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ITEM NO. 14 (Q-4)

ONE TIME SETTLEMENT SCHEME AND SOME OTHER CHANGES ON REBATE, INTERESTS ET C

It is proposed to introduce a One Time Settlement Scheme for liquidation of arrears. The scheme will involve grant of rebate on the outstanding interest liability and also grant of rebate for prompt payment. The proposed scheme is as under :-

I. One time settlement scheme for reduction in interest liability :- Where the licence fee/damages and interest thereon have accumulated and is outstanding on 31.8.2004, the Council may approve a one time settlement scheme for grant of rebate on the outstanding amount as under :-

- (i) where the licence fee/damages levied as per Council's policy from time to time and 50% interest due upto 31.8.2004 are paid by 31.10.2004, balance 50% of the interest due on 31.8.2004 shall be allowed as rebate and on the aggregate of the licence fee plus damages plus 50% of the interest, a rebate of 5% for prompt payment of the entire amount shall be allowed, if the payment is made by 31st of October, 2004 ;
- (ii) where the licence fee/damages and 50% of the interest due on 31st of August, 2004 is paid between 1st of November, 2004 and 31st of December, 2004, 50% of the interest shall be allowed as a rebate ;
- (iii) where the licence fee/damages and 60% of the interest due on 31st of August, 2004 is paid between 1st of January, 2005 to 31st of March, 2005, the balance of 40% of the interest shall be allowed as a rebate ;
- (iv) if an allottee proposes to avail the one time settlement scheme of licence fee/damages and reduced interest as in (ii) & (iii) above, the aggregate amount can be paid in instalments in one year upto 31st of December, 2005 or 31st of March, 2006 as the case may be and the allottee shall be liable to 9% interest on the amount so worked out on reducing balance. This facility will however, be available only if the licensee is regularly paying licence fee for the period September, 2004 and onwards as per Council's policy and there are no defaults in the payment of current liability as above ; and
- (v) in the case of Government departments, where payment of licence fee is on the basis of CPWD rates, when the payments of licence fee/damages gets delayed due to delay in fixation of licence fee by the CPWD and the sanction of the funds by concerned Ministry, the Chairperson may take a decision on the reduction of interest on facts of each case ;

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II. Rebate for prompt payment of licence fee/damages, where there are no arrears :-

A scheme of rebate on prompt payment of licence fee and damages where there is no arrears is proposed to be introduced. Where licence fee for the month is paid in advance by the 'pay by date' which generally is 10th of the month, a rebate of

To,
Commissioner (Revenue)

Per
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2% is proposed to be allowed. Where the payment is made for six months in advance, the rebate would be 5% and where the payment is made for the entire year in lump-sum, the rebate would be 7.5%. This may improve the payment of licence fee in case of Government Department who normally wait for the payment of licence fee till 31st of March and that also he is not paid in full. This rebate would be allowed only if there are no arrears of licence fee or the interest. This would not be available where fee is paid as annual fee. This is only upto the period ending 31st of March, 2006 and shall be reviewed in April, 2006.

III. Interest on delayed payment :-

At present, the interest is levied at 12% for one year and 15% for a period beyond one year on the delayed payment of licence fee. It is proposed that the calculation of interest creates problem when it is calculated on month to month basis as for certain periods, it is calculated at 12% and for certain years at 15%. Looking to the reduced bank rates, it is proposed that the interest may be charged at 1% per month from the 1st of succeeding month when the allottee fails to pay the licence fee.

IV. Licence fee on renewals :-

As per Council's resolution dated 30.3.2000, in respect of certain markets and Complexes which have become unpopular or where the rents have gone down, the increase at 10% per year is working out to be more than the markets rates. It is therefore, proposed that in respect of Palika Bhawan, Palika Place, Bhagat Singh Shopping Complex, the increase in licence fee beyond 1st of September, 2004 be suspended till 31.3.2007. In respect of Palika Bazaar, the licence fee is to be suspended for a similar period in respect of general category of shops allotted on tender basis.

