioned to ineligible beneficiaries not recovered from the beneficiaries – Amounts was remitted back to Government from General Fund of the Town Panchayat – Financial loss to a sum of Rs.90000/- to be recovered. (Para No. 52 /2018-2019)	0.9	-	0.9	190-192
30	4.12.3	Tirupur Region - Coimbatore District - Pooluvapatti Town Panchayat – Amount paid in final bill withheld amount in previous part bill – loss Rs.4,66,649/- to be recovered. (Para No. 34 / 2018-19)	4.67	-	4.67	192-194

S. No	Para. No	Details of Objections	Loss Amount	Amount Settled	Balance	Page No.
			(Rs.in Lakhs)			
31	4.12.4	Tirupur Region - Coimbatore District - Annur Town Panchayat Miscellaneous Demand - GST not collected to the revenue earned by the lessee in possession of immovable Assest of Town Panchayat - Loss Rs.16,06,548/- (Para No. 29 / 2018-19)	16.07	-	16.07	195-196
32	4.12.5	Tirupur Region - Coimbatore District - Vettaikaranpudur Town Panchayat - Miscellaneous Demand - Lease of fruit bearing tamarind tree - Lease Amount fixed less than the previous year and less than the average of preceding three years - Revenue Loss Rs.3,25,667/- (Para No. 13 / 2018-19)	3.26	-	3.26	196-197
33	4.12.6	4.12.6 Madurai Region - Madurai District Town Panchayat- plots/Layouts regularized in 2018-2019 - Regularization charges, Development Charges and Scrutiny fee - Not collected as per Govt. order or shortly collected - Loss of revenue to the Govt/Town Panchayat Rs.35.02/- lakhs (Para No. 17,18, 14 / 2018-19)	35.02	-	35.02	197-198
34	4.12.7	4.12.7 Madurai Region - Madurai District - Sholavandan, Paravai and Vadipatti Town Panchayat - Solid Waste management Rules 2016-Solid Waste handling charges - Not Collected from residential, commercial, industrial and other organization located within the Town Panchayat - Loss of Income to be collected Rs.13.44/- Lakh (Para No. 10, 23 and 23 / 2018-19)	13.44	-	13.44	198-199
35	4.12.8	4.12.8 Madurai Region - Theni District - C. Pudupatti Town Panchayat -Property Tax -Property Tax not assessed for Private School buildings in Town Panchayat limits - loss amount Rs.9.18 Lakhs. (Para No . 15 / 2018-19)	9.18	-	9.18	200-201
Total			210.51	-	210.51	

5) DISTRICT PANCHAYATS

S. No	Para. No	Details of Objections	Loss Amount	Amount Settled	Balance	Page No.
			(Rs.in Lakhs)			
No Paras selected						

6) PANCHAYAT UNIONS

S. No	Para. No	Details of Objections	Loss Amount	Amount Settled	Balance	Page No.
			(Rs.in Lakhs)			
36	6.9.1	Chengalpet Region –Kancheepuram District – Kundrathur Panchayat Union – Block Development Officer (Block Panchayat) - General Fund – Issue of license for Company – Short collection of Labour welfare fund – loss – Rs. 2.13 lakhs Amount collected based on audit objection raised. (Para No. 10 / 2018-19)	2.13	2.13	-	236-237
37	6.9.2	Chengalpat region - Chengalpat District Maduranthagam Panchayat Union Building license fees collected – 3% Market Value of the land area – not collected – Loss Rs.4.57lakhs (Para No. 9A / 2018-19)	4.57	-	4.57	237-238
38	6.9.3	Vellore Region – Villupuram District - Thirunavalur Panchayat Union - Layout Approval – Short collection of Development charges – Loss Rs. 3.61 lakhs to be recovered - Amount collected based on audit objection raised. (Para No. 19 / 2018-19)	3.61	3.61	-	238-239
39	6.9.4	Vellore Region - Thiruvannamalai District - Tiruvannamalai Panchayat Union - Chitra Pournami and Karthigai Deepam Expenditure – Contribution amount not Collected from the Temple authorities - Rs.210.96 Lakhs remains uncollected. (Para No. 29 / 2018 – 19)	210.96	-	210.96	239-240

S. No	Para. No	Details of Objections	Loss Amount	Amount Settled	Balance	Page No.
			(Rs.in Lakhs)			
40	6.9.5	Thiruchirapalli Region - Perambalur District - Veppanthattai Panchayat Union - General Fund - Receipts - Short levy of License fees and property tax for Dhanalakshmi Srinivasan Sugars Private Ltd in Udumbiam panchayat - Loss of Rs.17.43 lakhs to be recovered. (Para No. 14 A & B / 2018-19)	17.43	-	17.43	240-243
41	6.9.6	Tiruppur Region - Tiruppur District - Dharapuram and Gundadam Panchayat Union - Block Panchayat Scheme Fund works - Installation of RO Plant in Panchayat Union Schools and Primary health Centres - Estimates not prepared on the basis of Schedule of Rates and non deduction of GST in work bill - Loss of Rs.56.17 lakhs to be recovered. (Consolidated Para)	56.17	-	56.17	243-244
Total			294.87	5.74	289.13	

7) VILLAGE PANCHAYAT

S. No	Para. No	Details of Objections	Loss Amount	Amount Settled	Balance	Page No.
			(Rs.in Lakhs)			
42	7.9.1	Madurai region - Sivagangai district - Sivagangai Panchayat union - Vaniyangudi village panchayat - Building plan approval - Labour welfare fund not collected for building plan approvals - loss Rs. 16.17 lakhs. (Para No.18/2018-2019)	16.17	-	16.17	249-250
43	7.9.2	Thiruchirapalli Region - Thanjavur District - Village Panchayats - Short Remittance of cash collection Rs.8.86 lakhs - Defalcated - To be recovered. (Consolidated Para)	8.86	0.72	8.14	250-251
Total			25.03	0.72	24.31	

8) UNIVERSITIES

S. No	Para. No	Details of Objections	Loss Amount	Amount Settled	Balance	Page No.
			(Rs.in Lakhs)			
No Paras selected						

9) PUBLIC LIBRARIES

S. No	Para. No	Details of Objections	Loss Amount	Amount Settled	Balance	Page No.
			(Rs.in Lakhs)			
No Paras selected						

10) MARKET COMMITTEES

S. No	Para. No	Details of Objections	Loss Amount	Amount Settled	Balance	Page No.
			(Rs.in Lakhs)			
No Paras selected						

11) NON - PREPARATION & APPROVAL OF BUDGET

Sl. No.	Para. No	Details of Objections	Amount	Amount Settled	Balance	Page No.
			(Rs. in lakh)			
		Non - Preparation & Approval of Budget				263

THE HISTORY OF THE

REPUBLIC OF THE UNITED STATES

The history of the Republic of the United States is a story of growth, struggle, and triumph. From the first settlers to the present day, the nation has evolved through various stages of development, facing numerous challenges and overcoming them through the resilience and ingenuity of its people.

The early years of the Republic were marked by the struggle for independence from British rule. The American Revolution, which began in 1775 and ended in 1783, was a pivotal moment in the nation's history. It resulted in the signing of the Declaration of Independence in 1776 and the adoption of the Constitution in 1787. These foundational documents established the principles of self-governance and the structure of the federal government.

The early years of the Republic were also characterized by westward expansion and the discovery of gold in California. The Gold Rush of 1849 drew thousands of people to California, leading to the state's admission to the Union in 1850. This period of expansion was also marked by the Mexican-American War (1846-1848), which resulted in the acquisition of vast territories in the southwestern United States.

The mid-19th century was a time of great social and political upheaval. The issue of slavery became a central focus of national debate, leading to the Civil War (1861-1865). The war was a defining moment in the nation's history, as it resulted in the abolition of slavery and the preservation of the Union. The Reconstruction era that followed was a period of significant change, as the nation sought to rebuild and integrate the newly freed African Americans.

The late 19th and early 20th centuries were marked by industrialization and the rise of the Progressive Era. The Industrial Revolution brought about significant economic growth and technological advancement, but it also led to the exploitation of workers and the growth of a powerful industrial class. The Progressive Era, which began in the 1890s, was a period of reform and social progress, as leaders sought to address the social and economic problems of the time.

The 20th century was a time of global conflict and social change. The United States emerged as a world superpower after World War II, leading the world in the Cold War. The civil rights movement of the 1950s and 1960s was a defining moment in the nation's history, as it led to the passage of the Civil Rights Act of 1964 and the Voting Rights Act of 1965. The Vietnam War (1955-1975) was a controversial conflict that led to significant social and political unrest.

The late 20th and early 21st centuries have been marked by technological revolution and global challenges. The digital age has brought about significant changes in the way we live and work, but it has also led to concerns about privacy and the impact of technology on society. The 9/11 attacks in 2001 were a defining moment in the nation's history, leading to the War on Terror and the passage of the Patriot Act. The 2008 financial crisis and the subsequent recession led to significant economic challenges and a reevaluation of the nation's economic policies.

The history of the Republic of the United States is a story of a nation that has grown from a small group of settlers to a global superpower. It is a story of struggle and triumph, of challenges and opportunities. The nation's history is a testament to the resilience and ingenuity of its people, and it is a story that continues to shape the world today.

MUNICIPAL CORPORATIONS

1) Greater Chennai Corporation:

1.1. Preamble:

Greater Chennai Corporation came into existence as per Madras City Municipal Corporation Act 1919. As per 2011 census the total population of Chennai Corporation is 46.46 lakhs. Population of Chennai Corporation comprises 23.36 lakhs Male and 23.10 lakhs Females. Total literacy rate is 90.18%. As per G.O.Ms.No.256 Municipal Administration and Water Supply Department dated.26.12.2009, the area of Chennai Corporation has been expanded to 426 sq.km.

After this annexation the population of Greater Chennai Corporation is increased to 70 lakhs. Greater Chennai Corporation is divided into 15 Zones and 200 divisions w.e.f 25.10.2011. The name of Chennai Corporation was modified as "Greater Chennai Corporation" w.e.f October 2015.

Out of 18 functions, enlisted in the Twelfth schedule of the Constitution, 13 functions have been devolved to Greater Chennai Corporation which is functioning as per "Chennai City Municipal Corporation Act 1919".

1.2. Functions:

Among the 13 functions devolved by the State Government, the function of providing infrastructure and basic amenities like Road, Storm water drain, Street lights, Solid waste Management, conservancy, Education, Public Health, Park and also the function of issuing Birth and Death certificate are carried out by the Greater Chennai Corporation. 15 Zones, 27 Departments and 3 Regional Deputy Commissioner offices are functioning to provide the above mentioned services.

S.No	Name of the Zones	Name of the Region
1	Tiruvottiyur	Northern Region
2	Manali	
3	Madhavaram	
4	Tondairpet	
5	Royapuram	

S.No	Name of the Zones	Name of the Region
6	Thiru.vi.ka Nagar	Central Region
7	Ambattur	
8	Anna Nagar	
9	Tenampet	
10	Kodambakkam	
11	Valasaravakkam	Southern Region
12	Alandur	
13	Adayar	
14	Perungudi	
15	Sholinganallur	

Details of the Departments:

S.No.	Name of the Department
1.	Public Health
2.	Solid waste Management
3.	District Family Welfare
4.	Bus Route Road
5.	Revenue
6.	Storm water drain
7.	Bridges
8.	Buildings
9.	General Department
10.	Mechanical Engineering
11.	Land and Estate
12.	Electrical

S.No.	Name of the Department
13.	Accounts central cell
14.	Works Department
15.	Parks and playgrounds
16.	Council Department
17.	Tax appellate Tribunal
18.	Pension Fund
19.	Provident Fund
20.	Elementary Education Fund
21.	Secondary & Higher Secondary Education Fund
22.	Quality control :
23.	Special Projects
24.	Legal Cell
25.	Chief Engineer (General)
26.	Chief Engineer (Buildings)
27.	Chief Engineer (Planning)

The following units are also functioning:

S.No	Name of the Unit	No of units
1	Maternity Hospital	15
2	Urban Health Centre	140
3	Communicable Disease Hospital	1
4	Diagnostic Centre	6
5	Public Laboratory	1
6	Dispensary	75
7	Printing press	1
8	Community Hall	55

S.No	Name of the Unit	No of units
9	Modern Slaughter House	3
10	Flood Relief Centres	5
11	Amma Canteen	407
12	Parks	525
13	Play grounds	210
14	Gymnastic centre	96
15	Swimming Pool	2
16	Community colleges (Nursing, Mechanical, Computer Science, Banking etc)	4
17	Industrial Training Institute	1
18	Nursery schools	175
19	Elementary, Middle, High & Higher secondary schools	281
20	Lorry station	15
21	Sub station	71
22	Ayush Hospital	3
23	Garbage Dumping Yard	2
24	Garbage Transfer Station	11
25	Veterinary health centre	4
26	Shelter for Homeless	47
27	Crematorium	206
28	Shuttlecock indoor stadium	4
29	Basket ball indoor stadium	1

The following standing committees are also functioning: (each consists of 15 members)

1. Tax & Finance
2. Education (Parks & Playgrounds)
3. Health & Family welfare
4. Works
5. Town planning
6. Accounts & Audit

1.3. Maintenance of Accounts:

Accrual based Accounting system is maintained for property Tax w.e.f 01.04.1982. As per schedule V, part III, Rule 17 of Chennai City Municipal Corporation Act 1919 and Section 7 of the Tamil Nadu Local Fund Audit Act, 2014 & Rules, 2016 the annual accounts of the corporation shall be furnished to audit before 30th June of the succeeding year.

1.4. Details of Expenditure incurred for private conservancy:

S. No	Head	Account code	Expenditure in lakhs		
			2016-17	2017-18	2018-19
1	Private conservancy	230150100	25153.43	26431.99	24859.18

During 2018-19, the expenditure incurred for private conservancy is Rs.24859.18 lakhs and the salary paid to sanitary workers is Rs.26036.28 lakhs and the total conservancy expenditure is Rs.50895.46 lakhs which is 30.80% of tax revenue of corporation. Action may be taken to improve the revenue of the corporation to match the expenses.

1.5. Education Tax:

Education Tax Collected along with Property Tax have been transferred from Municipal Fund to Elementary Education Fund. There is surplus balance of Rs. 19959.69 Lakhs. This amount shall be utilized for capital works pertaining to education.

The details of amount of education tax transferred from Municipal fund from the year 1990-91 to 2018-19 are furnished below.

S.No	Year	Education Tax Transferred	Expenditure	Surplus
		(Rs. In lakhs)		
1.	1990-91 to 2008-09	57888.01	2046.60	55841.41
2.	2009-10	7869.50	227.53	7641.97
3.	2010-11	8212.93	267.76	7945.17
4.	2011-12	7405.50	266.55	7138.95
5.	2012-13	7635.10	240.54	7394.56

S.No	Year	Education Tax Transferred	Expenditure	Surplus
		(Rs. In lakhs)		
6.	2013-14	6202.77	218.31	5984.46
7.	2014-15	16320.34	314.10	16006.24
8.	2015-16	12405.23	306.38	12098.85
9.	2016-17	14914.11	359.12	14554.99
10.	2017-18	15072.25	364.33	14707.92
11.	2018-19	20383.72	424.03	19959.68
	Total	174309.46	5035.25	169274.21

1.6. Library cess:

The library cess amount Rs.8083.53 lakhs is lying in Revenue fund during the year 2018-19. This amount has to be remitted to Chennai District Local Library Authority.

As per G.O.Ms.No.92, School Education Department, dt.23.04.2008 the library cess has to be collected at the enhanced rate of 10 paise instead of 5 paise for every one rupee of Property tax. But the library cess is collected at 5 paise rate in 7 Zones (4, 5, 6, 8, 9, 10 and 13) of Greater Chennai Corporation. This defect shall be rectified immediately.

1.7. Amma Canteen:

As per G.O.Ms.No.21 Municipal Administration & Water Supply department, dt.17.01.2013, 200 nos of Amma Canteen, one each for every Division were started to provide hygienic food to down-trodden at low rate. In addition to that, 207 more numbers of Amma Canteen were started taking the total numbers of Amma Canteen to 407 during 2018-19.

The following food items are provided in Amma Canteen at low rate.

S.No	Food Items	Rate (Rs.)
1	Idly (1 No)	1
2	Chappathi (2 Nos)	3
3	Mixed Rice	5
4	Curd Rice	3

As the Amma Canteens are functioning for the welfare of the poor people, the accumulated excess, expenditure of Rs.50748.00 lakhs from 2013-14 to 2018-19, due to subsidized pricing of food has to be reimbursed from the Government. The administrative action towards reimbursement is pending vide file No.B/3132/2016/Health Department.

1.8 Annual Accounts - Review:

Income – Expenditure – Review:

Demand, Collection and Balance details of Property Tax, Water Tax and Education Tax

Total number of Property Tax assessment of the Corporation is 12,32,434
No water tax / Charges demand.

Sl.No.	Year	Property Tax			Percentage of Collection
		Demand	Collection	Balance	
(1)	(2)	(3)	(4)	(5)	(6)
Rs. In Lakhs					
1)	2017-18	62259	36518	25741	58.65
2)	2018-19	149247	82395	66852	55.20

1) Property Tax

Property Tax current year demand is Rs.149247 lakhs which increased 139.72 percentage over previous year demand Rs.62259 lakhs. As like, current year collection Rs.82395 lakhs which increased 125.63 percentage over previous year collection Rs.36518 lakhs.

2) Profession Tax

Sl.No.	Year	Demand	Collection	Balance	Percentage of Collection
(1)	(2)	(3)	(4)	(5)	(6)
(Rs.inlakhs)					
1)	2017-18	41375	30473	10902	73.65
2)	2018-19	41511	27677	13834	66.67

Profession Tax current year demand is Rs 41511 .lakhs which increased 0.32 percentage over previous year demand Rs. 41375.lakhs. As like, current year collection Rs.27677 lakhs which decreased 10.10 percentage over previous year collection Rs.30473 lakhs.

3) Gross - Income

Current year Gross Income Rs.312611.86 lakhs, which increased Rs.110005.75 lakhs as against previous year Gross Income Rs.202606.10 lakhs.

4) Gross - Expenditure

Current year Gross Expenditure Rs.338775.20 lakhs, which decreased Rs.19430.56 lakhs as against previous year Gross Expenditure Rs.358205.76 lakhs.

5) Surplus / Deficit

While verifying four funds of the Corporation, Gross Income / Gross Expenditure ends in Rs.26167.34 lakhs Deficit as mentioned below:

Year	Revenue Fund			Elementary Education fund			
	Income	Expenditure	Surplus / Deficit	Income	Expenditure	Surplus / Deficit	Total Surplus / Deficit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Rs.inlakhs)							
2018-19	292218.52	335641.25	- 43422.73	20393.34	3137.95	17255.39	-26167.34

1.9 Assets / Liabilities – Review:

1) Advance Receivable

Previous year pending advance is Rs.26923.59 lakhs. Current year pending advance is Rs.27646.36 lakhs. Current year pending advance Rs.722.77 lakhs is increased over previous year.

2) Assets:

Previous year Assets value is Rs.1286616.47 lakhs. Current year Assets value is Rs.1423493.49 lakhs. Current year Assets value Rs.136877.02 lakhs is increased over previous year.

3) Liabilities:

Loans – Payable:

Previous year Loan pending is Rs.267713.46 lakhs. Current year Loan pending is Rs.296209.24 lakhs. Current year Loan pending Rs.28495.78 lakhs is increased over previous year.

4) Assets and Liabilities accumulated Surplus / Deficit:

While verifying four funds of the Corporation, Assets and Liabilities ends in Accumulated Deficit of Rs. 11686.16 lakhs as mentioned below:

Sl. No.	Year	Revenue Fund	Capital Fund	Education Fund	Earmarked fund	Total	Accumulate Surplus / Deficit
(1)	(2)	(3)	(4)	(5)		(6)	(7)
(Rs.inlakhs)							
1)	2017-18	86990.97	144998.20	13404.03	76843.73	3,22,236.93	322236.93
2)	2018-19	-131458.41	0.00	119772.25	0.00	- 11686.16	- 11686.16

5) Investments:

The details of investment made by the 16200.09 lakhs corporation during 2018-19 are furnished below:

Sl No.	Fund (Account code)	Opening Balance	Investment	Amount received on maturity	Balance
(Rs.inLakhs)					
1	Capital Fund Fixed Deposits (420800100)	7785.27	3126.59	1293.77	9628.09
	Equity Share -TUFIDCO Share (420500100)	10.00	0.00	0.00	
2	Training Fund (420800300)	31.00	0.00	0.00	31.00
3	SPFGS Fund (421800001)	7409.52	1668.30	0.00	9077.82
4	Endowment Fund (420800200)	75.69	11.710	1.81	85.58
5	Contributory Pension Scheme Fund (421800003)	41771.87	11393.49	1776.86	51388.49
	Total	57083.35	16200.09	3072.44	70210.98

The balance of investments made as on 31.03.2019 stands at 70210.98 lakhs.

6) Loan:

The loan liability Rs.296209.24 lakhs of Greater Chennai Corporation as on 31.03.2019 is furnished below:

Sl.No.	Head	Amount of loans pending as on 31.03.2019 (Rs. in lakhs)
1.	Interest free State Government loan	68967.68
2.	Other loans with interest (TUFIDCO, TNUDF)	184892.24
3.	Other Items	42349.32
	Total	296209.24

Appropriate action may be taken to improve the income of the Corporation to reduce the loan liability.

