



## PAKISTAN – OCTOBER 2018

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**CDA’S FAILURE TO RECOVER PROPERTY TAX CAUSES MAJOR LOSSES..... 1**

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### **CDA’s failure to recover property tax causes major losses**

Revenue Directorate of the Capital Development Authority (CDA) has failed to recover Rs1.9 billion in dues on account of property tax, water and allied charges from various residential buildings, commercial buildings, offices of educational institutes and other entities, Pakistan Today has learnt.

The entity wise break-up of outstanding property tax is Rs111 million outstanding property tax to various sectors, including E, F, G and I, Rs828 million to hundreds of residential and commercial buildings, Rs21 million to Workers Welfare Fund, Rs52 million to media groups, Rs678 million to educational institutions, Rs11 million to US Embassy under water and conservancy charges.

The non-recovery of outstanding dues was due to inadequate mechanism for enforcing relevant rules and weak administrative and internal controls.

Despite repeated notices to the defaulters, the payment remained outstanding. It was recommended that the case should be referred to assistant district collector for legal proceeding for effective recovery along with arrears and surcharges besides taking corrective measures for identification of the nib-tax payers. There was also a recommendation to devise concrete policies and procedures.

It is pertinent to mention here that according to Section 49-A of CDA Ordinance, 1960, any sum due to the Authority or any sum wrongly paid to any person under this ordinance shall be recoverable as arrears of land revenue. Rule 26 of General Financial Rules Vol-1 provides that it is the duty of departmental officer to see that all sums due to the government are regularly assessed, demanded, realised and remitted into the national treasury.

CDA has, for the past decade, set its eyes on selling commercial plots located at pristine locations around the city. This month it had put 57 commercial plots up for grabs in an auction from October 2 to October 4 to generate much-needed revenue to keep itself afloat. CDA had also concluded its landmark three days auction of commercial plots held at Jinnah Convention Centre where it auctioned 22 plots worth over 7.48 billion rupees.