V. Teh-Bazari Units :-

The teh-bazari is controlled by section-225 of the NDMC Act, 1994 and permissions are granted by the Chairperson on payment of fee as may be fixed by the Chairperson from time to time. The structures covered by the section are the road furniture and open teh-bazari on roads and culverts etc. There are built up units which have been allotted by the Chairperson and certain units which have been allotted on the directions of the Supreme Court to the Thareja verified allottees. Similarly, there are open teh-bazari in which allotments were made prior to Thareja Committee recommendations and there are open teh-bazari allotted under the directions of the Supreme Court to Thareja verified persons. Both the units have to be separately dealt with. All the built up units, other than taxi booths are being transferred to the Estate Department for proper management and may be dealt with as under :-

- (i) where the licence fee has not been increased of the built up units in the last five years upto 1st of September, 2000, the licence fee of the built up units is proposed to be increased by 30% after the expiry of three years from the date it was last fixed. W.e.f. 1.9.2000, it will be increased by 10% each year and the licence fee of each built up units will be fixed on 1.9.2004. The licence fee so re-fixed will be charged from 1.9.2004 and no arrears for the past;
- (ii) the transfer policy of the built up units other than taxi booths and the units allotted on the basis of recommendations of the Thareja Committee would be the same as that of built up units of Estate Department. These are the units

which were allotted by the Committee under the Punjab Municipal Act. As aforesaid no transfer is permitted of the units allotted on directions of Supreme Court.

VI. Open Teh Bazar :-

The open teh bazar rates were last fixed in 1986. The land rates in 1986 were 17000 per sq. mt. and at present it is 57950 sq. mt. The land rates have therefore, increased by 4.45 times and the teh-bazari charges have also to be increased accordingly by 4.45 times. However, keeping in view that this may be a sharp increase, it has been decided that the teh-bazari charges be increased by 30% every five years. This would mean an increase of 2.2 times in 2001 over 1986 as against 4.45 times on the basis of L&DO rates. The licence fee was fixed at Rs.15/- per sq. ft. for Connaught Place area. Accordingly, the licence fee shall be Rs.33/- per sq. ft. from 1.4.2001 till 1.4.2006 for C.P. area. It would be Rs.22/- per sq. ft. for other areas as against Rs.60/- per sq. ft. per month and Rs.47/- per sq. ft. per month, if the increase is taken as per increase in L&DO rates. The teh-bazari charges shall be increased from 1.9.2004 at Rs.33/- per sq. ft. and Rs.22/- per sq. ft. per month, as aforesaid and no increase prior to 1.9.2004 shall be collected. This shall also cover cases in which teh bazar was allotted as per Supreme Court order to Thareja verified persons.

VII. Trade :-

A person can carry on any non-licensable trade from the built up units or open teh bazar without any prior permission. However for licensable trade to be carried on from built up units prior permission to be taken. The licensable trades are those covered by sections 327, 331 and 332 of the NDMC Act. However, sale of packed bakery items, bottled mineral water and cold drinks, bread, eggs and packed milk can not exposed to dust shall be permitted in Pan tharas and others built up and open teh-bazari units as well. No cooking or sale of food items exposed to dust shall be allowed. Luxury items and smuggled goods not to be allowed from the open teh-bazari sites.

Council's approval is requested for Items I to IV and V(ii). Items V(i) to VII are for information of the Council.

Chairperson has seen the proposal.

COUNCIL'S DECISION

"Resolved by the Council that item I to IV and V (ii) are approved. The increase in licence fee beyond 01.09.2004 be suspended for three years as suggested in para IV from from 01.09.2004 to 31.08.2007. It was further resolved that where there are any such cases where licence fee as on 01.09.2004 is more than the market rent, Chairperson may take action to suspend the increase in licence fee in each such case. Resolved further that if any difficulty is experienced in implementation of items I to IV and V(ii), Chairperson's decision shall be final.

It was also resolved that item V (i) and VI TO VII are noted", in anticipation of confirmation of minutes of the meeting the item be implemented with immediate effect.

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For Secy

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