Greater Chennai Corporation
Expenditure

2017-18	Head of Account	2018-19		
		Municipal Fund	Elementary Education Fund	Total
(Rs. in lakhs)				
69324.81	Personnel Cost (i) Salaries	77449.98	561.85	78011.83
14620.66	(ii) Others	16451.74	0.00	16451.74
33349.29	Terminal and Retirement benefits	42175.12	820.92	42996.04
59805.67	Operating Expenses	61655.24	467.90	62123.14
5063.54	Repairs and Maintenance	4976.08	0.00	4976.08
271.34	Programme Expenses	232.20	7.00	239.20
11493.95	Administrative Expenses	10562.07	226.53	10788.60
13589.70	Finance Expenses	16405.17	0.00	16405.17
149715.05	Depreciation	105637.67	629.71	106267.38
971.75	Miscellaneous	95.98	424.04	520.02
358205.76	Total	335641.25	3137.95	338779.20
-155599.66	Surplus	0.00	17255.39	17255.39
202606.10	Grand Total	335641.25	20393.34	356034.59

Income

2017-18	Head of Account	2018-19		
		Revenue Fund	Elementary Education Fund	Total
(Rs. in lakhs)				
57137.59	Property Tax	121936.45	20383.72	142320.17
41849.18	Other Taxes	43303.29	0.00	43303.29
49662.41	Assigned Revenue	63677.42	0.00	63677.42
0.00	Devolution Fund	0.00	0.00	0.00
18459.58	Service Charges and Fees	20047.62	0.05	20047.67
15768.18	Grants and Contributions	19516.73	0.00	19516.73
6509.57	Sale and Hire Charges	7393.75	0.05	7393.80
13219.60	Other Income	16343.26	9.52	16352.78
202606.10	Total	292218.52	20393.34	312611.86
0.00	Deficit	43422.73	0.00	43422.73
202606.10	Grand Total	335641.25	20393.34	356034.59

Greater Chennai Corporation

Liabilities

2017-18	Head of Account	2018-19				
		Municipal fund	Capital Fund	Education Fund	Earmarked fund	Total
(Rs.inlakhs)						
267713.46	Loans	42349.32	253859.92	0.00	0.00	296209.24
139461.30	Contribution from Municipal Fund / Private party / Government	78.85	126446.78	27.71	-120.9	126432.44
647511.64	Accumulated Depreciation	0.00	747759.89	5198.71	0.00	752958.60
109974.43	Deposits	15447	108594.5	3.83	1.83	124047.16
82014.36	Other Liabilities	84136.69	14749.75	965.27	104.08	99955.79
327818.07	Outstanding	264516.19	183820.51	-106103.45	84801.7	427034.95
1563331.00	Total	406528.05	1435231.35	-99907.93	84786.71	1826638.18
5581.13	Accumulated Deficit	-131458.41	0.00	119772.25	0.00	-11686.16
1568912.13	Grand Total	275069.64	1435231.35	19864.32	84786.71	1814952.02

Assets

2017-18	Head of Account	2018-19				
		Municipal fund	Capital Fund	Education Fund	Earmarked fund	Total
(Rs.inlakhs)						
1286616.47	Fixed Assets	0.00	1403547.23	19529.61	416.65	1423493.49
582.83	Stock	1.52	245.28	0.00	0.00	246.80
163112.19	Taxes and Fees recoverable	227080.53	0.00	0.00	0.00	227080.53
87083.34	Fixed Deposit / Investments	0.00	9628.10	0.00	60582.88	70210.98
26923.59	Advances	14914.76	12670.88	60.72	0.00	27646.36
34461.90	Cash & Bank Balance	33072.83	8981.06	273.99	23787.18	66115.06
131.80	Other Items	0.00	158.80	0.00	0.00	158.80
1568912.13	Total	275069.64	1435231.35	19864.32	84786.71	1814952.02

1.10 Serious defects noticed in Audit:

The Audit of the Greater Chennai Corporation is done as per Rule 19D of schedule V of Chennai City Municipal Corporation Act 1919 and under Section 4 of Tamil Nadu Local Fund Audit Act 2014 and Rules 2016. Only selected objections are being brought to the notice of the Government as per Section 20 of Tamil Nadu Local Fund Audit Act 2014.

1.10.1 Greater Chennai Corporation – Zone 7 – Ambattur - 2018-19 – Town Planning Audit – Tentative Improvement charges were not collected along with the Storm Water Drain Charges leads to loss of Rs.8.44 lakhs.

Para No. 33 / 2018-19:

As per the works department circular No.W.D.C.No.2129/2011, date:12.12.2011 for the roads having the breadth of 12m and above, the tentative improvement charges should be collected with Storm Water Drain charges, while issuing building permission.

In Greater Chennai Corporation, all the activities relating to (Including, calculating charges for Building Permission) Building Permission have been computerized and implemented w.e. from 26.07.2017 by the software called AUTO DCR.

Before the computerization of Building Permission, procedures (before 26.07.2017) tentative improvement charges were calculated along with the Storm Water Drain charges for the roads with the breadth of 12m and above as per works department circular.

But, after computerization, software is developed that Tentative Improvement charges along with Storm Water Drain charges is being calculated only for the roads with the breadth above 12.21m.

Hence , In Zone 7 , (Ambattur) in the year 2018- 19 ,while sanctioning the Building Permission, for the plots with the breadth of the road of 12m to 12.20m, the Tentative Improvement charges was not calculated along with Storm Water Drain charges, owing to a loss of Rs.844346/- to the Corporation.

Hence, as per the above mentioned works departments circular, a correction in the software should be made and the Tentative Improvement charges should be calculated along with the Storm Water Drain charges, for the cases with the breadth of the road between 12m to 12.21m above as mentioned below and the loss of Rs.8,44,346/- should be recovered from the owners and to be credited in Corporation funds.

1.Calculation of Tentative Improvement Charges:

1. Building Permission No : BA/WDC No. 7/00415/2019/24.01.19
2. Planning Permission No : PPA/WDC No.7/08370/2018/24.01.19
3. Owner of the Plot : L. KARUPPASAMY
4. Plot Address: : No.1, Pudur High Road, Redhills Road
Pudur, Chennai - 53
5. Breadth of the Road (Both Sides) : 12.19m and 6m.(2nd cross street, pudur
Main Road)
6. Plot frontage : 7.62m and 10.67m (excluding splay both
sides)

Amount to be Collected Rs.	Amount Collected Rs.	Loss Rs.
7.62 / 2 (14810 + 3300 + 23450) =158344		
10.67 / 2 (5560 + 1800 = 39266		
----- 197610	149600	48010

2.Calculation of Tentative Improvement Charges:

1. Building Permission No : BA/WDC No. 7/04303/2018/09.08.18
2. Planning Permission No : PPA/WDC No.7/03496/2018/.09.08.18
3. Owner of the Plot : B. Chanaram & C.Leela & N. Kannan
4. Plot Address: : Plot No.297A&B, Gandhi High Road,
Ambethkar Statue, Ambattur, Chennai-53.
5. Breadth of the Road (Both Sides) : 12.20m
6. Plot frontage : 11.55m

3.Calculation of Tentative Improvement Charges:

1. Building Permission No : BA/WDC No. 7/00445/2019/04.02.19
2. Planning Permission No : PPA/WDC No.7/08340/2018/04.02.19
3. Owner of the Plot : M.SUSEELA & Others
4. Plot Address: : Door No.2 A, 3rd Main Road, Iyappan Nagar, Korattur, Chennai 99.
5. Breadth of the Road (Both Sides) : 12.19m
6. Plot frontage : 11.28m

Amount to be Collected Rs.	Amount Collected Rs.	Loss Rs.
$11.28 / 2 (14810 + 3300 + 23450) = 234398$	129300	105098

4.Calculation of Tentative Improvement Charges:

1. Building Permission No : BA/WDC No. 7/04074/2018/26.07.18
2. Planning Permission No : PPA/WDC No.7/03433/2018/26.07.18
3. Owner of the Plot : N. BASKAR
4. Plot Address: : Plot No. 1&2, TVS Nagar, Korattur, Chennai 99.
5. Breadth of the Road (Both Sides) : 12m
6. Plot frontage : 20.80m

Amount to be Collected Rs.	Amount Collected Rs.	Loss Rs.
$20.80/2 (12976+3300+23450)= 413150$	169300	243850

5.Calculation of Tentative Improvement Charges:

1. Building Permission No : BA/WDC No. 7/02992/2018/14.06.18
2. Planning Permission No : PPA/WDC No.7/03573/2018/14.06.18
3. Owner of the Plot : PUNITHAVEL & Others
4. Plot Address: : Plot No. 149, Thirukural Munusamy Street, Mugapair, Chennai 37.
5. Breadth of the Road (Both Sides) : 12m
6. Plot frontage : 22.60m

Amount to be Collected Rs.	Amount Collected Rs.	Loss Rs.
22.60/2 (12976+3300+23450) = 448904	184000	264904

6. Calculation of Tentative Improvement Charges

1. Building Permission No : BA/WDC No. 7/02647/2018/22.05.18
2. Planning Permission No : PPA/WDC No.7/01715/2018/22.05.18
3. Owner of the Plot : N.S. BALU
4. Plot Address: : Plot No. 369, Part(South Side)Phase 1,Phase 2,Panner, Nagar, Near DAV Girls School, Mugappair,Chennai 37.
5. Breadth of the Road (Both Sides) : 12 m
6. Plot frontage : 6.09 m

Amount to be Collected Rs.	Amount Collected Rs.	Loss Rs.
6.09/2 (12976+3300+23450) = 120966	49600	71366

Abstract

S.No -1	-	48,010
S.No -2	-	1,11,118
S.No -3	-	1,05,098
S.No -4	-	2,43,850
S.No -5	-	2,64,904
S.No -6	-	71,366
TOTAL	-	8,44,346

Reply: This para has been communicated to Commissioner, Greater Chennai Corporation vide this office letter No.4292/MA 4/ 2021, dated 17.04.2021. No reply was received.

1.10.2 Greater Chennai Corporation – Zone 7 – Ambattur - 2018-19 – Town Planning Audit – Building Permission obtained for Residential Purpose Charges not collected on Commercial basis leads to loss of Rs.2.13 lakhs needs enforcement action.

Para No37/2018-19:

1. Building Permission No : BA/WDC No.7/02704/18, Date. 25.05.18
2. Planning Permission No : PPA/WDC No.2614/18/Date.25.05.18
3. Owner Name : K. Sugumar. M/S. SREE DHANAM AUTOMATION (PVT) LTD.
4. Plot Address: : Plot No.2, Indu Motor Nagar, Kallikuppam, Korattur, Chennai -53.
5. Tax Assessment No : 07-082-3542-000
6. Plot frontage : 6.09 m

In Greater Chennai Corporation, Zone-7, Ambattur, Building permission was given to construct a building in the above mentioned plot during the year 2018-19.

As per the building permission file, out of the total vacant land of 310 sq.m permission was accorded to built 275.43 sq.m area for residential purpose and building permission charges were collected.

Property tax assessment (Property Tax Assessment No. 07-082-33542-000) for this building was verified through computer. It is found that property tax was collected for 3 floors with total area 5295 sq.ft (492sq.m)(Excluding lift room and head room) on the basis of Commercial purpose. As per the above detail building permission was obtained for 275.sq.m for residential purpose but building was constructed of 492 sq.m for commercial purpose. Hence, short collection was made in building permission as mentioned below.

1. Basic Amenities Charges:

To be Collected (492 sq.m x 375)	:	Rs. 184500
Amount Collected	:	Nil
Loss	:	Rs. 184500

2. Security deposit Amount:

To be Collected (492 sq.m x 60)	:	Rs. 29520
Amount Collected	:	Rs.13500
Loss	:	Rs. 16020

3. Building licence Fees:

40x10.50	:	420
60x18.50	:	1110
300x46.00	:	13800
129 x115	:	14838
35 x 115	:	4025
To be Collected		Rs. 34190
Amount Collected		Rs. 22100
Loss		Rs.12090

Abstract

1	Rs.184500
2	Rs.16020
3	Rs.12090
Total	Rs.212610

If the Building Permission has been given on commercial purpose, the loss to Corporation Rs.2,12,610/- would have been avoided.

(2.) The Member Secretary of the Chennai Metropolitan development Authority had delegated the power of building permission for the Buildings with the area of 300 sq.m for commercial purpose to the Zonal Executive Engineer. The Building permission for the commercial purpose buildings with the area above 300sq.m should be given by the CMDA Member Secretary only.

But, for the above mentioned commercial Building, without obtaining permission from CMDA Member Secretary building permission obtained from Zonal Executive Engineer by mentioning as residential building is a wrong procedure. Hence, action should be taken by the Enforcement section of office of RDC (Central) for the violation of the above said rule.

Reply:

This para has been communicated to Commissioner, Greater Chennai Corporation vide this office letter No.4292/MA 4/ 2021, dated 17.04.2021. No reply was received.

1.10.3 Greater Chennai Corporation - Zone -14 (Perungudi) 2018-2019 Audit
- Revenue Department - Vacant Land tax Assessed- calculated and collected
at lesser rate for 13 half years - Demand draft collected Rs. 96,600/- not
remitted into bank - Lapsed - loss of Rs. 9.65 lakhs.

Para No.18/2018-19

Officers Responsible : 1)Thiru.P.B.Mahendar Assistant Revenue Officer
2)Thiru.S.Murugesan Tax Assessor Division-186
3)Thiru.M.Jeevarathinam Tax Collector Division-186

Property Owner : A/Y.Vintage Foundations
78/3,Panchayat Main Road,
Elim Nagar,Perungudi.

Tax receipt No. : 12261dt.23.07.2018

Order No. : 6/18-19/228463

Vacant land area : 148505 Sq.Ft.

Half yearly tax : 74,255(II/2012-13 ONWARDS)

The vacant land tax for an area of 148505 sq ft., in the division- 186 of Perungudi Zone was calculated and collected as given below.

And also, while applying the application for building plan approval (WDC No.14- 00068/2018), by the company for 148505 sq.ft. to Greater Chennai Corporation, vacant Land Tax was wrongly calculated as detailed below:

Vacant Land Tax assessed for 13 Half years	Vacant Land Tax to be assessed for 13 half year
$148505 \times 0.50 \times 13 \text{ Hy} = 96,585/-$ (Round off to) = Rs.96,600/-	$148505 \times 0.50 \times 13 \text{ Hy} = 9,65,283/-$

As said above, short assessment of Vacant Land Tax for 13 Half Year viz., Rs.8,86,683/- (Rs.965283 - 96600) should be collected from the respective individual.

And also, wrongly calculated and collected Vacant Land Tax of Rs.96600/- through Demand Draft No. 725746/17.04.2018, Indusind Bank was not presented into bank within a period of 3 months and got lapsed. In vacant land tax Demand, Collection and Balance statement this amount Rs.96,600/- was not shown as collected.

Hence, appropriate action should be taken to collect the amount Rs.965283/-(Rs.8,68.683 + 96,600) from the person concerned and to remit the same into the corporation fund and shown to audit.

Reply:

This para has been communicated to Commissioner, Greater Chennai Corporation vide this office letter No.4292/MA 4/ 2021, dated 17.04.2021. No reply was received.

2) OTHER MUNICIPAL CORPORATIONS

(Except Chennai Corporation)

2.1 Out of 18 functions enlisted in the Twelfth Schedule of the constitution, 17 functions have been devolved to the municipal corporations by the government of Tamil Nadu. There are eleven municipal corporation (other than Greater Chennai Corporation) functioning in Tamil Nadu. They are

S.No	Corporation	Year of the enactment of Act
1	Madurai	1971
2	Coimbatore	1981
3	Tiruchirappalli	1994
4	Salem	1994
5	Tirunelveli	1994
6	Erode	2008
7	Tiruppur	2008
8	Vellore	2008
9	Thoothukudi	2008
10	Thanjavur	2013
11	Dindigul	2013

2.2 The above eleven corporations are functioning as per the Act mentioned against each municipal corporation. The total area of the corporation is 1192.87 sq.km and the population is 94,58,401. Among the above total population, male are 47,34,332 and Female are 47,24,069. The literacy rate of the total population is 82.33%. There are totally 23,09,008 numbers of Property Tax Assessments. Out of this only 12,35,491 assessments are provided with water connections. The demand of revenue receipt is Rs.69,181.84 lakhs. The outstanding loan amount in Revenue Fund of the eleven corporations is Rs.1,90,762.02 lakhs. The balance amount of revenue receipt to be collected at the end of 2018-19 is Rs.1,51,130.34 lakhs. The demand of Audit fees for the year 2018-19 is Rs.612.85 lakhs only. The above eleven corporations have to finalise their Annual Accounts within three months from the completion of the respective financial year. As per section 4, 6 and 15 of the Local Fund Audit Act 2014 and section 10 of the Rule 2016, the audit on the accounts of the corporations is conducted and the Audit Report is issued by the Local Fund Audit Department.

The above eleven corporations are maintaining separate accounts under three heads namely Revenue & capital fund, water supply fund and Elementary Education fund. These accounts are being maintained through centralized web based software in a phased manner w.e.f 11.09.2015 in all eleven corporations. The abstract of the above three accounts is furnished below.

Income - Expenditure and Assets – Liabilities for the year 2018-19

Income-Expenditure for the year 2018-19
Expenditure

S. No.	Nature of Expenditure	Total (Rs. in lakhs)
1	Personnel cost – salaries	89616.31
2	Personnel Costs – others	2248.11
3	Terminal & Retirement benefit	26860.51
4	Operating Expenses	48719.02
5	Repair & Maintenance	39759.63
6	Programme (Training & Campain) Expenses	25530.99
7	Administrative Expenses	12962.95
8	Finance Expenses	11816.48
9	Other Expenditure	-226.23
10	Depreciation	84453.77
Total		341741.54

Income

S. No.	Nature of Income	Total (Rs. in lakhs)
1	Property Tax	77332.27
2	Other Taxes	10286.51
3	Assigned Revenue	13281.16
4	Devolution Fund	61001.46
5	Service charge & fees	55108.33
6	Grants	39131.84
7	Sales & Hire charges	6444.62
8	Other income like Rent, Interest etc.,	37748.48
9	Deficit 67183.07 Surplus (-) 25776.20	41406.87
Total		341741.54

Assets – Liabilities as on 31.03.2019

Liabilities

S. No.	Nature of Liabilities	Total (Rs. in lakhs)
1	Loans	190762.02
2	Contribution from Municipal Fund / Private Party / Government	443521.04
3	Grant from Government	462839.04
4	Accumulated Depreciation	626729.76
5	Deposits	63760.20
6	Other liabilities	86053.40
7	Out standing	108591.48
8	Accumulated Surplus / Defecit	210421.19
	Total	2192678.13

Assets

S. No.	Nature of Assets	Total (Rs.in lakhs)
1	Fixed Assets	1431306.96
2	Stock	444.70
3	Tax & fees receivable	151130.34
4	Fixed Deposit / Investment	101684.91
5	Advances	225157.29
6	Cash & Bank Balance	144941.97
7	Other Items	138011.96
	Total	2192678.13

S. No	Corporations	Year of Enactment of Act	Area Sq.km	Population		Literacy (%)	Property Tax		Water Supply	
				Male	Female		No of Assessment	Demand (Rs. in lakhs)	No of Assessment	Demand (Rs. in lakhs)
1	Madurai	1971	147.99	15,26,475	15,11,777	56.60	364429	33281.00	171276	11392.30
2	Coimbatore	1981	257.04	7,94,063	7,90,656	91.30	633708	7784.02	311358	7370.89
3	Thiruchirappalli	1994	167.23	4,18,400	4,28,987	91.38	219196	5119.56	115554	5513.37
4	Salem	1994	91.34	4,17,317	4,11,950	76.37	205161	2672.53	108194	2069.05
5	Tirunelveli	1994	108.65	2,34,639	2,40,199	81.49	154724	2596.24	76876	1054.81
6	Erode	2008	109.52	2,49,764	2,48,357	76.42	142780	2822.63	75917	2541.64
7	Tirupur	2008	159.35	4,47,931	4,31,129	84.53	244312	10041.27	185981	3219.23
8	Vellore	2008	87.94	2,47,002	2,57,077	86.40	109939	1550.45	61390	1336.38
9	Thoothukudi	2008	13.47	1,86,515	1,85,893	86.00	143994	1884.00	64498	2386.57
10	Thanjavur	2013	36.33	1,09,199	1,13,744	91.27	46852	574.80	28818	628.74
11	Dindigul	2013	14.01	1,03,027	1,04,300	83.89	43913	855.04	35629	373.69
Total			1192.87	47,34,332	47,24,069	82.33	2309008	69181.54	1235491	37886.67

Corporations - Expenditure (2018-19)

Sl. No.	Corporations	Salaries	Other Salaries	Terminal and Retirement benefits	Operating Expenses	Repairs and Maintenance	Programme Expenses	Administrative Expenses	Finance Expenses	Other Expenditure	Depreciation	Surplus	Grand Total
1	Madurai	22556.53	314.59	8217.59	4525.82	4038.90	73.93	1470.10	639.57	0.00	14132.58	4089.63	60059.24
2	Coimbatore	14500.53	108.48	5428.69	17214.64	11073.59	983.92	1591.93	1453.72	0.00	19374.11	6026.76	77756.37
3	Trichirapalli	9242.89	32.84	4424.86	5516.83	2423.86	375.08	650.72	1138.54	0.00	5219.16	2996.3	32021.08
4	Salem	9369.78	413.80	3508.67	5749.74	2198.32	225.27	1049.82	2166.11	0.00	3253.68	2912.51	30847.70
5	Tirunelveli	7694.94	0.00	0.00	3737.59	0.00	7506.79	2130.42	1943.74	0.00	8095.45	19.84	31128.77
6	Erode	6322.60	987.03	913.17	1553.23	1667.50	14033.97	809.55	1283.26	0.00	12517.58	338.56	40426.45
7	Tiruppur	7235.05	0.00	0.00	6429.77	5908.80	5.74	2379.49	1081.16	0.00	6685.49	6259.32	35984.82
8	Vellore	2862.37	310.43	1556.87	3.85	10156.12	262.81	1552.20	-10.77	0.00	5381.69	426.34	22501.91
9	Thoothukudi	3274.16	0.00	1329.81	2546.53	395.87	1879.82	420.49	1792.22	0.00	4917.21	1079.02	17635.13
10	Tanjavur	2920.81	57.90	1480.85	1441.02	415.36	182.75	643.46	202.35	-226.23	3640.76	766.27	11525.30
11	Dindigul	3636.65	23.04	0.00	0.00	1481.31	0.91	264.77	126.58	0.00	1236.06	861.65	7630.97
	Total	89616.31	2248.11	26860.51	48719.02	39759.63	25530.99	12962.95	11816.48	-226.23	84453.77	25776.20	367517.74

Corporations – Income (2018-19)

Sl.No.	Corporations	Property Tax	Other Taxes	Assigned Revenue	Devolution Fund	Service Charges and Fees	Grants	Sale and Hire Charges	Other Income	Deficit	Grand Total
1	Madurai	16672.11	1648.36	1637.89	0.00	10797.12	18022.26	2713.29	623.63	7944.58	60059.24
2	Coimbatore	17312.85	2784.67	4879.35	15921.75	12870.91	779.80	2.79	21322.13	1882.12	77756.37
3	Trichirapalli	8230.09	1104.36	1160.31	9302.07	5793.74	0.00	0.00	5427.6	1002.91	32021.08
4	Salem	5792.51	566.45	3228.87	3017.09	3434.50	8004.18	1372.41	2277.49	3154.20	30847.70
5	Tirunelveli	4885	0.00	555.65	4971.75	4196.41	1825.8	976.51	754.11	12963.54	31128.77
6	Erode	5140.68	969.37	536.58	5148.53	4133.75	4491.62	92.54	393.86	19519.52	40426.45
7	Tiruppur	8313.25	1109.89	712.68	11692.69	6410.98	1834.45	1150.36	944.98	3815.54	35984.82
8	Vellore	4023.63	1287.10	0.00	5070.16	446.77	0.00	0.00	2611.01	9063.24	22501.91
9	Thoothukudi	3897.59	351.90	356.67	3738.38	3576.73	1488.89	110.51	1006.89	3107.57	17635.13
10	Tanjavur	1475.11	230.16	140.93	2139.04	1233.49	807.90	26.21	2133.50	3338.96	11525.30
11	Dindigul	1589.45	234.25	72.23	0.00	2213.93	1876.94	0.00	253.28	1390.89	7630.97
	Total	77332.27	10286.54	13281.16	61001.46	55108.33	39131.84	6444.62	37748.5	67183.07	367517.74

Corporations – Liabilities (2018-19)

SL No.	Corporations	Loans	Contribution from Municipal Fund /Private party / Government	Grants from Government	Accumulated Depreciation	Deposits	Other Liabilities	Outstanding	Accumulated Surplus / Defecit	Grand Total
1	Madurai	14641.60	93206.08	24412.61	158163.32	13520.51	18393.18	0.00	15004.12	337341.42
2	Coimbatore	37961.75	108616.76	21642.42	165520.69	15885.18	5647.60	24236.94	215718.86	595230.20
3	Trichirapalli	12087.61	50720.81	19770.97	65551.91	3804.01	3607.41	183.69	50172.50	205898.91
4	Salem	36491.30	4627.21	100429.83	20183.98	5403.74	12731.35	28763.67	7133.69	215764.77
5	Tirunelveli	8598.62	51305.38	39008.06	43956.86	3483.21	11080.80	34803.56	-25967.9	166268.59
6	Erode	13021.97	4945.03	79284.64	49674.44	1994.07	4887.94	562.26	-31681.32	122689.03
7	Tiruppur	6461.63	63628.16	16530.98	63453.80	3304.01	10047.69	18628.36	4845.56	186900.19
8	Vellore	49329.04	11282.44	75135.81	0.00	7941.36	6974.00	468.38	-25703.24	125427.79
9	Thoothukudi	8744.33	36511.09	17817.39	26873.82	3540.26	6143.19	0.00	-5565.99	94064.09
10	Tanjavur	179.73	2857.25	53164.96	25213.08	1946.07	2537.48	938.90	1122.18	87959.65
11	Dindigul	3244.44	15820.83	15641.37	8137.86	2937.78	4002.76	5.72	5342.73	55133.49
	Total	190762.02	443521.04	462839.04	626729.76	63760.20	86053.40	108591.48	210421.19	2192678.13

Corporations – Assests (2018-19)

SL.No.	Corporations	Fixed Assets	Stock	Taxes and Fees recoverable	Fixed Deposit / Investments	Advances	Cash & Bank Balance	Other Items	Total
1	Madurai	267517.50	0.00	36660.79	213.32	18201.85	396.66	14351.30	337341.42
2	Coimbatore	413635.70	27.01	28556.00	6149.61	91402.64	45341.32	10117.92	595230.20
3	Trichirapalli	152827.30	202.11	18860.33	17130.88	1263.09	14926.36	688.84	205898.91
4	Salem	76968.36	38.54	14278.97	2950.20	20196.79	27328.78	74003.13	215764.77
5	Tirunelveli	116699.13	0.00	11429.10	23979.65	8211.07	5252.44	697.20	166268.59
6	Erode	78950.61	32.26	14954.59	814.26	502.92	5212.34	22222.05	122689.03
7	Tiruppur	116539.95	21.96	8822.49	6796.02	18621.12	14683.48	21415.17	186900.19
8	Vellore	36354.19	0.00	4755.55	24797.20	63696.16	10478.51	-14653.82	125427.79
9	Thoothukudi	69049.53	0.00	5533.76	8681.06	1006.69	4942.68	4850.37	94064.09
10	Tanjavur	54601.66	33.29	4456.52	9799.06	1079.26	15235.83	2754.03	87959.65
11	Dindigul	48163.03	89.53	2822.24	373.65	975.70	1143.57	1565.77	55133.49
	Total	1431306.96	444.70	151130.34	101684.91	225157.29	144941.97	138011.96	2192678.13

1) Madurai Corporation

2.3. General:

Madurai Corporation came into existence as per Madurai City Municipal Corporation Act, 1971 The Corporation Occupies an area of 147.99 Sq.Km. and had a population of 30,38,252 which includes 15,26,475 Males and 15,11,777 Females. 4 zones are functioning under the control of the Corporation.

Zone	Name
1.	West
2.	North
3.	East
4.	South

2.3.1. Annual Accounts - Review:

Income – Expenditure – Review:

Demand, Collection and Balance details of Property Tax, Water Tax and Education Tax;

Total number of Property Tax assessment of the Corporation is 3,64,429 and number of Water Tax assessment is 1,71,276.

Sl. No.	Year	Property Tax			Water Tax		
		Demand	Collection	Balance	Demand	Collection	Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Rs.in lakhs)							
1)	2017-18	24257.00	8935.00	15322.00	8247.34	3037.88	5209.46
2)	2018-19	33281.00	9873.00	23407.00	11392.30	3382.23	8010.16

Education Tax			Percentage of Collection		
Demand	Collection	Balance	Property Tax	Water Tax	Education Tax
(9)	(10)	(11)	(12)	(13)	(14)
(Rs.in lakhs)					
4083.50	1518.94	2564.56	36.83	36.83	37.19
5650.02	1687.01	3963.01	29.66	29.69	29.86

1) Property Tax:

Property Tax current year demand is Rs.33281.00 lakhs which increased 37.20 % over previous year demand Rs.24257.00 lakhs. As like, current year collection Rs.9873.00 lakhs which increased 10.50% over previous year collection Rs.8935.00 lakhs.

2) Water Tax:

Water Tax current year demand is Rs.11392.30 lakhs which increased 38.13% over previous year demand Rs.8247.34 lakhs. As like, current year collection Rs.3382.23 lakhs which increased 11.34 % over previous year collection Rs. 3037.88 lakhs.

3) Education Tax:

Education Tax current year demand is Rs.5650.02 lakhs which increased 38.36% over previous year demand Rs.4083.50 lakhs. As like, current year collection Rs.1687.01 lakhs which increased 11.06% over previous year collection Rs.1518.94 lakhs.

4) Profession Tax:

Sl.No.	Year	Demand	Collection	Balance	Percentage of Collection
(1)	(2)	(3)	(4)	(5)	(6)
		(Rs.in lakhs)			
1)	2017-18	2673.78	1425.77	1248.01	53.32
2)	2018-19	3020.62	1555.05	1465.56	51.48

Profession Tax current year demand is Rs.3020.62.lakhs which increased 12.97% over previous year demand Rs.2673.78 lakhs. As like, current year collection Rs.1555.05 lakhs which increased 9.07 % over previous year collection Rs.1425.77 lakhs.

5) Gross – Income:

Current year Gross Income Rs.52114.66 lakhs, which increased Rs.15369.23 lakhs as against previous year Gross Income Rs.36745.43 lakhs.

6) Gross – Expenditure:

Current year Gross Expenditure Rs.55969.61 lakhs, which increased Rs.15702.57 lakhs as against previous year Gross Expenditure R.40267.04 lakhs.

7) Surplus / Deficit:

While verifying three funds of the Corporation, Gross Income / Gross Expenditure ends in Rs.3854.95 lakhs Deficit as mentioned below:

Year	Revenue Fund			Water Supply Fund		
	Income	Expenditure	Deficit	Income	Expenditure	Surplus
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rs.in lakhs)						
2018-19	36566.99	44511.57	7944.58	12457.26	10411.62	2045.64

Education Fund			Total Surplus / Deficit
Income	Expenditure	Surplus	
(8)	(9)	(10)	(11)
(Rs.in lakhs)			
3090.41	1046.42	2043.99	3854.95

2.3.2. Assets / Liabilities – Review:

1) Advance Receivable:

Previous year pending advance is Rs.1033.42 lakhs. Current year pending advance is Rs.18201.85 lakhs. Current year pending advance Rs.17168.43 lakhs is increased over previous year.

2) Assets:

Previous year Assets value is Rs.197912.17 lakhs. Current year Assets value is Rs.267517.50 lakhs. Current year Assets value Rs.69605.33 lakhs is increased over previous year.

3) Liabilities:

Loans – Payable:

Previous year loan pending is Rs.17387.04 lakhs. Current year loan pending is Rs.14641.60 lakhs. Current year loan pending Rs.2745.44 lakhs is decreased over previous year.

4) Assets and Liabilities accumulated Surplus / Deficit:

While verifying three funds of the Corporation, Assets and Liabilities ends in Accumulated Surplus of Rs.15004.12 lakhs as mentioned below:

Sl.No.	Year	Revenue Fund	Water Supply Fund	Education Fund	Total	Accumulate Surplus / Deficit
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rs.in lakhs)						
1)	2017-18	-88417.93	13936.89	19020.75	-55460.29	Deficit
2)	2018-19	-21346.88	15304.07	21046.93	15004.12	Surplus

5) Investments:

The details of investment made by the Madurai Corporation during 2018-19 are furnished below:

Sl No.	Fund (Account code)	Opening Balance	Investment	Amount received on maturity	Balance
(Rs.in Lakhs)					
1	RF 4208001	839.08	0.00	800.01	39.07
2	WS 428001	36.29	0.00	0.00	36.29
3	EE 428001	36.29	101.67	0.00	137.96
	Total	911.66	101.67	800.01	213.32

The amount of investments made as on 31.03.2019 stands at Rs.213.32 lakhs.

6) Loan:

The pending loan liability Rs.14641.60 lakhs of Madurai Corporation as on 31.03.2019 is furnished below:

Sl.No.	Head	Amount of loans pending as on 31.03.2019 (Rs.in lakhs)
1.	Interest free State Government loan	441.63
2.	Other loans with interest (TUFIDCO, TNUDF)	14199.97
Total		14641.60

Appropriate action may be taken to improve the income of the corporation to reduce the loan liability.

Madurai Corporation

Expenditure

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs. in lakhs)					
10602.75	Personnel Cost	19570.70	2502.44	483.39	22556.53
	(i) Salaries				
31.61	(ii) Others	303.98	10.51	0.10	314.59
5848.92	Terminal and Retirement benefits	6570.84	1390.61	256.14	8217.59
9044.51	Operating Expenses	2510.14	2015.26	0.42	4525.82
4042.85	Repairs and Maintenance	2626.38	1326.14	86.38	4038.9
400.01	Programme Expenses	73.93	0.00	0.00	73.93
1276.42	Administrative Expenses	841.90	582.46	45.74	1470.1
344.03	Finance Expenses	119.50	519.60	0.47	639.57
8675.94	Depreciation	11894.20	2064.60	173.78	14132.58
40267.04	Total	44511.57	10411.62	1046.42	55969.61
3564.51	Surplus	0.00	2045.64	2043.99	4089.63
43831.55	Grand Total	44511.57	12457.26	3090.41	60059.24

Income

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs. in lakhs)					
10781.01	Property Tax	7414.00	6176.89	3081.22	16672.11
1563.84	Other Taxes	1648.36	0.00	0.00	1648.36
1018.87	Assigned Revenue	1637.89	0.00	0.00	1637.89
12815.18	Devolution Fund	0.00	0.00	0.00	0.00
5193.80	Service Charges and Fees	6423.23	4373.86	0.03	10797.12
84.11	Grants and Contributions	16262.42	1759.84	0.00	18022.26
125.55	Sale and Hire Charges	2712.71	0.58	0.00	2713.29
5163.07	Other Income	468.38	146.09	9.16	623.63
36745.43	Total	36566.99	12457.26	3090.41	52114.66
7086.12	Deficit	7944.58	0.00	0.00	7944.58
43831.55	Grand Total	44511.57	12457.26	3090.41	60059.24

Madurai Corporation

Liabilities

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs. in lakhs)					
17387.04	Loans	11053.90	3587.70	0.00	14641.60
91333.77	Contribution from Municipal Fund / Private party / Government	75150.48	17648.04	407.56	93206.08
23112.61	Grants from Government	20364.01	4048.60	0.00	24412.61
144030.74	Accumulated Depreciation	0.00	0.00	0.00	0.00
18089.09	Deposits	155924.94	2064.60	173.78	158163.32
12649.21	Other Liabilities	6069.26	7308.83	142.42	13520.51
55.91	Outstanding	16869.61	1302.29	221.28	18393.18
306658.37	Total	285432.20	35960.06	945.04	322337.30
55460.29	Accumulated surplus / Deficit	-21346.88	15304.07	21046.93	15004.12
251198.08	Grand Total	264085.32	51264.13	21991.97	337341.42

Assets

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs. in lakhs)					
197912.17	Fixed Assets	224765.98	33265.25	9486.27	267517.50
0.00	Stock	0.00	0.00	0.00	0.00
23507.34	Taxes and Fees recoverable	16806.92	15883.72	3970.15	36660.79
911.66	Fixed Deposit / Investments	39.07	36.29	137.96	213.32
1033.42	Advances	18096.97	90.40	14.48	18201.85
1943.07	Cash & Bank Balance	0.00	391.76	4.90	396.66
25890.42	Other Items	4376.38	1596.71	8378.21	14351.30
251198.08	Total	264085.32	51264.13	21991.97	337341.42

2) Coimbatore Corporation

2.4. General:

Coimbatore Corporation came into existence as per Coimbatore City Municipal Corporation Act, 1981. The Corporation occupies an area of 257.04 Sq.Km. and had a population of 15,84,719 which includes 7,94,063 Males and 7,90,656 Females. 5 zones are functioning under the control of the Corporation.

Zone	Name
1.	East
2.	West
3.	Central
4.	North
5.	South

2.4.1. Annual Accounts - Review:

Income – Expenditure – Review:

Demand, Collection and Balance details of Property Tax, Water Tax and Education Tax;

Total number of Property Tax assessment of the Corporation is 6,33,708 and number of Water Tax assessment is 3,11,358.

Sl.No.	Year	Property Tax			Water Tax		
		Demand	Collection	Balance	Demand	Collection	Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Rs.in lakhs)							
1)	2017-18	6962.10	6071.76	890.34	6746.90	5809.62	937.28
2)	2018-19	7784.02	6662.80	1121.22	7370.89	6262.92	1107.97

Education Tax			Percentage of Collection		
Demand	Collection	Balance	Property Tax	Water Tax	Education Tax
(9)	(10)	(11)	(12)	(13)	(14)
(Rs.in lakhs)					
1999.13	1711.92	287.21	87.21	86.11	85.63
2157.94	1849.16	308.78	85.60	84.97	85.69

1) Property Tax:

Property Tax current year demand is Rs.7784.02 lakhs which increased 11.80% over previous year demand Rs.6962.10 lakhs. As like, current year collection Rs.6662.80 lakhs which increased 9.73 % over previous year collection Rs.6071.76 lakhs.

2) Water Tax:

Water Tax current year demand is Rs.7370.89 lakhs which increased 9.25% over previous year demand Rs.6746.90.lakhs. As like, current year collection Rs.6262.92 lakhs which increased 7.80% over previous year collection Rs.5809.62 lakhs.

3) Education Tax:

Education Tax current year demand is Rs.2157.94 lakhs which increased 7.94% over previous year demand Rs.1999.13 lakhs. As like, current year collection Rs.1849.16 lakhs which increased 8.02% over previous year collection Rs.1711.92 lakhs.

4) Profession Tax:

Sl.No.	Year	Demand	Collection	Balance	Percentage of Collection
(1)	(2)	(3)	(4)	(5)	(6)
		(Rs.in lakhs)			
1	2017-18	2683.99	2585.42	98.57	96.33
2	2018-19	2784.66	2750.84	33.82	98.76

Profession Tax current year demand is Rs.2784.66.lakhs which increased 3.75% over previous year demand Rs.2683.99 lakhs. As like, current year collection Rs.2750.84 lakhs which increased 6.40% over previous year collection Rs.2585.42 lakhs.

5) Gross – Income

Current year Gross Income Rs.75874.25 lakhs, which increased Rs.10173.88 lakhs as against previous year Gross Income Rs.65700.37 lakhs.

6) Gross – Expenditure

Current year Gross Expenditure Rs.71729.61 lakhs, which increased Rs.3354.23 lakhs as against previous year Gross Expenditure Rs.68375.38 lakhs.

7) Surplus / Deficit

While verifying three funds of the Corporation, Gross Income / Gross Expenditure ends in Rs.4144.64 lakhs Surplus as mentioned below:

Year	Revenue Fund			Water Supply Fund		
	Income	Expenditure	Deficit	Income	Expenditure	Surplus
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rs.in lakhs)						
2018-19	57438.57	59320.69	1882.12	16183.87	11774.58	4409.29

Education Fund			Total Surplus
Income	Expenditure	Surplus	
(8)	(9)	(10)	(11)
(Rs.in lakhs)			
2251.81	634.34	1617.47	4144.64

2.4.2 Assets / Liabilities – Review:

1) Advance Receivable

Previous year pending advance is Rs.61823.68 lakhs. Current year pending advance is Rs.91402.64.lakhs. Current year pending advance Rs.29578.96 lakhs is increased over previous year.

2) Assets:

Previous year Assets value is Rs.407735.81.lakhs. Current year Assets value is Rs.413635.70 lakhs. Current year Assets value Rs.5899.88 lakhs is increased over previous year.

3) Liabilities:

Loans – Payable

Previous year Loan pending is Rs.25394.72.lakhs. Current year Loan pending is Rs.37961.75lakhs. Current year Loan pending Rs.12567.03 lakhs is increased over previous year.

4) Assets and Liabilities accumulated Surplus / Deficit

While verifying three funds of the Corporation, Assets and Liabilities ends in Accumulated Surplus of Rs.215718.86. lakhs as mentioned below:

Sl. No.	Year	Revenue Fund	Water Supply Fund	Education Fund	Total	Accumulate Surplus / Deficit
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rs.in lakhs)						
1)	2017-18	153004.93	34717.08	15698.14	203420.15	Surplus
2)	2018-19	157144.35	40980.53	17593.98	215718.86	Surplus

5) Investments

The details of investment made by the Coimbatore Corporation during 2018-19 are furnished below:

Sl No.	Fund (Account code)	Opening Balance	Investment	Amount received on maturity	Balance
(Rs.in Lakhs)					
1	Revenue Fund	347.53	5163.37	19.30	5491.60
2	Water Supply fund	335.94	3000.00	2816.00	519.94
3	Elementary education Fund	133.11	4.96	0.00	138.07
	Total	816.58	8168.33	2835.30	6149.61

The amount of investments made as on 31.03.2019 stands at Rs. 6149.61 lakhs.

6) Loan

The loan liability Rs.37961.75 lakhs of Coimbatore Corporation as on 31.03.2019 is furnished below:

Sl.No.	Head	Amount of loans pending as on 31.03.2019 (Rs.in lakhs)
1.	Interest fee State Government loan	Revenue Fund – 14706.00
2.	Other loans with interest (TUFIDCO, TNUDF)	Revenue Fund – 14738.41 Water Supply – 8517.34
	Total	37961.75

Appropriate action may be taken to improve the income of the corporation to reduce the loan liability.

Coimbatore Corporation

Expenditure

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs. in lakhs)					
12603.57	Personnel Cost (i) Salaries	13451.40	1049.13	0.00	14500.53
66.94	(ii) Others	88.22	0.17	20.09	108.48
4292.25	Terminal and Retirement benefits	5426.25	0.00	2.44	5428.69
18874.86	Operating Expenses	13715.22	3309.39	190.03	17214.64
5967.83	Repairs and Maintenance	5967.50	5036.79	69.30	11073.59
1082.82	Programme Expenses	867.95	115.97	0.00	983.92
2394.39	Administrative Expenses	1559.21	24.25	8.47	1591.93
942.20	Finance Expenses	682.09	771.31	0.32	1453.72
22150.52	Depreciation	17562.85	1467.57	343.69	19374.11
68375.38	Total	59320.69	11774.58	634.34	71729.61
0.00	Surplus	0.00	4409.29	1617.47	6026.76
68375.38	Grand Total	59320.69	16183.87	2251.81	77756.37

Income

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs. in lakhs)					
15708.13	Property Tax	7784.02	7370.89	2157.94	17312.85
2684.34	Other Taxes	2784.67	0.00	0.00	2784.67
3413.33	Assigned Revenue	4879.35	0.00	0.00	4879.35
13252.98	Devolution Fund	15921.75	0.00	0.00	15921.75
10443.06	Service Charges and Fees	4917.03	7953.88	0.00	12870.91
600.89	Grants and Contributions	779.80	0.00	0.00	779.80
0.48	Sale and Hire Charges	2.79	0.00	0.00	2.79
19597.16	Other Income	20369.16	859.10	93.87	21322.13
65700.37	Total	57438.57	16183.87	2251.81	75874.25
2675.01	Deficit	1882.12	0.00	0.00	1882.12
68375.38	Grand Total	59320.69	16183.87	2251.81	77756.37

Coimbatore Corporation

Liabilities

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs.in lakhs)					
25394.72	Loans	29444.41	8517.34	0.00	37961.75
93679.75	Contribution from Municipal Fund / Private party / Government	92196.54	16406.66	13.56	108616.76
917.03	Grants from Government	18614.45	3027.97	0.00	21642.42
146146.58	Accumulated Depreciation	148665.99	13796.95	3057.75	165520.69
14019.30	Deposits	14160.62	1471.25	253.31	15885.18
11751.80	Other Liabilities	2090.90	3078.87	477.83	5647.60
16956.69	Outstanding	17921.48	6263.54	51.92	24236.94
308865.87	Total	323094.39	52562.58	3854.37	379511.34
203420.15	Accumulated surplus / Deficit	157144.35	40980.53	17593.98	215718.86
512286.02	Grand Total	480238.74	93543.11	21448.35	595230.20

Assets

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs.in lakhs)					
407735.81	Fixed Assets	360757.29	43667.84	9210.57	413635.70
27.01	Stock	27.01	0.00	0.00	27.01
26619.77	Taxes and Fees recoverable	30534.92	-3937.76	1958.84	28556.00
859.14	Fixed Deposit / Investments	5491.60	519.94	138.07	6149.61
61823.68	Advances	45085.18	46303.79	13.67	91402.64
15220.61	Cash & Bank Balance	28224.82	6989.30	10127.20	45341.32
9225.55	Other Items	10117.92	0.00	0.00	10117.92
512286.02	Total	480238.74	93543.11	21448.35	595230.20

2.4.3. Audit Objections:

Only a few objections involving serious irregularities raised during 2018-19 audit of above eleven corporations are hereby being brought to the notice of the Government as per section 20 of the Tamil Nadu Local Fund Audit Act 2014. These objections are consolidated corporation wise and furnished below.

2.4.3.1 Coimbatore Corporation –Main office-Town Planning Section-West Zone- building license –Short collection of building license fees, debris Removal charges and labour welfare fund etc - Loss of Rs.3.78 lakhs to be collected.

Para N0 4.7 / 2018-19

A) As per Coimbatore Corporation, council resolution no.71 dated:18.06.2013 the following amount of underground drainage deposits, debris removal charges has not been collected and collected shortly as mentioned below:

I) Name : G.Mathanaseelan

Volume –III, S.No. – 549

ROC. No. 9989 / 2018 / MH 1(W)

Building Application No : BA/ 0476 / 2018 / MH 1 (W)

Building license No : 0549 / 2018 / MH 1 (W)

Total Area : 238.38 Sq.mtr Ground Floor : 119.19 Sq.mtr First Floor : 119.19 Sq.mtr

Amount Head	Amount to be remitted Rs.	Amount remitted Rs.	Difference Amount to be collected Rs.
Debris removal charges	6000	4875	1125
Under ground drainage	10000	0.00	10000
Development charge	4760	0.00	4760
Total	20760	4875	15885

II) Name : B.Rajesh

Volume -II, S.No. -244

ROC. No. 3331 / 2018 / MH 1(W)

Building Application No : BL / 0244 / 2018 / MH (W)

Building license No : 0224 / 2018 MH 1 (W)

LPA- 376 / 2018 / LPA-2.

Building detail	Total Area (Sq.m)	Usage
Ground floor	273.36	Parking
First floor	273.36	Hotel
Second floor	273.36	Commercial + 2 residential
Third floor	273.36	4 residential
Fourth floor	273.36	4 residential
Terrace	55.78	Stair cases

Details of the Charges Collected :

Charges Head	Floor	Residential usage	Shop	Amount to be remitted Rs.	Amount remitted Rs.	Amount to be collected Rs.
Building license fees	2 nd floor	141.69 15 x 500 = 7500	126.28 13x800 = 10400	17900	14500	3400
Security Deposit	All Floors	967.16x75 =72537	399.64 x 150 = 59946	132483	123020	9463
Total		80037	70346	150383	137520	12863

III) Name : Albert Ambrose, Selvi Bernadetta

Volume -II, S.No -394

ROC. No. 6729 / 2018 / MH 1(W)

Building Application No : BA / 0332 / 2018 / MH 1(W)

Building license No : BL / 0394 / 2018 / MH (W)

Total Area : 287.99 sq.m

Floor	Area
Stilt	96.65 sq.m
Ground floor	96.65 sq.m
First floor	96.65 sq.m

Under ground drainage charges:

Amount to be remitted	:	Rs.20000
Amount remitted	:	Rs.17500
Amount to be collected	:	<u>Rs. 2500</u>

IV) Name : Narasimhan

Volume -III, S.No -548

ROC. No. 9328 / 2018 / MH 1(W)

Building Application No : BA / 0440 / 2018 / MH (W)

Building license No : BL / 0548 / 2018 / MH 1 (W)

Total Area :229.74sq.m Ground Floor.114.87 sq.m First Floor = 114.87 sq.m

Charges Head	Amount to be remitted Rs.	Amount remitted Rs.	Amount to be collected Rs.
Building license fees	7800	4850	2950
Debris removal charges	6500	4000	2500
Labour welfare fund	21556	12750	8806
Development Changes	4595	3680	915
Security Deposit	17230	10050	7180
Total	57681	35330	22351

B) According to the instructions of Tamilnadu urban and country planning (infrastructure basic amenities charges rules 2008) As per G.O. MS. No. 191 Housing and urban development dept dated.01.06.2007, G.O.MS.NO.161 Housing and Urban Development Dept., Dated.09.09.2009 in order to create well planned township and development centres and to maintain good roads, drinking water supply, drainage and sanitation the infrastructure and amenities fees etc., should be collected in the following manner.

According to G.O.MS.No. 86, Housing and Urban Development Dept., (UD4-1) Dated.28.03.2012 other than multi-specialty buildings (Commercial/Special) Information Technology instructed to collect Rs.285/- per square meter. But for the following items the amount not collected and incurred loss.

1) Name: Rajesh / K.Golecha. Rasvanthi Devi

Volume -III, S.No -557

ROC. No. 1420 / 2018 / LPA-2

Building Application No: Ba / 0461 / 2018 / MH 1(W)

Building license No: BL / 0557 / 2018 / MH 1(W)

Total Area: 1744.05 sq.m

Building detail	Total Area (Sq.m)	Usage
Stilt	334.41	Parking
First floor	340.41	2 residential + office
Second floor	340.41	2 residential + office
Third floor	347.91	4 residential
Fourth floor	347.91	4 residential
Terrace	32.99	

Details of the Charges remitted:

Charges Head	Usage	Amount to be remitted Rs.	Amount remitted Rs.	Amount to be collected Rs.
Infrastructure Changes	704 sq.m x 285 =200640	200640	--	200640
Total	200640	200640	--	200640

2) Name:B.Dinesh

ROC NO: 10312 / 2018 / MH1 / W

Building Application No BA / 0558 / 2018 / MH 1 (W)

Building license No : BL / 0567 / 2018 / MH 1 (W)

LPA ROC.NO:4262 / 2018 / LPA1

Total Area: 1498.04sq.m

Charges Head	Particulars	Amount to be remitted Rs.	Amount remitted Rs.	Amount to be collected Rs.
Labour welfare fund	16118.9 s.ftx8.8 = 141846 or = 16652929 x 1% = 166529 -- whichever is higher	166529	142020	24509
			Total	24509

In addition in the file, for the person having same name and same address copy of the two building licence permission issued by Local Planning authority is enclosed. In that building licence permission, having the following building area detail.

Building particulars	Total Area sq.m.	usage
Stilt	289.91	Parking
First floor	289.91	Office building
Second floor	289.91	2 residential
Third floor	289.91	2 residential
Fourth floor	289.91	2 residential
Terrace	49.72	

Infrastructure fees:

Amount to be remitted 289 x 285 : Rs. 82365/-
Amount Remitted : -----
Amount to be collected : Rs.82365/-

The other building license issued has got the following details:

Building particulars	Total Area Sq.m.	Usage
Stilt	289.91	Parking
First floor	289.91	Office building
Second floor	289.91	2 residential+office
Third floor	289.91	4 residential
Fourth floor	289.91	4residential
Terrace	57.73	

Infrastructure:

Amount to be remitted 348 x 285 : Rs. 99180/-
Amount Remitted : -----
Amount to be collected : Rs. 99180/-

Abstract (B)2

1)	24509
2)	99180
Total	123689

Hence the aforesaid details it could not be ensured in audit for which building license permission the building was constructed. Hence the charges may be collected with proper explanation to audit.

Abstract

	Rs.
A) I	15885
II	12863
III	2500
IV	22351
B)1)	200640
2)	123689
TOTAL	377928

Hence, the loss incurred from the above items to be collected early and credited to Corporation General Fund account and detail to be intimated to audit.

Reply:

This para has been communicated to Commissioner of Municipal Administration vide this office Letter No.4292/MA (4) / 2021, Dated 17.04.2021. An interim reply furnished stated that action has been taken to collect the pending amount.

2.4.3.2 Coimbatore Corporation –main office – 2018-19 – Town planning Section – South zone – building license issued – vacant Land Tax for 13 half years has not been collected- Loss of Rs. 3.87 lakhs /- should be collected from the concerned person.

Para No.4.10 / 2018-19:

During the course of Coimbatore Corporation 2018-19 main office Audit, on verification of the following south zone Building license files Building licence was issued without collecting vacant land Tax for 13 half years. As per Coimbatore Corporation Act 1981 section 168 and Director of Municipal Administration, Chennai letter no 38714 / 2019 / R1, Dated. 02.04.2009 vacant land tax to be collected. Only after collecting the vacant land tax for 13 half years, property tax should be assessed.

1) Building license No	:	327 / 2018 / MH4 / S
2) Vacant area	:	2996 S.ft
3) Name	:	Narmadha
4) Building License	:	Ground Floor 1536 sq.ft First floor 1536 sq.ft

1) In above file Mrs. Narmadha, has purchased land from Thiru. Periyasamy in document No.951/2018, SF No. 366, Plot No. 107 / 2996 sq.ft., has applied for building license. While scrutinizing the enclosed building plan application check list, VLT receipt of Mr. S.Marudhavanan, SF No. 376 /1, Plot No. 3 / VLT No. 8989945 enclosed was ensured in audit.

In the meantime Mrs. Narmadha, who has purchased SF No 366, Site No. 107 building license was issued by enclosing VLT receipt of another person not pertaining to the plot is a serious defect.

Vacant Land area	:	2996 sq.ft
Vacant Land Tax	:	2996 sq.ft x .60P = Rs.1798/-
For 13 half years	:	1798 x 13 = Rs.23374/-

2) Thiru. Perumal and 10 others permission issued

Site Area	:	46609 sq.ft
Vacant Land Tax	:	46609 x 0.60 = 27965/-
For 13 half years	:	27965 x 13 = Rs.363545/-

Loss was incurred to Corporation.

Therefore the loss incurred of Rs.3,86,919/- should be collected from the person concerned and it has to be communicated to audit .

Abstract

<u>Sl.No.</u>	:	<u>Amount (Rs)</u>
1)	:	23,374/-
2)	:	3,63,545/-
Total	:	3,86,919/-

Reply:

This para has been communicated to Commissioner of Municipal Administration vide this office Letter No.4292/MA 4/ 2021, Dated 17.04.2021. An interim reply given, stated that action has been taken to collect the pending amount.

3) Tiruchirappalli Corporation

2.5. General:

Tiruchirappalli Corporation came into existence as per Tiruchirappalli City Municipal Corporation Act 1994. The Corporation Occupies an area of 167.23 Sq.Km. and had a population of 8,47,387 which includes 4,18,400 Males and 4,28,987 Females. 4 zones are functioning under the control of the Corporation.

Zone	Name
1.	Srirangam Zone
2.	Ariyamangalam Zone
3.	Ponmalai Zone
4.	K-Abishekapuram Zone

2.5.1. Annual Accounts - Review:

Income – Expenditure – Review:

Demand, Collection and Balance details of Property Tax, Water Tax and Education Tax:

Total number of Property Tax assessment of the Corporation is 2,19,196 and number of Water Tax assessment is 1,15,554.

Sl. No.	Year	Property Tax			Water Tax		
		Demand	Collection	Balance	Demand	Collection	Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Rs.inlakhs)							
1	2017-18	3509.19	1764.76	1742.49	3779.13	1900.51	1876.53
2	2018-19	5119.56	1711.25	3408.31	5513.37	1842.88	3670.49

Education Tax			Percentage of Collection		
Demand	Collection	Balance	Property Tax	Water Tax	Education Tax
(9)	(10)	(11)	(12)	(13)	(14)
(Rs.inlakhs)					
1349.69	678.75	670.19	50.29%	50.29%	50.29%
1969.06	658.17	1310.89	33.43%	33.43%	33.43%

1) Property Tax:

Property Tax current year demand is Rs.5119.56 lakhs which increased 45.89% percentage over previous year demand Rs.3509.19 lakhs. As like, current year collection Rs.1711.25 lakhs which decreased 3.03% percentage over previous year collection Rs.1764.76 lakhs.

2) Water Tax:

Water Tax current year demand is Rs. 5513.37 lakhs which increased 45.89% percentage over previous year demand Rs.3779.13 lakhs. As like, current year collection Rs.1842.88 lakhs which decreased 3.03% percentage over previous year collection Rs.1900.52 lakhs.

3) Education Tax:

Education Tax current year demand is Rs.1969.06 lakhs which increased 45.89% percentage over previous year demand Rs.1349.69 lakhs. As like, current year collection Rs.658.17 lakhs which decreased 3.03% percentage over previous year collection Rs.678.76 lakhs.

4) Profession Tax:

Sl.No.	Year	Demand	Collection	Balance	Percentage of Collection
(1)	(2)	(3)	(4)	(5)	(6)
		(Rs.inlakhs)			
1	2017-18	1068.31	958.87	109.43	89.76%
2	2018-19	1783.81	1203.47	580.34	67.47%

Profession Tax current year demand is Rs.1783.81 lakhs which increased 66.97% over previous year demand Rs.1068.31 lakhs. As like, current year collection Rs.1203.47 lakhs which increased 25.51% over previous year collection Rs. 958.87 lakhs.

5) Gross – Income:

Current year Gross Income Rs.31018.17 lakhs, which increased Rs.7672.79 lakhs as against previous year Gross Income Rs.23345.38 lakhs.

6) Gross – Expenditure:

Current year Gross Expenditure Rs. 29024.78 lakhs, which increased Rs.2605.07 lakhs as against previous year Gross Expenditure Rs.26419.71 lakhs.

7) Surplus:

While verifying the Gross Income / Gross Expenditure of the three funds of the Corporation it is observed that they ended in Rs.1993.39 lakhs Surplus as mentioned below:

Year	Revenue Fund			Water Supply Fund		
	Income	Expenditure	Deficit	Income	Expenditure	Surplus
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rs.inlakhs)						
2018-19	22651.8	23654.71	1002.91	6918.05	5173.16	1744.89

Education Fund			Total Surplus
Income	Expenditure	Surplus	
(8)	(9)	(10)	(11)
(Rs.inlakhs)			
1448.32	196.91	1251.41	1993.39

2.5.2 Assets / Liabilities – Review:

1) Advance Receivable:

Previous year pending advance is Rs.377.21 lakhs. Current year pending advance is Rs. 1263.09 lakhs. Current year pending advance Rs.885.88 lakhs is increased over previous year.

2) Assets:

Previous year Assets value is Rs.122707.41 lakhs. Current year Assets value is Rs.152827.30 lakhs. Current year Assets value Rs.30119.89 lakhs is increased over previous year.

3) Liabilities:

Loans – Payable:

Previous year Loan pending is Rs.11636.03 lakhs. Current year Loan pending is Rs.12087.61 lakhs. Current year Loan pending Rs.451.58 lakhs is increased over previous year.

4) Assets and Liabilities accumulated Surplus / Deficit:

While verifying three funds of the Corporation, Assets and Liabilities ends in Accumulated Surplus of Rs.50172.50 lakhs as mentioned below:

Sl.No.	Year	Revenue Fund	Water Supply Fund	Education Fund	Total	Accumulate Surplus / Deficit
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		(Rs.in Lakhs)				
1	2017-18	34702.95	3864.89	9626.66	48194.50	48194.50
2	2018-19	33684.63	5609.80	10878.07	50172.50	50172.50

5) Investments

The details of investment made by the Tiruchirappalli City Corporation during 2018-19 are furnished below:

Sl No.	Fund (Account code)	Opening Balance	Investment	Amount received on maturity	Balance
(Rs.in Lakhs)					
1	Revenue Fund	4752.00	11075.00	4750.00	11077.00
2	Water Supply Fund	1957.88	46.00	600.00	1403.88
3	Education Fund	4100.00	3000.00	2450.00	4650.00
	Total	10809.88	14121.00	7800.00	17130.88

The amount of investments as on 31.03.2019 stands at Rs. 17130.88 lakhs.

6) Loan

The loan liability Rs.12087.61 Lakhs of Tiruchirappalli Corporation as on 31.03.2019 is furnished below:

Sl.No.	Head	Amount of loans pending as on 31.03.2018	Amount of loans pending as on 31.03.2019
		(Rs.in Lakhs)	
1.	Interest fee State Government loan	0.00	0.00
2.	Other loans with interest (TUFIDCO, TNUDF)	11636.03	12087.61
	Total	11636.03	12087.61

Appropriate action may be taken to improve the income of the Corporation to reduce the loan liability.

Tiruchirappalli Corporation

Expenditure

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs. in lakhs)					
8156.52	Personnel Cost (i) Salaries	8532.34	710.55	0.00	9242.89
671.07	(ii) Others	32.84		0.00	32.84
3206.26	Terminal and Retirement benefits	4367.06	0.00	0.00	4424.86
3544.82	Operating Expenses	3697.97	1747.05	71.81	5516.83
2263.65	Repairs and Maintenance	1676.25	747.61	0.00	2423.86
972.37	Programme Expenses	375.08	0.00	0.00	375.08
2115.70	Administrative Expenses	574.64	73.37	2.71	650.72
52.65	Finance Expenses	95.09	1043.43	0.02	1138.54
5436.67	Depreciation	4303.44	793.35	122.37	5219.16
26419.71	Total	23654.71	5173.16	196.91	29024.78
2103.82	Surplus	0.00	1744.89	1251.41	2996.30
28523.53	Grand Total	23654.71	6918.05	1448.32	32021.08

Income

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs. in lakhs)					
4661.48	Property Tax	3451.39	3521.15	1257.55	8230.09
1068.31	Other Taxes	1104.36	0.00	0.00	1104.36
478.48	Assigned Revenue	1160.31	0.00	0.00	1160.31
8258.40	Devolution Fund	9302.07	0.00	0.00	9302.07
3446.30	Service Charges and Fees	2816.34	2977.4	0.00	5793.74
648.25	Grants and Contributions	0.00	0.00	0.00	0.00
25.24	Sale and Hire Charges	0.00	0.00	0.00	0.00
4758.92	Other Income	4817.33	419.50	190.77	5427.60
23345.38	Total	22651.80	6918.05	1448.32	31018.17
5178.15	Deficit	1002.91	0.00	0.00	1002.91
28523.53	Grand Total	23654.71	6918.05	1448.32	32021.08

Tiruchirappalli Corporation

Liabilities

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs.inlakhs)					
11636.03	Loans	7.61	12080.00	0.00	12087.61
50400.72	Contribution from Municipal Fund / Private party / Government	36859.09	13861.72	0.00	50720.81
0.00	Grants from Government	19581.31	189.66	0.00	19770.97
60332.75	Accumulated Depreciation	55339.53	9259.47	952.91	65551.91
3401.44	Deposits	3301.58	475.92	26.51	3804.01
1535.76	Other Liabilities	1534.07	2073.34	0.00	3607.41
184.30	Outstanding	181.90	1.79	0.00	183.69
127491.00	Total	116805.09	37941.90	979.42	155726.41
48194.50	Accumulated surplus	33684.63	5609.80	10878.07	50172.50
175685.50	Grand Total	150489.72	43551.70	11857.49	205898.91

Assets

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs.inlakhs)					
122707.41	Fixed Assets	120923.89	27556.88	4346.53	152827.30
187.72	Stock	127.11	75.00	0.00	202.11
14031.44	Taxes and Fees recoverable	10342.68	7206.77	1310.88	18860.33
10809.87	Fixed Deposit / Investments	11077.00	1403.88	4650.00	17130.88
377.21	Advances	398.65	864.44	0.00	1263.09
10935.75	Cash & Bank Balance	7620.39	6444.73	861.24	14926.36
16636.10	Other Items	0.00	0.00	688.84	688.84
175685.50	Total	150489.72	43551.70	11857.49	205898.91

2.5.3.1 Trichirapalli Corporation – Layout – registration after the implementation of the revised market guideline value – short collection of open space reservation charge of 10% and Sanction of planning permission and building license – revenue loss of Rs.7.23 lakhs.

Para No.34/2018-19:

The following defects were noticed in building licence sanctioning file in Ponmalai Zone, Trichirapalli Corporation for the year 2018-19.

As per the Go.No.11 MAWS Dept., Dt.19.01.2006, to regularise the house sites in the unapproved layouts, 10% open space reservation charge has to be calculated proportionally and divided among total layout area and space to be allotted on Individual basis proportionately in case of deficient in OSR (Open Space Reservation) area, 50% of the cost of the deficient extent to be remitted.

To calculate the plot registered before 22.09.2000 by the individual the Guideline value to be on the basis of date of registration and in case of plots purchased but not between 22.09.2000 and 19.01.2006 the Guideline value shall be calculated on the basis of date of purchase of the plot.

The reformed market guideline value was implemented w.e.f 09.06.2017 by Tamilnadu Registration Department, after reducing 33% of value as on 08.06.2017.

But, during 2018-19 on verification of audit planning permission and Building License sanctioning files in audit it was noticed that after the implementation of guideline value to regularize the plots registered under unapproved layouts, 10% OSR (Open Space Reserve) charge collection was not made as per guideline value in the document and short collection was noticed. . So, Rs.7,22,810/- revenue loss was incurred to corporation during audit period.

The details are as follows.

Short collection of OSR (Open Space Reserve) for the plots registered after 09.06.2017, the loss incurred was Rs.7,22,810/-

Sl. No	Name of the site Owners	Building License Number	Date of Registration	Value of the plot in document	10% OSR Charge		Loss
					Due to be collected	collected	
(Rs.)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	K.Saraswathi	086/BL/2018/01123	03.11.2017	1436500	143650	81330	62320
2.	A.Abdul Raheem	086/BL/2018/0139	22.02.2018	1376550	137655	105055	32600
3.	T.Thiruchelvam	086/BL/2018/01413	15.03.2018	537950	53795	47905	5890
4.	S. NaveenBasha N.Bhashelunisha beham	086/BL/2018/00935	02.01.2018	575000	57500	50200	7300
5.	C.Vengada subramanian	086/BL/2018/01758	29.08.2018	783000	78300	72360	5940
6.	T.Fathima Shakistha	086/BL/2019/00168	19.11.2018	1304030	130400	96480	33920
7.	R. Kamala kannan K. Kavitha Rani	086/BL/2018/01305	23.03.2018	2171610	217160	197325	19835
8.	C. Kalimuthu	086/BL/2018/01303	16.05.2018	1267200	126720	125280	1440
9.	G. sayithamarai selvi	086/BL/2018/01003	20.04.2018	4371000	437100	168840	268260
10.	Kaththeja Sakuptha	086/BL/2019/00171	19.11.2018	1312220	131220	97150	34070
11.	K.Sankaralingam	086/BL/2019/00415	30.03.2015	991250	99125	66000	33125
12.	AasathNasrinBanu	086/BL/2019/00549	17.06.2018	978000	97800	52200	45600
13.	N.Renganathan	086/BL/2019/00428	12.08.2013	780000	78000	48250	29750
14.	R.Madheswari	086/BL/2018/00695	20.02.2014	1442400	144240	96480	47760
15.	A.Mariyalarans	086/BL/2019/00507	27.11.2014	1749000	174900	79900	95000
Total					2107565	1384755	722810

It is informed to audit that after the implementation of reformed market guideline value in collection of fees of 10% OSR (Open Space Reserve) charge to the plots in unapproved layouts the market guideline value was taken from the websites and not based on the value in registered documents.

The disclaimer notification in website about market guideline value is as follows.

The guideline values hosted in this website are subject to confirm with the Registering officers concerned.

Even though the Property shown in the Sl.No.13,14, & 15 registration were made before the implementation of reformed market guideline value and the loss incurred was as shown below.

Sl. No	Plot Owners Name	Building License Number	33% of reduced value from the register document	10% OSR Charge		Loss
				Due to be collected	collected	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
13.	N.Renganathan	086/BL/2019/00428	522600	52260	48250	4010
14.	R.Madheswari	086/BL/2018/00695	1009680	100968	96480	4488
15.	A.Mariyalarans	086/BL/2019/00507	1171830	117180	79900	37280
Total				270408	224630	45778

Hence loss should be re-imbursed from the concern house owners and to be remitted into Corporation fund. If it is not possible, the same should be collected from the corporation officials and remitted into corporation funds and the fact may be intimated to audit.

Reply:

This para has been communicated to Commissioner of Municipal Administration vide this office letter No.4292/MA 4/ 2021, dated 17.04.2021. No reply was received.

2.5.3.2 Tiruchirappalli Corporation - Works – Provision of 12% of Goods and Service tax amount included in the Estimate of the works contract to be deducted in works bill - 2% of GST not deducted at source from contractors bill – Resultant in payment made to Contractors bill 12% GST amount could not be accounted in GSTR form – loss to the Government Rs.79.85 lakhs

Para No.29/2018-19:

As per the Government order Ms.No.215 Finance (salaries) department dated 13.07.2017 amendment had been made in Tamilnadu Transparency in Tender Act, 1998 in which Goods and Service tax was replaced for value added tax and implemented with effect from 1st July 2017. Wherein intimated the rate of GST was fixed at 18% for works contract, was reduced to 12% as per G.o. Ms.No. 264, (Finance), dated.15.09.2017.

Further the office of the Commissioner of Commercial tax letter No. 306/2017/A1/ Taxation cell, dated.09.06.2017 directing all local bodies should be registered under GST and also specified that if the value of each contract works exceed Rs.2.5 lakhs, 1% of CGST and 1% of SGST has to be deducted at source while making payment made to the contractor. In addition the filling of GSTR-7 by the registered Local Bodies and the payment of GST to Government was intimated in the letter Central Government Finance in letter No.330/ secy (Expr) 2017, dated.13.09.2017 it is mentioned that provision for 12% GST amount should be subsumed in estimated value of work. As per G.o.Ms.No.296 (Finance), dated.09.10.2017, it is instructed that in case of less deduction of tax at source adjustment should be made from 5% of withheld amount deducted from the contractor.

Central Government Revenue Department in Notification No.50/2018 dated.13.09.2018 2% of GST deducted at source by drawing and disbursing officer and how the remittance to be made to Government and the act came into force w.e.f. 1.10.2018, with TDS was explained in detail.

During the period from 01.04.2018 to 30.09.2018 the payments were made to contractors along with 12% of GST as provided in the Estimate and also without deducting 1% of CGST and 1% of SGST in the bill by the Corporation, Hence there is no possibility of remitting of 12% GST by the Contractors to Government account.

If the Corporation may deducted 2% of GST to the tune of Rs.13,30,888/- and remitted in Government head it is possible to know the remaining 10% of tax of Rs.66,54,443/- were included in the account.. Therefore it is presumed that there is no feasibility of remitting 12% GST amount, which causes loss to Government. Hence it should be ensured by administration, 12% GST was remitted or otherwise corporation should recover the amount from the contractors and remitted into concerned Government Head and the detail should be produced to audit.

TDS 2%	Rs.13,30,888	Not deducted
10%	Rs.66,54,443	Not brought into Government head.

Total	Rs.79,85,331	

Reply:

This para has been communicated to Commissioner of Municipal Administration vide this office letter No.4292/MA 4/ 2021, dated 17.04.2021. No reply was received.

4) Salem Corporation

2.6. General:

Salem Corporation came into existence as per Salem City Municipal Corporation Act 1994. The Corporation Occupies an area of 91.34 Sq.Km. and had a population of 8,29,267 which includes 4,17,317 Males and 4,11,950 Females 4 zones are functioning under the control of the Corporation.

Zone	Name
1.	Suramangalam
2.	Hasthampatti
3.	Ammamet
4.	Kondlampatti

2.6.1. Annual Accounts - Review:

Income – Expenditure – Review:

Demand, Collection and Balance details of Property Tax, Water Tax and Education Tax

Total number of Property Tax assessment of the Corporation is 2,05,161 and number of Water Tax assessment is 1,08,194.

Sl.No.	Year	Property Tax			Water Tax		
		Demand	Collection	Balance	Demand	Collection	Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Rs.in lakhs)							
1)	2017-18	1483.36	1048.39	434.97	1048.39	811.66	336.74
2)	2018-19	2672.53	1260.98	1411.55	2069.05	976.25	1092.80

Education Tax			Percentage of Collection		
Demand	Collection	Balance	Property Tax	Water Tax	Education Tax
(9)	(10)	(11)	(12)	(13)	(14)
(Rs.in lakhs)					
646.27	486.57	159.70	70.6%	70.7%	75.29%
1050.92	559.74	491.17	47.1%	47.1%	53.26%

1) Property Tax:

Property Tax current year demand is Rs.2672.53 lakhs which increased 80.17% over previous year demand Rs. 1483.36 lakhs. As like, current year collection Rs.1260.98 lakhs which increased 20.28% over previous year collection Rs.1048.39 lakhs.

2) Water Tax:

Water Tax current year demand is Rs.2069.05 lakhs which increased 97.35% over previous year demand Rs.1048.39 lakhs. As like, current year collection Rs.976.25 lakhs which increased 20.28% over previous year collection Rs.811.66 lakhs.

3) Education Tax:

Education Tax current year demand is Rs.1050.92 lakhs which increased 62.61% over previous year demand Rs.646.27 lakhs. As like, current year collection Rs.559.74 lakhs which increased 5.04% over previous year collection Rs.486.57 lakhs.

4) Profession Tax:

Sl.No.	Year	Demand	Collection	Balance	Percentage of Collection
(1)	(2)	(3)	(4)	(5)	(6)
		(Rs.in lakhs)			
1)	2017-18	503.33	445.15	58.18	88.44
2)	2018-19	566.45	458.92	107.52	81.01

Profession Tax current year demand is Rs.566.45 lakhs which increased 12.54% over previous year demand Rs.503.33 lakhs. As like, current year collection Rs.458.92 lakhs which increased 3.09% over previous year collection Rs.445.15 lakhs.

5) Gross – Income:

Current year Gross Income Rs.27693.50 lakhs, which increased Rs.20392.15 lakhs as against previous year Gross Income Rs.7301.35 lakhs.

6) Gross – Expenditure:

Current year Gross Expenditure Rs.27935.19 lakhs, which increased Rs.22833.31 lakhs as against previous year Gross Expenditure Rs.5101.88 lakhs.

7) Surplus / Deficit

While verifying three funds of the Corporation, Gross Income / Gross Expenditure ends in Rs.241.69 lakhs Deficit as mentioned below:

Year	Revenue Fund			Water Supply Fund		
	Income	Expenditure	Surplus	Income	Expenditure	Deficit
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rs.in lakhs)						
2018-19	21444.72	19386.29	2058.43	5194.20	8348.40	3154.20

Education Fund			Total Deficit
Income	Expenditure	Surplus	
(8)	(9)	(10)	(11)
(Rs.in lakhs)			
1054.58	200.50	854.08	241.69

2.6.2 Assets / Liabilities – Review:

1) Advance Receivable:

Previous year pending advance is Rs.3547.51 lakhs. Current year pending advance is Rs.20196.79 lakhs. Current year pending advance Rs.16649.28 lakhs is increased over previous year.

2) Assets:

Previous year Assets value is Rs.72526.11 lakhs. Current year Assets value is Rs.76968.36 lakhs. Current year Assets value Rs.4442.25 lakhs is increased over previous year.

3) Liabilities:

Loans – Payable:

Previous year Loan pending is Rs.40982.12 lakhs. Current year Loan pending is Rs.36491.30 lakhs. Current year Loan pending Rs.4490.82 lakhs is decreased over previous year.

4) Assets and Liabilities accumulated Surplus / Deficit

While verifying three funds of the Corporation, Assets and Liabilities ends in Accumulated Surplus of Rs. 7133.69 lakhs as mentioned below:

Sl.No.	Year	Revenue Fund	Water Supply Fund	Education Fund	Total	Accumulate Surplus / Deficit
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rs.in lakhs)						
1)	2017-18	22455.51	-25450.38	8739.35	5744.48	5744.48
2)	2018-19	25457.68	-27992.81	9668.82	7133.69	7133.69

5) Investments

The details of investment made by the Salem Corporation during 2018-19 are furnished below:

Sl No.	Fund (Account code)	Opening Balance	Investment	Amount received on maturity	Balance
(Rs.in Lakhs)					
1	Revenue Fund 42080001	2811.39	2561.03	3908.38	1464.04
2	Water Fund	1803.76	217.40	535.00	1486.16
Total		4615.15	2778.43	4443.38	2950.20

The amount of investments made as on 31.03.2019 stands at Rs.2950.20 lakhs.

6) Loan

The loan liability Rs.36491.30 lakhs of Salem Corporation as on 31.03.2019 is furnished below:

Sl.No.	Head	Amount of loans pending as on 31.03.2019 (Rs.in lakhs)
1.	Interest fee State Government loan	17918.66
2.	Other loans with interest (TUFIDCO, TNUDF)	18572.64
Total		36491.30

Appropriate action may be taken to improve the income of the corporation to reduce the loan liability.

Salem Corporation

Expenditure

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs. in lakhs)					
7322.34	Personnel Cost (i) Salaries	7910.52	1459.26	0.00	9369.78
9.55	(ii) Others	407.91	5.89	0.00	413.80
2273.24	Terminal and Retirement benefits	3200.33	308.34	0.00	3508.67
5090.58	Operating Expenses	3333.90	2413.90	1.94	5749.74
674.73	Repairs and Maintenance	0.00	2057.94	140.38	2198.32
582.06	Programme Expenses	225.27	0.00	0.00	225.27
744.76	Administrative Expenses	1002.68	47.14	0.00	1049.82
2916.74	Finance Expenses	549.57	1607.40	9.14	2166.11
3219.32	Depreciation	2756.11	448.53	49.04	3253.68
22833.32	Total	19386.29	8348.40	200.50	27935.19
1173.02	Surplus	2058.43	0.00	854.08	2912.51
24006.34	Grand Total	21444.72	8348.40	1054.58	30847.70

Income

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs. in lakhs)					
3278.03	Property Tax	2672.53	2069.06	1050.92	5792.51
507.85	Other Taxes	566.45	0.00	0.00	566.45
3508.85	Assigned Revenue	866.99	2361.88	0.00	3228.87
7734.85	Devolution Fund	3017.09	0.00	0.00	3017.09
789.28	Service Charges and Fees	3430.97	3.53	0.00	3434.50
1456.58	Grants and Contributions	8004.18	0.00	0.00	8004.18
99.39	Sale and Hire Charges	1372.41	0.00	0.00	1372.41
3017.35	Other Income	1514.10	759.73	3.66	2277.49
20392.18	Total	21444.72	5194.20	1054.58	27693.50
3614.16	Deficit	0.00	3154.20	0.00	3154.20
24006.34	Grand Total	21444.72	8348.40	1054.58	30847.70

Salem Corporation

Liabilities

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs. in lakhs)					
40982.12	Loans	20497.19	15994.11	0.00	36491.30
75050.71	Contribution from Municipal Fund / Private party / Government	2895.84	1730.59	0.78	4627.21
4627.21	Grants from Government	63971.57	36376.49	81.77	100429.83
16021.73	Accumulated Depreciation	15017.81	4148.14	1018.03	20183.98
4451.35	Deposits	3216.78	2165.34	21.62	5403.74
17733.41	Other Liabilities	10738.09	1912.95	80.31	12731.35
14096.93	Outstanding	0.00	28130.90	632.77	28763.67
173052.56	Total	116337.28	90458.52	1835.28	208631.08
5744.48	Accumulated surplus / Deficit	25457.68	-27992.81	9668.82	7133.69
178797.04	Grand Total	141794.96	62465.71	11504.10	215764.77

Assets

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs. in lakhs)					
72526.11	Fixed Assets	61967.98	9857.58	5142.80	76968.36
142.00	Stock	38.54	0.00	0.00	38.54
13072.13	Taxes and Fees recoverable	4938.37	3336.06	6004.54	14278.97
4621.89	Fixed Deposit / Investments	1464.04	1486.16	0.00	2950.20
-3457.51	Advances	17082.92	3113.72	0.15	20196.79
33457.79	Cash & Bank Balance	26682.32	383.88	262.58	27328.78
58434.63	Other Items	29620.79	44288.31	94.03	74003.13
178797.04	Total	141794.96	62465.71	11504.10	215764.77

2.6.3.1 Salem Corporation - Suramangalam Zone - 2018 - 2019 Division 3 – short levy of property tax for Senthil Public School – property tax calculated for lesser extent of building than actual extent - Loss to corporation Rs. 8.10 Lakhs

Para No.15/2018-19:

Assessment No.049/003/07902

During the audit of applications for property tax assessment for the financial year 2018-2019 of Suramangalam zone, it has been observed that property tax for Senthil Public School has been levied for total extent of the building of 41454 square feet of which ground floor to third floor each measuring 9954 square feet with effect from second half of 2017-18.

Audit of building license application of the said property (file No: E9/124/2018, E9/162/2010, K21/98/2018 and R.O.C No. 3762/2018/SLPA, dated.02.11.2018, revealed that building approval was given for 20,956 sq.meter or 2,25,570 sq feet.

Also, it has been certified by engineer in file No E9/124/2018 that construction of building measuring 2,25,570 square feet has already be completed before building approval accorded by the concerned authority and as such penalty has been levied by the corporation for the unapproved construction.

While the actual extent of the building measures 2,25,570 sq ft, property tax has been calculated for 41,454 sq ft only and the corporation has levied a half yearly tax of Rs.65,913 resulting in a loss to the tune of Rs.2,70,150 per half year. The tax was levied with effect from the second half of 2017-18. Therefore, the cumulative loss from second half year of 2017-18 till the second half year of 2018-19 amounts to Rs.8,10,450.

The loss has to be recovered from the officials responsible for the loss namely, Thiru.Palanisamy, Assistant Engineer; Thiru.Tamil Mani, Revenue Officer; and Tmt.Umamaheswari, Assistant Revenue Officer in a manner deemed appropriate and paid into the corporation funds. The recovery process shall be communicated to Audit.

Calculation:

Loss:

Actual extent of construction	:	225570 sq. ft.
Extent for which property tax levied	:	41454 sq.ft
Difference	:	184116 Sq.ft.

Calculation:

	:	184116 x zone C (0.50) x 1.5 x12
Annual Rental Value	:	Rs.1657044 /-
Land Value	:	1657044 /4 = Rs.414261
Building Value	:	1657044-414261 = Rs.1242783/-
10 % Maintenance Charge	:	Rs.124278 /-
Annual Value	:	1657044 - 124278 = 1532766/-
Half yearly Tax	:	1532766 x 17.625 %
Loss per half year	:	Rs.270150/-
Total Loss for from 2017-18 Second half year to 2018-19 Second half year	:	3 x Rs.270150 = Rs.810450/-

The demand for the said property shall be revised from the existing Rs.65913 to the correct demand of Rs.336063 (270150+65913) and the update shall be communicated to Audit.

Reply:

This Para has been communicated to Commissioner of Municipal Administration vide this office Letter No.4292/MA4/2021, dated 17.04.2021. In Interim reply stated that the Half year demand is revised for Rs.3,30,975/- from Rs.60,825/- w.e.f.01.04.2018 and uploaded in computerized D.C.B. Until Arrear amount fully collected. Para kept pending.

2.6.3.2 Salem Corporation – Main Office - 2018 – 2019 – Entertainment Tax – Security Deposit not collected – Security deposit to be collected by the corporation Rs.203.72 lakhs and interest loss Rs. 11.54 lakhs totally Rs.215.25 Lakhs to be recovered and shown to audit.

Para No. 28 / 2018-19:

As per the part II 6(1) and (2) of the Tamil Nadu Local Authorities Entertainments Tax bye laws 2017 security deposit has to be collected from cinema theaters operating within the corporation limits by the corporation. The Entertainments Tax Officer shall fix the amount of security to be furnished by the proprietor for the proper payment of entertainments tax and the time within which such security should be furnished. The amount of security deposit so fixed shall be equal to 75% of entertainments tax payable based on the full capacity of the auditorium for a period of seven days.

Currently there are 17 cinema theaters operating within the limits of Salem Corporation. The corporation has not collected security deposit even from a single theatre. The loss arose because of non collection of security deposit from 01.07.2017 stands at Rs.2,03,71,575 (details in annexure). It is also observed that had the deposits been collected in 01.7.2019 itself, the corporation would have earned additional revenue of Rs. 11,54,389 by way interests at the rate of 4%.

It is mentioned in Audit that corporation shall take all necessary steps to collect security deposits from all the theatres within the corporation limit. The interest loss of Rs.11,54,389 arose due to non collection of security deposit shall be recovered from The Entertainment Tax Officer concerned. The security deposit has not been collected for a period of 5 months from 01.07.2017 to 28.11.2018. Since security deposit has not been collected even from single theatre in the corporation, no entries to reflect collection of security deposit are found in the deposit register.

Annexure

1. ARRS Theatre – Screen 1

Class	Ticket Charge	No of Seats	Total Collection amount
1 st Class	119	326	38794
2 nd Class	99	264	26136
3 rd Class	49	62	3038
Total			67968

Security Deposit amount to be collected = 67968 x 28 = Rs.1903104
75% of Total amount
= Rs.1903104 x 75 % /100
= Rs.1427328/-

b) ARRS Theatre – Screen 2

Class	Ticket Charge	No of Seats	Total Collection amount
1 st Class	119	197	23443
2 nd Class	99	158	15642
3 rd Class	49	40	1960
Total			41045

Security Deposit amount to be collected = 41045 x 28 = Rs.1149260
75% of Total amount
= Rs.1149260 x 75 % /100
= Rs.861945/-

c) ARRS Theatre – Screen 3

Class	Ticket Charge	No of Seats	Total Collection amount
1 st Class	119	197	23443
2 nd Class	99	158	15642
3 rd Class	49	40	1960
Total			41045

Security Deposit amount to be collected = 41045 x 28 = Rs.1149260
75% of Total amount
= Rs.1149260 x 75 % /100
= Rs.861945/-

d) ARRS Theatre – Screen 4

Class	Ticket Charge	No of Seats	Total Collection amount
1 st Class	119	392	46648
2 nd Class	99	320	31680
3 rd Class	49	72	3528
Total			81856

Security Deposit amount to be collected = $81856 \times 28 = \text{Rs.}2291968$
 75% of Total amount
 = $\text{Rs.}2291968 \times 75 \% / 100$
 = $\text{Rs.}171896/-$

e) ARRS Theatre – Screen 5

Class	Ticket Charge	No of Seats	Total Collection amount
1 st Class	119	392	46648
2 nd Class	99	320	31680
3 rd Class	49	72	3528
Total			81856

Security Deposit amount to be collected = $81856 \times 28 = \text{Rs.}2291968$
 75% of Total amount
 = $\text{Rs.}2291968 \times 75 \% / 100$
 = $\text{Rs.}171896/-$

2. Oscar Theatre, Old Bus stand Back side

a) Screen -1

Class	Ticket Charge	No of Seats	Total Collection amount
Balcony	150	14	2100
1 st Class	120	284	34080
2 nd Class	100	176	17600
3 rd Class	50	60	3000
Total			56780

Security Deposit amount to be collected = $56780 \times 28 = \text{Rs.}1589840$
 75% of Total amount
 = $\text{Rs.}1589840 \times 75 \% / 100$
 = $\text{Rs.}1192380/-$

b) Screen - 2

Class	Ticket Charge	No of Seats	Total Collection amount
Balcony	150	277	41550
1 st Class	120	135	16200
2 nd Class	100	261	26100
3 rd Class	50	87	4350
Total			88200

Security Deposit amount to be collected = $88200 \times 28 = \text{Rs.}2469600$
 75% of Total amount
 = $\text{Rs.}2469600 \times 75\% / 100$
 = $\text{Rs.}1852200/-$

c) Screen - 3

Class	Ticket Charge	No of Seats	Total Collection amount
1 st Class	120	181	21720
2 nd Class	50	26	1300
Total			23020

Security Deposit amount to be collected = $23020 \times 28 = \text{Rs.}644560$
 75% of Total amount
 = $\text{Rs.}644560 \times 75\% / 100$
 = $\text{Rs.}483420/-$

3. Gowri Theatre – 5 Road

Class	Ticket Charge	No of Seats	Total Collection amount
Balcony	96	129	12384
1 st Class	96	401	38496
2 nd Class	76	158	12008
3 rd Class	46	100	4600
Total			67488

Security Deposit amount to be collected = $67488 \times 28 = \text{Rs.}1889664$
 75% of Total amount
 = $\text{Rs.}1889664 \times 75\% / 100$
 = $\text{Rs.}1417248/-$

4. Sri Raja Sabari Theatre, Gugai

Class	Ticket Charge	No of Seats	Total Collection amount
Balcony	99	279	27621
1 st Class	99	280	27720
2 nd Class	69	102	7038
3 rd Class	39	182	7098
Total			69477

Security Deposit amount to be collected = $69477 \times 28 = \text{Rs.}1945356$
 75% of Total amount
 = $\text{Rs.}1945356 \times 75 \% / 100$
 = $\text{Rs.}1459017/-$

5. Keerthana Theatre, Junction

Class	Ticket Charge	No of Seats	Total Collection amount
Balcony	91.50	60	5490
1 st Class	91.50	202	22143
2 nd Class	77.50	410	31975
3 rd Class	77.50	90	6975
Total			66583

Security Deposit amount to be collected = $66583 \times 28 = \text{Rs.}1864324$
 75% of Total amount
 = $\text{Rs.}1864324 \times 75 \% / 100$
 = $\text{Rs.}1398243/-$

6. Ramana Theatre, Junction

Class	Ticket Charge	No of Seats	Total Collection amount
Balcony	91.50	141	12901.50
1 st Class	77.50	369	28597.50
2 nd Class	77.50	81	6277.50
Total			47776.5

Security Deposit amount to be collected = $47777 \times 28 = \text{Rs.}1337756$
 75% of Total amount
 = $\text{Rs.}1337756 \times 75 \% / 100$
 = $\text{Rs.}1003317/-$

7. Prakash Theatre, Kalarampatti, Salem

I	Ticket Charge	No of Seats	Total Collection amount
Balcony	91.50	34	3111
1 st Class	91.50	228	20862
2 nd Class	77.50	320	24800
3 rd Class	77.50	64	4960
Total			53733

Security Deposit amount to be collected = $53733 \times 28 = \text{Rs.}1504524$
 75% of Total amount
 = $\text{Rs.}1504524 \times 75 \% / 100$
 = $\text{Rs.}1128393/-$

8. Kailash Theatre, Kalarampatti, Salem

Class	Ticket Charge	No of Seats	Total Collection amount
Balcony	91.50	29	2653.50
1 st Class	91.50	247	22600.50
2 nd Class	77.50	374	28985
3 rd Class	77.50	90	6975
Total			61214

Security Deposit amount to be collected = $61214 \times 28 = \text{Rs.}1713992$
 75% of Total amount
 = $\text{Rs.}1713992 \times 75 \% / 100$
 = $\text{Rs.}1285494/-$

9. Pachiamman Theatre, Gorimedu, Salem

Class	Ticket Charge	No of Seats	Total Collection amount
Balcony	100	36	3600
1 st Class	100	210	21000
2 nd Class	80	184	14720
3 rd Class	40	53	2120
Total			41440

Security Deposit amount to be collected = $41440 \times 28 = \text{Rs.}1160320$
 75% of Total amount
 = $\text{Rs.}1160320 \times 75 \% / 100$
 = $\text{Rs.}870240/-$

10. Sangeeth Theatre, Salem

Class	Ticket Charge	No of Seats	Total Collection amount
Balcony	100	162	16200
1 st Class	84	420	35280
2 nd Class	67	196	13132
3 rd Class	40	112	4480
Total			69092

Security Deposit amount to be collected = $69092 \times 28 = \text{Rs.}1934576$
75% of Total amount
= $\text{Rs.}1934576 \times 75 \% / 100$
= $\text{Rs.}1450932/-$

11. Suprageeth Theatre, Gugai, Salem

Class	Ticket Charge	No of Seats	Total Collection amount
1 st Class	84	193	16212
2 nd Class	67	112	7504
3 rd Class	40	48	1920
Total			25636

Security Deposit amount to be collected = $25636 \times 28 = \text{Rs.}717808$
75% of Total amount
= $\text{Rs.}717808 \times 75 \% / 100$
= $\text{Rs.}538356/-$

12. K.S. Theatre, Gugai, Salem

Class	Ticket Charge	No of Seats	Total Collection amount
1 st Class	100	542	54200
2 nd Class	60	128	7680
3 rd Class	30	99	2970
Total			64850

Security Deposit amount to be collected = $64850 \times 28 = \text{Rs.}1815800$
75% of Total amount
= $\text{Rs.}1815800 \times 75 \% / 100$
= $\text{Rs.}1361850/-$

13. Alangar Theatre, Salem

Class	Ticket Charge	No of Seats	Total Collection amount
Balcony	29.50	29	855.50
1 st Class	26.50	276	7314
2 nd Class	24.50	344	8428
3 rd Class	19.50	241	4699.50
4 th Class	9.50	254	2413
Total			23710

Security Deposit amount to be collected = $23710 \times 28 = \text{Rs.}663880$
 75% of Total amount
 = $\text{Rs.}663880 \times 75\% / 100$
 = $\text{Rs.}497910/-$

14. Sri Saraswathi Theatre, Ammapet, Salem

Class	Ticket Charge	No of Seats	Total Collection amount
1 st Class	19.50	414	8073
2 nd Class	14.50	318	4611
3 rd Class	6.50	87	565.50
Total			13249.5

Security Deposit amount to be collected = $13250 \times 28 = \text{Rs.}371000$
 75% of Total amount
 = $\text{Rs.}371000 \times 75\% / 100$
 = $\text{Rs.}278250/-$

15. Java Theatre, Gugai, Salem

Class	Ticket Charge	No of Seats	Total Collection amount
1 st Class	30	273	8190
2 nd Class	14.50	247	3581.50
3 rd Class	9.25	146	1350
4 th Class	4.25	166	705.50
Total			13828

Security Deposit amount to be collected = $13828 \times 28 = \text{Rs.}387184$
 75% of Total amount
 = $\text{Rs.}387184 \times 75\% / 100$
 = $\text{Rs.}290388/-$

16. Jairam Theatre, Annadhanapatti

Class	Ticket Charge	No of Seats	Total Collection amount
Box	19.50	40	780
1 st Class	14.50	250	3625
2 nd Class	9.50	235	2252.50
3 rd Class	7.50	201	1507.50
4 th Class	4.50	147	661.50
Total			8826.5

Security Deposit amount to be collected = $8827 \times 28 = \text{Rs.}247142$
 75% of Total amount
 = $\text{Rs.}247142 \times 75 \% / 100$
 = $\text{Rs.}185356/-$

17. Oriental Sakthi Theatre, Salem

Class	Ticket Charge	No of Seats	Total Collection amount
Balcony	24.50	130	3185
1 st Class	17.50	251	4392.50
2 nd Class	9.50	60	570
3 rd Class	4.50	132	594
Total			8741.5

Security Deposit amount to be collected = $8742 \times 28 = \text{Rs.}244762$
 75% of Total amount
 = $\text{Rs.}244762 \times 75 \% / 100$
 = $\text{Rs.}183571/-$

Abstract

S.No	Theatre Name	Screen	Security Deposit to be collected (Rs.)
1	ARRS Theatre, New bus stand back side	1	1427328
		2	861945
		3	861945
		4	171896
		5	171896
2	Oscar Theatre, Old Bus stand Back side	1	1192380
		2	1852200
		3	483420
3	Gowri Theatre – 5 Road	1	1417248
4	Sri Raja sabari Theatre, Gugai	1	1459017
5	Keerthana Theatre, Junction	1	1398243
6	Ramana Theatre, Junction	1	1003317
7	Prakash Theatre, Kalarampatti, Salem	1	1128393
8	Kailash Theatre, Kalarampatti, Salem	1	1285494
9	Pachiamman Theatre, Gorimedu, Salem	1	870240
10	Sangeeth Theatre, Salem	1	1450932
11	Suprageeth Theatre, Gugai, Salem	1	538356
12	K.S. Theatre, Gugai, Salem	1	1361850
13	Alangar Theatre, Salem	1	497910
14	Sri Saraswathi Theatre, Ammapet, Salem	1	278250
15	Jaya Theatre, Gugai, Salem	1	290388
16	Jairam Theatre, Annadhanapatti	1	185356
17	Oriental Sakthi Theatre, Salem	1	183571
Total			20371575

Interest loss Details : 4% interest loss is calculated in audit
 Interest loss : From 01.07.17 to 30.11.18 (1 Year 5 Months)
 For one year : Rs.20371575 x 4 % = Rs..814863/-
 For 5 Months : Rs.20371575 x 4 % x 5/12 = Rs.339526/-
 Total Interest loss : Rs.1154389/-

Reply:

This Para has been communicated to Commissioner of Municipal Administration vide this office letter No.4292/MA 4/ 2021, dated 17.04.2021. An interim reply was furnished as per Commissioner of Municipal Administration instruction on 16.08.2017 through e.mail; entertainment tax and security Deposit not to be collected untill further order. Until collection of pending amount fully para kept pending.

2.6.3.3 Salem Corporation – Contributory Pension Scheme – Employees Contribution and employer (Salem Corporation) Contribution not remitted into appropriate account – Amount Rs.2987.15 lakhs needs to be remitted.

Para No 43 /2018-19:

As per G.O.Ms.No.430 / Finance (Pension) Department, Dated 06.08.2004, Contributory pension scheme is compulsory for the employees appointed on or after 01.04.2003. This G.O is applicable to all local bodies also. As per the above said G.O, it is mandatory that 10% of the salary (Pay + DA) should be deducted from the salary as employee's contribution and the equal amount of contribution from the employer for every month and should be remitted in appropriate accounts.

In Salem Corporation the CPS subscription amount is deducted every month from the salary of the employees. Up to 2018-19 the employee subscription deducted from the salary amount to Rs.23,52,94,649/-. The same and equal amount of Rs. 23,52,94,649/- should have been remitted as employer contribution but an amount of Rs.17,18,74,469/- only was remitted. Hence, the balance amount of employees subscription Rs.8,19,00,836/- and employer contribution Rs. Rs.21,68,13,993/- totally Rs.29,87,14,829/- needs to be remitted in appropriate accounts.

Year	Employees Contribution			Employee Contribution			Total Balance
	To be remitted	Remitted	Balance	To be remitted	Remitted	Balance	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
2003-04	29185	25585	3600	29185	25585	3600	7200
2004-05	74040	66840	7200	74040	66840	7200	14400
2005-06	133950	121290	12660	133950	121290	12660	25320
2006-07	3723665	3361695	361970	3723665	1154595	2569070	2931040
2007-08	6570686	5761941	808745	6570686	0	6570686	7379431
2008-09	7877155	7437228	439927	7877155	0	7877155	8317082
2009-10	11449970	9992151	1457819	11449970	67000	11382970	12840789
2010-11	13061231	7750034	5311197	13061231	0	13061231	18372428

Year	Employees Contribution			Employee Contribution			Total Balance
	To be remitted	Remitted	Balance	To be remitted	Remitted	Balance	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
2011-12	13330089	36524297	-23194208	13330089	0	13330089	-9864119
2012-13	14332275	27487049	-13154774	14332275	0	14332275	1177501
2013-14	20549804	8056293	12493511	20549804	0	20549804	33043315
2014-15	23015611	9364119	13651492	23015611	0	23015611	36667103
2015-16	22775350	15423222	7352128	22775350	17045346	5730004	13082132
2016-17	29073688	22022069	7051619	29073688	0	29073688	36125307
2017-18	28987448	0	28987448	28987448	0	28987448	57974896
2018-19	40310502	0	40310502	40310502	0	40310502	80621004
Total	235294649	153393813	81900836	235294649	18480656	216813993	298714829

Further Audit objection has also raised on 2013-14 Audit Report. But till date employee subscription and employer contribution amount from 01.04.2003 to 31.03.2019 is not remitted in respective head.

Reply:

This para has been communicated to Commissioner of Municipal Administration vide this office letter No.4292/MA 4/ 2021, dated 17.04.2021. In the interim reply, stated that as per G.O.No.150, MAWS (MA4) Department, dated 19.11.2019, the General revision of Property Tax for the year 2018-19 was withhold, Hence, the sources revenue for the Corporation was hampered. Thus the CPS Contribution of Employees was not remitted into Government Account. After resuming the financial stability the same will be remitted into Government Account.

5) Tirunelveli Corporation

2.7. General:

Tirunelveli Corporation came into existence as per Tirunelveli City Municipal Corporation Act, 1994 The Corporation Occupies an area of 108.65Sq.Km. and had a population of 4,74,838 which includes 2,34,639 Males and 2,40,199 Females. 4 zones are functioning under the control of the Corporation.

Zone	Name
1.	Thatchanallur
2.	Palayamkottai
3.	Melapalayam
4.	Tirunelveli

2.7.1. Annual Accounts - Review:

Income – Expenditure – Review:

Demand, Collection and Balance details of Property Tax, Water Tax and Education Tax;

Total number of Property Tax assessment of the Corporation is 1,54,724 and number of Water Tax assessment is 76,876.

Sl.No.	Year	Property Tax			Water Tax		
		Demand	Collection	Balance	Demand	Collection	Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Rs.in lakhs)							
1)	2017-18	1322.81	869.51	453.30	549.09	360.93	188.16
2)	2018-19	2596.24	972.85	1623.39	1054.81	395.25	659.56

Education Tax			Percentage of Collection		
Demand	Collection	Balance	Property Tax	Water Tax	Education Tax
(9)	(10)	(11)	(12)	(13)	(14)
(Rs.in lakhs)					
424.30	278.90	145.40	65.73	65.73	65.73
811.50	304.08	507.42	37.47	37.47	37.47

1) Property Tax:

Property Tax current year demand is Rs. 2596.24 lakhs which increased 96.27% over previous year demand Rs.1322.81 lakhs. As like, current year collection Rs. 972.85 lakhs which increased 11.88% over previous year collection Rs. 869.51 lakhs.

2) Water Tax:

Water Tax current year demand is Rs. 1054.81 lakhs which increased 92.10 % over previous year demand Rs. 549.09 lakhs. As like, current year collection Rs. 395.25 lakhs which increased 9.51% over previous year collection Rs.360.93 lakhs.

3) Education Tax:

Education Tax current year demand is Rs. 811.50 lakhs which increased 91.26 % over previous year demand Rs. 424.30 lakhs. As like, current year collection Rs. 304.08 lakhs which increased 9.02 % over previous year collection Rs. 278.90 lakhs.

4) Profession Tax:

Sl.No.	Year	Demand	Collection	Balance	Percentage of Collection
(1)	(2)	(3)	(4)	(5)	(6)
		(Rs.in lakhs)			
1)	2017-18	359.67	349.39	10.28	97.14
2)	2018-19	422.44	342.91	79.53	81.17

Profession Tax current year demand is Rs.422.44 lakhs which increased 17.45 % over previous year demand Rs. 359.67 lakhs. As like, current year collection Rs. 342.91 lakhs which decreased 1.85 % over previous year collection Rs. 349.39 lakhs.

5) Gross – Income:

Current year Gross Income Rs. 18165.23 lakhs, which decreases Rs. 3052.99 lakhs as against previous year Gross Income Rs. 21218.22 lakhs.

6) Gross – Expenditure:

Current year Gross Expenditure Rs.31108.93 lakhs, which increased Rs.9928.94 lakhs as against previous year Gross Expenditure Rs.21179.97 lakhs.

7) Surplus / Deficit:

While verifying three funds of the Corporation, Gross Income / Gross Expenditure ends in Rs. 12943.70 lakhs Deficit as mentioned below:

Year	Revenue Fund			Water Supply Fund		
	Income	Expenditure	Deficit	Income	Expenditure	Deficit
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rs.in lakhs)						
2018-19	14426.72	24060.11	9633.39	2913.50	6243.65	3330.15

Education Fund			Total Deficit
Income	Expenditure	Surplus	
(8)	(9)	(10)	(11)
(Rs.in lakhs)			
825.01	805.16	19.84	12943.70

2.7.2. Assets / Liabilities – Review:

1) Advance Receivable:

Previous year pending advance is Rs. 2862.19 lakhs. Current year pending advance is Rs. 8211.07 lakhs. Current year pending advance Rs. 5348.88 lakhs is increased over previous year.

2) Assets:

Previous year Assets value is Rs. 95475.59 lakhs. Current year Assets value is Rs.116699.13 lakhs. Current year Assets value Rs. 21223.54 lakhs is increased over previous year.

3) Liabilities:

Loans – Payable:

Previous year Loan pending is Rs. 7577.68lakhs. Current year Loan pending is Rs 8598.62 lakhs. Current year Loan pending Rs. 1020.94 lakhs is increased over previous year.

4) Assets and Liabilities accumulated Surplus / Deficit:

While verifying three funds of the Corporation, Assets and Liabilities ends in Accumulated Deficit of Rs.25967.90 lakhs as mentioned below:

Sl.No.	Year	Revenue Fund	Water Supply Fund	Education Fund	Total	Accumulate Surplus / Deficit
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rs.in lakhs)						
1)	2017-18	-10825.96	7264.71	3696.47	135.12	Accumulate Surplus
2)	2018-19	-32946.80	3228.08	3750.82	-25967.90	Accumulate Deficit

5) Investments:

The details of investment made by the Tirunelveli Corporation during 2018-19 are furnished below:

Sl No.	Fund (Account code)	Opening Balance	Investment	Amount received on maturity	Balance
(Rs.in Lakhs)					
1	Revenue Fund	2060.45	7850.97	5231.45	4634.97
2	Water Supply	9901.09	13346.19	5243.96	18003.32
3	Education Fund	1620.12	0.00	278.76	1341.36
	Total	13581.66	21152.16	10754.17	23979.65

The amount of investments made as on 31.03.2019 stands at Rs. 23979.65 lakhs.

6) Loan:

The loan liability Rs.8598.62 lakhs of Tirunelveli Corporation as on 31.03.2019 is furnished below:

Sl.No.	Head	Amount of loans pending as on 31.03.2019 (Rs.in lakhs)
1.	Interest free State Government loan	--
2.	Other loans with interest (TUFIDCO, TNUDF)	8598.62
	Total	8598.62

Appropriate action may be taken to improve the income of the corporation to reduce the loan liability.

Tirunelveli Corporation

Expenditure

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs. in lakhs)					
4052.71	Personnel Cost Salaries Others	7197.42	497.52	0.00	7694.94
1675.21	Terminal and Retirement Benefits	0.00	0.00	0.00	0.00
3833.95 869.73	Operating Expenses Repairs and Maintenance	2094.73	1570.68	72.18	3737.59
41.30	Programme Expenses	6041.36	1465.43	0.00	7506.79
4131.86	Administrative Expenses	1051.60	1052.10	26.72	2130.42
2148.52	Finance Expenses	339.90	1107.88	495.96	1943.74
4426.69	Depreciation	7335.10	550.04	210.31	8095.45
21179.97	Total	24060.11	6243.65	805.17	31108.93
5555.62	Surplus	0.00	0.00	19.84	19.84
26735.59	Grand Total	24060.11	6243.65	825.01	31128.77

Income

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs. in lakhs)					
2296.20	Property Tax	3018.68	1054.81	811.51	4885.00
359.66	Other Taxes	0.00	0.00	0.00	0.00
205.10	Assigned Revenue	555.65	0.00	0.00	555.65
4908.78	Devolution Fund	4971.75	0.00	0.00	4971.75
1424.78	Service Charges and Fees	2566.98	1629.43	0.00	4196.41
7939.30	Grants and Contributions	1825.80	0.00	0.00	1825.80
3470.72	Sale and Hire Charges	976.51	0.00	0.00	976.51
613.68	Other Income	511.35	229.26	13.50	754.11
21218.22	Total	14426.72	2913.50	825.01	18165.23
5517.37	Deficit	9633.39	3330.15	0.00	12963.54
26735.59	Grant Total	24060.11	6243.65	825.01	31128.77

Tirunelveli Corporation
Liabilities

2017-18	Head of Account	2018-19			
		Revenue Fund	Water Supply Fund	Education Fund	Revenue Fund
		(Rs. in lakhs)			
7577.68	Loans	3118.59	5480.03	0.00	8598.62
38886.53	Contribution from Municipal Fund / Private party / Government	40797.99	8774.19	1733.20	51305.38
2821.41	Grants from Government	18772.00	20236.06	0.00	39008.06
36237.06	Accumulated Depreciation	39324.52	3752.19	880.15	43956.86
1547.95	Deposits	3301.72	145.24	36.25	3483.21
7642.34	Other Liabilities	7025.37	3840.25	215.18	11080.80
32856.72	Outstanding	18069.50	16734.06	0.00	34803.56
127569.69	Total	130409.69	58962.02	2864.78	192236.49
10961.08	Accumulated Surplus/Deficit	-32946.80	3228.08	3750.82	-25967.90
127704.81	Grand Total	97462.89	62190.10	6615.60	166268.59

Assets

2017-18	Head of Account	2018-19			
		Revenue Fund	Water Supply Fund	Education Fund	Total
		(Rs. in lakhs)			
95475.59	Fixed Assets	82297.06	30823.60	3578.47	116699.13
95.00	Stock	0.00	0.00	0.00	0.00
9919.80	Taxes and Fees recoverable	5835.56	4278.48	1315.06	11429.10
13581.66	Fixed Deposit/Investments	4634.97	18003.32	1341.36	23979.65
2862.19	Advances	1020.31	7190.76	0.00	8211.07
8153.50	Cash & Bank Balance	3223.04	1893.94	135.46	5252.44
-2382.93	Other Items	451.95	0.00	245.25	697.20
127704.81	Total	97462.89	62190.10	6615.60	166268.59

6) Erode Corporation

2.8. General:

Erode Corporation came into existence as per Erode City Municipal Corporation Act 2008. The Corporation occupies an area of 109.52 Sq.Km. and had a population of 4,98,121 which includes 2,49,764 Males and 2,48,357 Females. 4 zones are functioning under the control of the Corporation.

Zone	Name
1.	VeerappanChatram
2.	PeriyaSemur
3.	Surampatti
4.	Kasipalayam

2.8.1. Annual Accounts - Review:

Income – Expenditure – Review:

Demand, Collection and Balance details of Property Tax, Water Tax and Education Tax;

Total number of Property Tax assessment of the Corporation is 1,42,780 and number of Water Tax assessment is 75,917.

Sl.No.	Year	Property Tax			Water Tax		
		Demand	Collection	Balance	Demand	Collection	Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Rs.in lakhs)							
1)	2017-18	1601.83	877.39	724.44	1442.36	790.04	652.32
2)	2018-19	2822.63	875.67	1946.96	2541.64	788.50	1753.14

Education Tax			Percentage of Collection		
Demand	Collection	Balance	Property Tax	Water Tax	Education Tax
(9)	(10)	(11)	(12)	(13)	(14)
(Rs.in lakhs)					
471.32	309.86	161.46	54.77	54.77	65.74
806.24	288.05	518.19	31.02	31.02	35.73

1) Property Tax:

Property Tax current year demand is Rs.2822.63 lakhs which increased 76.21% over previous year demand Rs. 1601.83 lakhs. As like, current year collection Rs. 875.67 lakhs which decreased 0.19% over previous year collection Rs.877.39 lakhs.

2) Water Tax:

Water Tax current year demand is Rs. 2541.64 lakhs which increased 76.21% over previous year demand Rs. 1442.36 lakhs. As like, current year collection Rs. 788.50 lakhs which decreased 0.19% over previous year collection Rs.790.04 lakhs.

3) Education Tax:

Education Tax current year demand is Rs. 806.24 lakhs which increased 71.06% over previous year demand Rs.471.32 lakhs. As like, current year collection Rs.288.05 lakhs which increased / decreased 7.03% over previous year collection Rs.309.86 lakhs.

4) Profession Tax:

Sl.No.	Year	Demand	Collection	Balance	Percentage of Collection
(1)	(2)	(3)	(4)	(5)	(6)
(Rs.in lakhs)					
1)	2017-18	521.85	319.71	202.14	61.27
2)	2018-19	505.78	317.10	188.67	62.69

Profession Tax current year demand is Rs.505.78 lakhs which decreased 3.07% over previous year demand Rs. 521.85 lakhs. As like, current year collection Rs. 317.10lakhs which decreased 0.81% over previous year collection Rs.319.71 lakhs.

5) Gross - Income:

Current year Gross Income Rs. 20906.93 lakhs, which increased Rs. 5245.10 lakhs as against previous year Gross Income Rs. 15661.83 lakhs.

6) Gross - Expenditure:

Current year Gross Expenditure Rs. 40087.89 lakhs, which increased Rs.9832.88 lakhs as against previous year Gross Expenditure Rs.30255.01 lakhs.

7) Surplus / Deficit:

While verifying three funds of the Corporation, Gross Income / Gross Expenditure ends in Rs.19180.96 lakhs Deficit as mentioned below:

Year	Revenue Fund			Water Supply Fund		
	Income	Expenditure	Surplus / Deficit	Income	Expenditure	Deficit
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rs.in lakhs)						
2018-19	17265.71	35107.66	17841.95	2829.90	4507.47	1677.57

Education Fund			Total Surplus / Deficit
Income	Expenditure	Surplus / Deficit	
(8)	(9)	(10)	(11)
(Rs.in lakhs)			
811.32	472.76	338.56	19180.96

2.8.2. Assets / Liabilities – Review:

1) Advance Receivable :

Previous year pending advance is Rs. 774.96 lakhs. Current year pending advance is Rs. 502.92 lakhs. Current year pending advance Rs. 272.04 lakhs is decreased over previous year.

2) Assets:

Previous year Assets value is Rs. 73145.90 lakhs. Current year Assets value is Rs.78950.61 lakhs. Current year Assets value Rs.5804.71 lakhs is increased over previous year.

3) Liabilities:

Loans - Payable:

Previous year Loan pending is Rs. 14422 lakhs. Current year Loan pending is Rs.13021.97 lakhs. Current year Loan pending Rs. 1400.03 lakhs is decreased over previous year.

4) Assets and Liabilities accumulated Surplus / Deficit:

While verifying three funds of the Corporation, Assets and Liabilities ends in Deficit of Rs.31681.32 lakhs as mentioned below:

Sl.No.	Year	Revenue Fund	Water Supply Fund	Education Fund	Total	Accumulate Surplus / Deficit
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rs.in lakhs)						
1)	2017-18	-3542.48	-12233.99	1770.54	-14005.93	-14005.93
2)	2018-19	-19964.06	-13801.48	2084.22	-31681.32	-31681.32

5) Investments:

The details of investment made by the Erode corporation during 2018-19 are furnished below:

Sl No.	Fund (Account code)	Opening Balance	Investment	Amount received on maturity	Balance
(Rs.in Lakhs)					
1)	4208001 (R.F)	147.15	61.30	61.30	147.15
2)	4208001 (W.F)	4082.82	0.00	4082.82	0.00
3)	4208001 (E.E.F)	667.11	0.00	0.00	667.11
	Total	4897.08	61.30	4144.12	814.26

The amount of investments made as on 31.03.2019 stands at Rs.814.26 lakhs.

6) Loan:

The loan liability Rs.13021.97 of Erode Corporation as on 31.03.2019 is furnished below:

Sl.No.	Head	Amount of loans pending as on 31.03.2019 (Rs.in lakhs)			Total
		Revenue Fund	Water Supply Fund	Education Fund	
1)	Interest fee State Government loan	27.76	0.00	0.00	27.76
2)	Other loans with interest (TUFIDCO, TNUDF)	6049.56	6944.65	0.00	12994.21
	Total	6077.32	6944.65	0.00	13021.97

Appropriate action may be taken to improve the income of the corporation to reduce the loan liability.

Erode Corporation
Expenditure

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs. in lakhs)					
5250.44	Personnel Cost (i) Salaries	5602.99	644.60	75.01	6322.6
11491.64	(ii) Others	9.66	977.37	0.00	987.03
1263.66	Terminal and Retirement benefits	913.17	0.00	0.00	913.17
2979.86	Operating Expenses	1553.23	0.00	0.00	1553.23
1798.08	Repairs and Maintenance	0.00	1667.50	0.00	1667.5
23.04	Programme Expenses	14033.97	0.00	0.00	14033.97
459.51	Administrative Expenses	541.48	21.74	246.33	809.55
1381.8	Finance Expenses	655.73	627.53	0.00	1283.26
5606.98	Depreciation	11797.43	568.73	151.42	12517.58
30255.01	Total	35107.66	4507.47	472.76	40087.89
0.00	Surplus	0.00	0.00	338.56	338.56
30255.01	Grand Total	35107.66	4507.47	811.32	40426.45

Income

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs. in lakhs)					
3231.31	Property Tax	2520.39	1814.05	806.24	5140.68
865.92	Other Taxes	917.10	52.27	0.00	969.37
334.84	Assigned Revenue	536.58	0.00	0.00	536.58
5135.36	Devolution Fund	5148.53	0.00	0.00	5148.53
1603.94	Service Charges and Fees	3180.79	951.05	1.91	4133.75
3192.15	Grants and Contributions	4491.62	0.00	0.00	4491.62
232.61	Sale and Hire Charges	92.54	0.00	0.00	92.54
1065.7	Other Income	378.16	12.53	3.17	393.86
15661.83	Total	17265.71	2829.9	811.32	20906.93
14593.18	Deficit	17841.95	1677.57	0.00	19519.52
30255.01	Grand Total	35107.66	4507.47	811.32	40426.45

Erode Corporation

Liabilities

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs.in lakhs)					
14422	Loans	6077.32	6944.65	0.00	13021.97
20080.95	Contribution from Municipal Fund / Private party / Government	0.21	3308.99	1635.83	4945.03
16109.53	Grants from Government	45573.53	33707.13	3.98	79284.64
37156.65	Accumulated Depreciation	43767.93	5122.29	784.22	49674.44
1634.1	Deposits	1796.42	145.57	52.08	1994.07
10389.4	Other Liabilities	3210.92	1656.81	20.21	4887.94
2789.44	Outstanding	552.65	0.00	9.61	562.26
102582.07	Total	100978.98	50885.44	2505.93	154370.35
-14005.93	Accumulated surplus / Deficit	-19964.06	-13801.48	2084.22	-31681.32
88576.14	Grand Total	81014.92	37083.96	4590.15	122689.03

Assets

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs.in lakhs)					
73145.9	Fixed Assets	66288.75	9665.68	2996.18	78950.61
74.31	Stock	21.70	10.56	0.00	32.26
3021.11	Taxes and Fees recoverable	12175.08	1999.76	779.75	14954.59
4897.08	Fixed Deposit / Investments	147.15	0.00	667.11	814.26
774.96	Advances	464.83	26.25	11.84	502.92
1296.36	Cash & Bank Balance	1915.69	3161.38	135.27	5212.34
5366.42	Other Items	1.72	22220.33	0.00	22222.05
88576.14	Total	81014.92	37083.96	4590.15	122689.03

7) Tiruppur Corporation

2.9. General:

Tiruppur Corporation came into existence as per Tiruppur City Municipal Corporation Act, 2008 The Corporation Occupies an area of 159.35 Sq.Km. and had a population of 8,79,060 which includes 4,47,931 Males and 4,31,129 Females. 4 zones are functioning under the control of the Corporation.

Zone	Name
1.	15-Velampalayam
2.	Thottipalayam
3.	Nallur
4.	Andipalayam

2.9.1. Annual Accounts - Review:

Income – Expenditure – Review:

Demand, Collection and Balance details of Property Tax, Water Tax and Education Tax;

Total number of Property Tax assessment of the Corporation is 2,44,312 and number of Water Tax assessment is 1,85,981.

Sl.No.	Year	Property Tax			Water Tax		
		Demand	Collection	Balance	Demand	Collection	Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Rs.in lakhs)							
1)	2017-18	3603.36	2445.75	1157.61	2096.50	1422.97	673.53
2)	2018-19	10041.27	4731.30	5309.97	3219.23	1516.85	1702.38

Education Tax			Percentage of Collection		
Demand	Collection	Balance	Property Tax	Water Tax	Education Tax
(9)	(10)	(11)	(12)	(13)	(14)
(Rs.in lakhs)					
281.72	191.21	90.51	67.87	67.87	67.87
429.77	202.50	227.27	47.12	1702.38	47.12

1) Property Tax:

Property Tax current year demand is Rs.10041.27 lakhs which increased 178.67% over previous year demand Rs.3603.31 lakhs. As like, current year collection Rs.4731.30 lakhs which increased 93.45% over previous year collection Rs.2445.75 lakhs.

2) Water Tax:

Water Tax current year demand is Rs.3219.23 lakhs which increased 53.55% over previous year demand Rs.2096.50 lakhs. As like, current year collection Rs.1516.85 lakhs which increased 6.60% over previous year collection Rs.1422.97 lakhs.

3) Education Tax:

Education Tax current year demand is Rs.429.77 lakhs which increased 52.55 % over previous year demand Rs.281.72 lakhs. As like, current year collection Rs.202.50 lakhs which increased 6.60% over previous year collection Rs.191.21 lakhs.

4) Profession Tax:

Sl.No.	Year	Demand	Collection	Balance	Percentage of Collection
(1)	(2)	(3)	(4)	(5)	(6)
(Rs.in lakhs)					
1)	2017-18	335.40	232.00	103.40	69.17
2)	2018-19	258.47	212.14	46.33	82.08

Profession Tax current year demand is Rs.258.47 lakhs which decreased 22.94% over previous year demand Rs.335.40 lakhs. As like, current year collection Rs.212.14 lakhs which decreased 8.56% over previous year collection Rs.232.00 lakhs.

5) Gross – Income:

Current year Gross Income Rs.32169.28 lakhs, which increased Rs.12417.08 lakhs as against previous year Gross Income Rs.19752.20 lakhs.

6) Gross – Expenditure:

Current year Gross Expenditure Rs.29725.50 lakhs, which increased Rs.4755.13 lakhs as against previous year Gross Expenditure Rs.24970.37 lakhs.

7) Surplus / Deficit:

While verifying three funds of the Corporation, Gross Income / Gross Expenditure ends in Rs.2443.78 lakhs Surplus as mentioned below:

Year	Revenue Fund			Water Supply Fund		
	Income	Expenditure	Surplus	Income	Expenditure	Deficit
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rs.in lakhs)						
2018-19	26184.73	18750.00	6121.86	5543.94	8983.76	-3815.54

Education Fund			Total Surplus
Income	Expenditure	Surplus / Deficit	
(8)	(9)	(10)	(11)
(Rs.in lakhs)			
440.57	291.61	137.46	2443.78

2.9.2. Assets / Liabilities – Review:

1) Advance Receivable:

Previous year pending advance is Rs.3851.65 lakhs. Current year pending advance is Rs.18621.12 lakhs. Current year pending advance Rs.14769.47 lakhs is increased over previous year.

2) Assets:

Previous year Assets value is Rs.109388.14 lakhs. Current year Assets value is Rs.116539.95 lakhs. Current year Assets value Rs.7151.81 lakhs is increased over previous year.

3) Liabilities:

Loans – Payable:

Previous year Loan pending is Rs.7453.71 lakhs. Current year Loan pending is Rs.6461.63 lakhs. Current year Loan pending Rs.992.08 lakhs is decreased over previous year.

4) Assets and Liabilities accumulated Surplus / Deficit:

While verifying three funds of the Corporation, Assets and Liabilities ends in Accumulated Surplus of Rs.4845.56 lakhs as mentioned below:

Sl.No.	Year	Revenue Fund	Water Supply Fund	Education Fund	Total	Accumulate Surplus
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rs.in lakhs)						
1)	2017-18	5120.53	-4640.62	2175.47	2655.38	2655.38
2)	2018-19	12555.30	-8080.44	370.70	4845.56	4845.56

5) Investments

The details of investment made by the Tirupur Corporation during 2018-19 are furnished below:

Sl No.	Fund (Account code)	Opening Balance	Investment	Amount received on maturity	Balance
(Rs.in Lakhs)					
1)	Revenue fund	535.62	6878.64	618.24	6796.02

The amount of investments made as on 31.03.2019 stands at Rs. 6796.02 lakhs.

6) Loan:

The loan liability Rs.6461.63 Lakhs of Tiruppur Corporation as on 31.03.2019 is furnished below:

Sl.No.	Head	Amount of loans pending as on 31.03.2019 (Rs.in lakhs)
1.	Interest free State Government loan	66.66
2.	Other loans with interest (TUFIDCO, TNUDF)	6394.97
Total		6461.63

Appropriate action may be taken to improve the income of the corporation to reduce the loan liability.

Tiruppur Corporation

Expenditure

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs. in lakhs)					
5778.30	Personnel Cost				
	(i) Salaries	5151.55	451.95	119.87	7235.05
0.00	(ii) Others	0.00	0.00	0.00	0.00
0.00	Terminal and Retirement benefits	1511.68	0.00	0.00	0.00
4268.26	Operating Expenses	4814.62	1612.68	2.47	6429.77
6581.08	Repairs and Maintenance	0.00	5908.80	0.00	5908.80
3.31	Programme Expenses	5.74	0.00	0.00	5.74
569.98	Administrative Expenses	2144.33	216.49	18.67	2379.49
1050.99	Finance Expenses	580.41	500.25	0.50	1081.16
6718.45	Depreciation	5854.58	669.31	161.60	6685.49
24970.37	Total	20062.91	9359.48	303.11	29725.50
57.82	Surplus	6121.86	0.00	137.46	6259.32
25028.19	Grand Total	26184.77	9359.48	440.57	35984.82

Income

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs. in lakhs)					
5981.58	Property Tax	5094.02	3219.23	0.00	8313.25
335.40	Other Taxes	680.12	0.00	429.77	1109.89
671.05	Assigned Revenue	712.68	0.00	0.00	712.68
6994.05	Devolution Fund	11692.69	0.00	0.00	11692.69
3374.25	Service Charges and Fees	4222.92	2188.06	0.00	6410.98
0.00	Grants and Contributions	1834.45	0.00	0.00	1834.45
1111.93	Sale and Hire Charges	1149.98	0.38	0.00	1150.36
1283.94	Other Income	797.91	136.27	10.80	944.98
19752.20	Total	26184.77	5543.94	440.57	32169.28
5275.99	Deficit	0.00	-3815.54	0.00	-3815.54
25028.19	Grand Total	26184.77	9359.48	440.57	35984.82

Tiruppur Corporation
Liabilities

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs.in lakhs)					
7453.71	Loans	6461.63	0.00	0.00	6461.63
45249.89	Contribution from Municipal Fund / Private party / Government	43016.90	18286.84	2324.42	63628.16
0.00	Grants from Government	16014.25	0.03	516.70	16530.98
56768.31	Accumulated Depreciation	57355.87	5008.50	1089.43	63453.80
3030.66	Deposits	3053.76	225.70	24.55	3304.01
14868.68	Other Liabilities	7086.56	2936.42	24.71	10047.69
8683.32	Outstanding	98.46	18527.00	2.90	18628.36
136054.57	Total	133087.43	44984.49	3982.71	182054.63
2655.38	Accumulated surplus / Deficit	12555.30	-8080.44	370.70	4845.56
138709.95	Grand Total	145642.73	36904.05	4353.41	186900.19

Assets

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs.in lakhs)					
109388.14	Fixed Assets	93838.67	18687.12	4014.16	116539.95
21.80	Stock	9.41	12.55	0.00	21.96
21973.04	Taxes and Fees recoverable	6084.55	2416.65	321.29	8822.49
535.62	Fixed Deposit / Investments	6796.02	0.00	0.00	6796.02
3851.65	Advances	3623.08	14993.55	4.49	18621.12
2939.70	Cash & Bank Balance	14040.79	629.48	13.21	14683.48
0.00	Other Items	21250.21	164.70	0.26	21415.17
138709.95	Total	145642.73	36904.05	4353.41	186900.19

2.9.3.1 Tiruppur Corporation – Property tax audit – property tax on Residential rate levied on commercial buildings which assessed to profession tax – loss of revenue – serious deficit – loss Rs.30.09 lakhs.

Para No 8 / 2018-19:

During audit of 2018-19 period a comparison was made between property tax Assessments and Profession Tax Assessment. It was found that Property tax was levied at residential rate for the commercial establishments which assessed to Profession tax. This is a serious defect.

As per Profession tax Act, Profession tax is collected from the private Industrial and commercial enterprises based on their half yearly income. In Audit it was found that commercial establishments. It is against the rules to levy property tax on building contrary to the type of use. This causes recurring revenue loss to the corporation. So, Action need to be taken on bill collector, Revenue Inspector and Assistant Commissioner (Revenue) who failed to monitor the assessment of property tax in correct usage type. So, the Revenue loss amount of Rs.30,08,658/- need to be recovered from the persons responsible.

Reply:

This para has been communicated to Commissioner of Municipal Administration vide this office letter No.4292/MA 4/ 2021, dated 17.04.2021. No reply was received.

2.9.3.2 Tiruppur Corporation – Tamil Nadu Municipal laws (Second Amendment) act 2018 – Amended to levy property tax upon all private educational institutional buildings and upon buildings used for conducting Government aided self financing courses except those which are run by the Government or Corporation or any other Local Authority or institutions aided by the Government – tax not levied thus far – Revenue Loss Rs.313.06 lakhs.

Para No 9 / 2018-19:

FILE NO. 5175/A1/2018

Under Tamilnadu municipal laws (Second amendment) act, 2018 (Tamil Nadu Act 6/2018), Section 123 (c) of Coimbatore municipal act 1981 was amended and published in Tamilnadu gazette no. 33 dated 25.01.2018. The following amendment was made

“Buildings used for educational purpose by the Government aided institutions for conducting self-financing courses and buildings used by all private educational institutions shall be subject to levy of property tax.

Buildings used for educational purpose including hostels and libraries, run by the Government or corporation or any other local authority or institutions aided by the Government shall be exempt from levy of property tax.”

Based on the above provisions, circulars were issued by the Commissioner of municipal administration (R1/7234/2014 dated 15.03.2018 and 28.03.2018). The following instructions were issued:

- The property tax assessment works for the aforementioned buildings used for educational purposes shall be carried out only by the Corporation engineers/ Town planning officers/ Inspectors promptly, clearly, precisely and without any deviations.

- Based on the above assessment, the demand for the 2nd half year of 2017-18 shall be fixed and the work shall be completed within 15.04.2018.
- The Municipal commissioner shall issue an announcement after obtaining the approval of the council enabling the levy of property tax as per the amendment for all the aforementioned buildings used for educational purposes.
- Action to be taken regarding the objections raised and suggestions received within 30 days of announcement by Municipal Corporation following which it shall be finalized and published in District government gazette.

The above subject was adopted and passed by Tiruppur municipal council through resolution no: 263 dated 27.04.2018.

An announcement regarding this was published in Dailythanthi newspaper dated 20.05.2018 and advertisements were put on notice boards in Tiruppur corporation main office and four zonal offices. Thirty days time period was given for receiving objections and all the objections raised were clarified by the Commissioner.

A notification regarding the amendment for the levy of property tax for buildings used for educational purpose by the Government aided institutions for conducting self-financing courses and buildings used by all private educational institutions was published in Tiruppur district gazette no. 4 dated 27.07.2018.

In the meantime, a letter was issued by the Commissioner of municipal administration (R1/7234/2014 dated 14.09.2018) regarding the shortcomings in the execution of property tax assessment work. The letter reiterated that

- The work regarding levy of property tax for educational institutions is not satisfactory and the assessments were done for namesake.

- In all Municipal Corporations except Erode and Tuticorin, very less property tax assessments has been made and only a lesser demand has been created. The percentage of Property tax collection in Tiruppur Municipal Corporation is comparatively lower.
- Directions were issued to complete the assessment work within one month but the work is still incomplete.
- Property tax assessment work for all the educational institutions are to be completed and atleast 50% of the total demand should be realized within 15.09.2018 failing which action shall be taken upon all Municipal Corporation Commissioners.

Inspite of receiving reminders like the above mentioned letter, Tiruppur Corporation has not taken any action till date to levy property tax for the hitherto non-assessed educational institutions and those educational institutions with additional buildings which are not assessed.

The buildings used for educational purposes which are not taxed and which are under taxation were assessed by Tiruppur corporation and half yearly Property tax has been fixed for every educational institution as seen in the below attachment. But the documents regarding the assessment details, monthly list and calculation sheets for those buildings were not produced for audit. No action till date has been taken by Tiruppur Municipal Corporation to newly fix the property tax or revise the property tax for these educational institutions.

Total number of educational institutions in Tiruppur municipal corporation limits, their total assessment numbers and the half yearly tax to be increased from 2nd half year of 2017-18 (Zonewise) is as follows:

Zone	Total No of Educational Institutions	No of institutions already assessed	No of institutions yet to be assessed	Half yearly tax amount to be levied (Rs)	Total assessment numbers
1	46	22	24	2646810	76
2	48	45	3	2199986	98
3	42	19	23	4274717	78
4	43	20	23	2665522	66
Total	179	106	73	11787035	318

The total half yearly tax demand of Rs. 11787035/- fixed for the above mentioned 73 educational institutions which were not assessed and under assessed has not yet been uploaded into the database and no demand has been raised. This has led to a revenue loss of Rs. 10679061/- for Tiruppur Corporation for the 2nd half year of 2017-18. This is a serious shortcoming. This demand amount should be promptly uploaded into the online database and the demand should be raised. Steps should be taken to collect the tax amount.

It was seen in audit that during the property tax revision of 2018-19, already assessed buildings used for educational purposes were re-assessed under 'residential' category with a 50% tax hike. This revised tax is lesser than the tax which was already finalized and fixed as demand based on the additional buildings assessment. The difference in tax has led to a revenue loss of Rs. 20626780/- for Tiruppur Corporation for the year 2018-19. This is a recurring revenue loss. So this has led to a total revenue loss of Rs. 31305841/- from the 2nd half year 2017-18 to 2nd half year 2018-19.

Hence steps should be taken by Tiruppur Municipal Corporation to raise the demand for the educational institutions mentioned in the annexure from the 2nd half year of 2017-18. Calculation sheets and monthly lists pertaining to the assessed buildings should be produced for audit.

Further, action should be taken upon Commissioner, Assistant commissioners and special revenue inspectors whom failed to finish the property tax assessment work for educational institutions within 15.09.2018.

ABSTRACT

Zone	Tax amount for the newly assessed educational institutions		Tax amount for the additional buildings assessed in educational institutions		Total Loss	
	2017-18 2 nd HY Loss	2018-19 Yearly Loss	2017-18 2 nd HY Loss	2018-19 Yearly Loss	2017-18	2018-19
	(Rs)					
1	1398266	2796532	919202	1712902	2317468	4509434
2	165605	331210	1712883	3152280	1878488	3483490
3	2104202	4208404	1913432	3691892	4017634	7900296
4	823439	1646878	1642032	3086682	2465471	4733560
Total	4491512	8983024	6187549	11643756	10679061	20626780

Reply:-

This para has been communicated to Commissioner of Municipal Administration vide this office letter No.4292/MA 4/ 2021, dated 17.04.2021. No reply was received.

2.9.3.3 Tiruppur Corporation – Building License – Zone 1 and 3 : Infrastructure and amenities fees were not collected for Commercial Building License approval – Revenue Loss Rs.10.60 lakhs.

Para No 9 / 2018-19:

As per G.O.Ms.No.86/ Housing and Urban Development Dept., Dated.28.03.2012, on issuing building license approval for commercial buildings, the municipal corporation has to collect Rs.285/- per square meter as Infrastructure and Amenities charges.

It was seen in 2018-19 audit that, the corporation has issued building license approval for the following applications in the table, without adhering to the above government order of collecting Rs.285/- per square meter as Infrastructure and Amenities

charges. This has led to the revenue loss of Rs.10,60,428/-. This is a serious short coming. Action should be taken to collect and pay aforementioned amount to Local planning authority account.

S. No	Applicant Name	File No	Building Area	Amount to be collected as Infrastructure and Amenities charges	
ZONE-1					
1	T.M.Suresh	E 1/189/2018	2502.60	2502.60x285 =	713241.00
ZONE- 3					
1	Kumar	E 1 /487/ 2018	185.12	185.12 x 285 =	52759.20
2	L.Muthusamy	E 1 /508/ 2018	92.74	92.74 x 285 =	26430.90
3	T.Vijayakumar	E1 /601 / 2018	103.93	103.93 x 285 =	29620.05
4	G.Nagaraj	E1/ 419 / 2018	89.23	89.23 x 285 =	25430.55
5	G.Nagaraj	E 1 /420/ 2018	89.23	89.23 x 285 =	25430.55
6	S.Ganesh	E 1 /652/ 2018	92.72	92.72 x 285 =	26425.20
7	S.Velusamy	E 1 /184/ 2018	92.72	92.72 x 285 =	26425.20
8	M.Poongodi	E 1 /206/ 2018	92.35	92.35 x 285 =	26319.75
9	P.K.Kadhir	E 1 /260/ 2018	18.70	18.70 x 285 =	5329.50
10	G.Nagaraj	E 1 /414/ 2018	89.23	89.23 x 285 =	25430.55
11	G.Nagaraj	E 1 /416/ 2018	89.23	89.23 x 285 =	25430.55
12	N.Dhandapani	E 1 /085/ 2018	91.96	91.96 x 285 =	26208.60
13	L.Pushparaj	E 1 /686/ 2018	91.04	91.04 x 285 =	25946.40
TOTAL					1060428.00

Reply:-

This para has been communicated to Commissioner of Municipal Administration vide this office letter No.4292/MA 4/ 2021, dated 17.04.2021. No reply was received.

8) Vellore Corporation

2.10. General:

Vellore Corporation came into existence as per Vellore City Municipal Corporation Act, 2008 The Corporation Occupies an area of 87.94 Sq.Km. and had a population of 504079 which includes 247002 Males and 257077 Females Four zones are functioning under the control of the Corporation.

Zone	Name
1.	Dharapadavedu
2.	Sathuvachari
3.	Vellore old Municipalty
4.	Senbakkam

2.10.1. Annual Accounts - Review:

Income – Expenditure – Review:

Demand, Collection and Balance details of Property Tax, Water Tax and Education Tax:

Total number of Property Tax assessment of the Corporation is 1,09,939 and number of Water Tax assessment is 61,390.

Sl.No.	Year	Property Tax			Water Tax		
		Demand	Collection	Balance	Demand	Collection	Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
(Rs.inlakhs)							
1)	2017-18	852.75	503.46	349.29	735.13	433.00	302.13
2)	2018-19	1550.45	653.11	897.34	1336.38	563.68	772.99

Education Tax			Percentage of Collection		
Demand	Collection	Balance	Property Tax	Water Tax	Education Tax
(9)	(10)	(11)	(12)	(13)	(14)
(Rs.inlakhs)					
294.05	173.23	120.82	59.03	58.90	58.91
534.62	225.51	309.11	42.12	42.18	42.18

1) Property Tax:

Property Tax current year demand is Rs.1550.45 lakhs which increased 81.82 % over previous year demand Rs. 852.75 lakhs. As like, current year collection Rs.653.11 lakhs which increased 29.72 % over previous year collection Rs.503.46 lakhs.

2) Water Tax:

Water Tax current year demand is Rs.1336.38 lakhs which increased 81.79 % over previous year demand Rs.735.13 lakhs. As like, current year collection Rs.563.68 lakhs which increased 30.18 % over previous year collection Rs.433.00 lakhs.

3) Education Tax:

Education Tax current year demand is Rs.534.62 lakhs which increased 81.81 % over previous year demand Rs.294.05 lakhs. As like, current year collection Rs.225.51 lakhs which increased 30.18 % over previous year collection Rs.173.23 lakhs.

4) Profession Tax:

Sl.No.	Year	Demand	Collection	Balance	Percentage of Collection
(1)	(2)	(3)	(4)	(5)	(6)
		(Rs.inlakhs)			
1)	2017-18	626.44	617.79	8.65	98.62
2)	2018-19	602.18	565.70	36.48	93.94

Profession Tax current year demand is Rs.602.18 lakhs which increased 3.87 % over previous year demand Rs.626.44 lakhs. As like, current year collection Rs.565.70 lakhs which increased 8.43 % over previous year collection Rs.617.79 lakhs.

5) Gross – Income:

Current year Gross Income Rs.13438.67 lakhs, which increased Rs.10093.89 lakhs as against previous year Gross Income Rs.3344.78 lakhs.

6) Gross – Expenditure:

Current year Gross Expenditure Rs.22075.57 lakhs, which increased Rs.6439.47 lakhs as against previous year Gross Expenditure Rs.15636.10 lakhs.

7) Surplus / Deficit:

While verifying three funds of the Corporation, Gross Income / Gross Expenditure ends in Rs.-8636.90 lakhs Deficit as mentioned below:

Year	Revenue Fund			Water Supply Fund		
	Income	Expenditure	Deficit	Income	Expenditure	Deficit
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rs.inlakhs)						
2018-19	11113.11	18001.61	-6888.50	1789.68	3964.42	-2174.74

Education Fund			Total Deficit
Income	Expenditure	Surplus	
(8)	(9)	(10)	(11)
(Rs.inlakhs)			
535.88	109.54	426.34	-8636.90

2.10.2 Assets / Liabilities – Review:

1) Advance Receivable:

Previous year pending advance is Rs.50435.69 lakhs. Current year pending advance is Rs.63696.16 lakhs. Current year pending advance Rs.13260.47 lakhs is increased over previous year.

2) Assets:

Previous year Assets value is Rs.35711.26 lakhs. Current year Assets value is Rs.36354.19 lakhs. Current year Assets value Rs.642.93 lakhs is increased over previous year.

3) Liabilities:

Loans – Payable:

Previous year Loan pending is Rs.49269.75 lakhs. Current year Loan pending is Rs.49329.04 lakhs. Current year Loan pending Rs.59.29 lakhs is increased over previous year.

4) Assets and Liabilities accumulated Surplus / Deficit:

While verifying three funds of the Corporation, Assets and Liabilities ends in Accumulated deficit of Rs. 25703.24 lakhs as mentioned below:

Sl. No.	Year	Revenue Fund	Water Supply Fund	Education Fund	Total	Accumulated Surplus / Deficit
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(Rs.inlakhs)						
1)	2017-18	62675.01	55887.06	2333.87	120896.07	-17599.65
2)	2018-19	25190.08	2711.04	2197.88	25703.24	-25703.24

5) Investments

The details of investment made by the Vellore Corporation during 2018-19 are furnished below:

SI No.	Fund (Account code)	Opening Balance	Investment	Amount received on maturity	Balance
(Rs.inLakhs)					
1)	RF (4208001)	20019.76	5397.49	620.05	24797.20

The amount of investments made as on 31.03.2019 stands at Rs. 24797.20 lakhs.

6) Loan:

The loan liability Rs.49329.04 lakhs of Vellore Corporation as on 31.03.2019 is furnished below:

Sl. No.	Head	Amount of loans pending as on 31.03.2019 (Rs.inlakhs)
1.	Interest fee State Government loan	284.90
2.	Other loans with interest (TUFIDCO, TNUDF)	47981.19
3.	UGSS	1015.12
4.	SPL.ROAD	47.83
	Total	49329.04

Appropriate action may be taken to improve the income of the corporation to reduce the loan liability.

Vellore Corporation
Expenditure

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs. in lakhs)					
2759.56	Personnel Cost	2842.68	19.69	0.00	2862.37
	(i) Salaries				
0.00	(ii) Others	113.04	190.68	6.71	310.43
1542.79	Terminal and Retirement benefits	1556.87	0.00	0.00	1556.87
0.00	Operating Expenses	0.00	3.85	0.00	3.85
3583.25	Repairs and Maintenance	7320.57	2796.63	38.92	10156.12
-132.77	Programme Expenses	203.47	59.34	0.00	262.81
1359.98	Administrative Expenses	1540.91	3.10	8.19	1552.20
45.20	Finance Expenses	0.00	00.00	-10.77	-10.77
6212.55	Depreciation	4424.07	891.13	66.49	5381.69
15636.10	Total	18001.61	3964.42	109.54	22075.57
177.99	Surplus	0.00	0.00	426.34	426.34
15814.09	Grand Total	18001.61	3964.42	535.88	22501.91

Income

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs. in lakhs)					
1479.20	Property Tax	2152.63	1336.38	534.62	4023.63
1994.07	Other Taxes	1285.84	0.00	1.26	1287.10
0.00	Assigned Revenue	0.00	0.00	0.00	0.00
4950.61	Devolution Fund	5070.16	0.00	0.00	5070.16
427.21	Service Charges and Fees	0.00	446.77	0.00	446.77
0.00	Grants and Contributions	0.00	0.00	0.00	0.00
0.04	Sale and Hire Charges	0.00	0.00	0.00	0.00
1242.76	Other Income	2604.48	6.53	0.00	2611.01
10093.89	Total	11113.11	1789.68	535.88	13438.67
5720.20	Deficit	6888.50	2174.74	00.00	9063.24
15814.09	Grand Total	18001.61	3964.42	535.88	22501.91

Vellore Corporation
Liabilities

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs.inlakhs)					
49269.75	Loans	65.90	49263.14	0.00	49329.04
73665.51	Contribution from Municipal Fund / Private party / Government	5835.02	4958.90	488.52	1 1282.44
0.00	Grants from Government	74312.89	822.92	0.00	75135.81
0.00	Accumulated Depreciation	0.00	0.00	0.00	0.00
7725.29	Deposits	7438.58	435.57	67.21	7941.36
1729.18	Other Liabilities	6460.76	513.24	00.00	6974.00
6105.99	Outstanding	283.17	185.15	0.06	468.38
138495.72	Total	94396.32	56178.92	555.79	151131.03
-17599.65	Accumulated surplus / Deficit	-25190.08	-2711.04	2197.88	-25703.24
120896.07	Grand Total	69206.24	53467.88	2753.67	125427.79

Assets

2017-18	Head of Account	2018-19			
		Revenue Fund	Water supply Fund	Education Fund	Total
(Rs.inlakhs)					
35711.26	Fixed Assets	25098.49	9835.84	1419.86	36354.19
0.00	Stock	0.00	0.00	0.00	0.00
3044.37	Taxes and Fees recoverable	3073.78	1126.02	555.75	4755.55
20019.76	Fixed Deposit / Investments	24797.20	0.00	0.00	24797.20
50435.69	Advances	6829.30	56866.86	0.00	63696.16
11684.99	Cash & Bank Balance	9345.85	874.02	258.64	10478.51
0.00	Other Items	61.62	-15234.86	519.42	-14653.82
120896.07	Total	69206.24	53467.88	2753.67	125427.79

2.10.3.1 Vellore Corporation - Property Tax - Commercial Buildings – Short Levy of Property Tax – Recurring Revenue Loss to Municipal Corporation – Rs.23.32 Lakhs to be recovered from the persons responsible – Defect.

Para No. 26 /2018-19:

In Vellore Corporation on comparing the 2018-19, Under Ground Drainage (UGD) connection applications submitted to audit with the Property Tax Assessment Calculation sheets, it is found in audit that there is property tax revenue loss to the corporation.

On submission of UGD connection application by the building owner, Corporation Engineer visits the site personally and survey the constructed area of the Commercial Building. Based on survey, draws map of the constructed area and certified the area built. Based on Constructed area, fixes the Demand amount. In Audit the UGD Certified constructed area is compared with the Property Tax Assessment calculation sheets and found short levy of Property Tax.

As elaborated in the following table, the actual built-up area of the building is reduced to a large extent and thus property tax was levied short which resulted in huge revenue loss to the Corporation. From 2018-19 Ist half year to 2019-20 IInd Half year (totally 4 half – years) the revenue loss is Rs.23.32 lakhs.

The above loss is to be recovered from the concerned building owners. Otherwise this loss has to be recovered from the persons responsible viz, Bill Collectors, Revenue Inspectors, Zonal Managers and Zonal Officers concerned moreover the correct amount of Demand has to be raised and shown to Audit.

Action may be initiated and the unauthorized additional construction area of these 23 Buildings against the approved building plan are to be demolished or to obtain ratification from Government and regularize the additional constructions after collecting due fees with Penalty and remitted to concerned account.

Short Levy of Property Tax Building Details List

Sl.No	Assessment Number	Properitor Name	Revenue Loss Of Property (For H.Y)Tax (Rs.)
1	01367	Sri Swami Adhiramh madam Thirupathi	12230
2	01704	Dhavudkhan, Dhavalathbee	28925
3	01667	T.Sugumar	84348
4	01303	P.Malliga	104828
5	00119	Ramalingam Nursary School	277988
6	01930	Seetharpuram	38922
7	00908	K.P.Raji	227224
8	00300	M.Vengadasubbu	206016
9	00292	K.Lakshmiammal	205725
10	00409	S.Mumthajbegam	122882
11	02789	Sairinaparveen	48386
12	01566	C.P.Suthagar	57024
13	02059	N.Shylaja	34651
14	00639	V.K.Mohamed Ali	44358
15	00638	V.K.Mohamed Ali	44989
16	00640	N.Kannan	56005
17	00709	M.Sudhnthira Devi	91724
18	00737	M.G.Madhiyhalagan	231932
19	00699	N.Munisami	91724
20	01229	R.K.Venkatesa Mudhaliyar	141518
21	01399	R.Tamillarasi	81242
22	01347	V.R. Ganesan	65032
23	01348	V.Manikantan	34166
		Total	2331839

Reply:

The para has been communicated to Commissioner of Municipal Administration vide this office letter No.4292/MA 4/ 2021, dated 17.04.2021. An interim reply furnished, stated that action is being taken to reassess the commercial usage buildings.

2.10.3.2 Vellore Corporation - Property Tax — 18 Residential Buildings – Short Levy of Property Tax – Recurring Revenue Loss to Municipal Corporation – Rs.7.40 Lakhs to be recovered from the persons responsible – Defect.

Para No. 27 /2018-19:

In Vellore Corporation on comparing the 2018-19, Under Ground Drainage (UGD) connection applications submitted to audit with the Property Tax Assessment Calculation sheets, it is found in audit that there is property tax revenue loss to the corporation.

On submission of UGD connection application by the building owner, Corporation Engineer visits the site personally and survey the constructed area of the Residential Building. Based on survey, draws map of the constructed area and certified the area built. Based on Constructed area, fixes the Demand amount. In Audit the UGD Certified constructed area is compared with the Property Tax Assessment calculation sheets and found short levy of Property Tax.

As elaborated in the following table, the actual built-up area of the building is reduced to a large extent and thus property tax was levied short which resulted in huge revenue loss to the Corporation. From 2018-19 Ist half year to 2019-20 IInd Half year (totally 4half – years) the revenue loss is Rs.7.40 lakhs.

The above loss is to be recovered from the concerned building owners. Otherwise this loss has to be recovered from the persons responsible viz, Bill Collectors, Revenue Inspectors, Zonal Managers and Zonal Officers concerned moreover the correct amount of Demand has to be raised and shown to Audit.

Action may be initiated and the unauthorized additional construction area of these 18 Buildings against the approved building plan are to be demolished or to obtain ratification from Government and regularize the additional constructions after collecting due fees with Penalty and remitted to concerned account.