

OVERVIEW

This Report contains 64 paragraphs and one review relating to under assessments/non-realisation/short realisation of penalties, taxes, duties etc. The total money value involved is ₹ 1,036.25 crore. Some of the major findings are mentioned below:

1. GENERAL

➤ During the year 2009-10, the total revenue raised by the State Government (₹ 719.38 crore) was 20.87 *per cent* of the total revenue receipts (₹ 3,447.35 crore). The balance 79.13 *per cent* of receipts during 2009-10 comprised of State's share of divisible taxes and duties amounting to ₹ 612.38 crore and grants-in-aid amounting to ₹ 2115.59 crore. The revenue raised by the State Government in 2009-10 as compared to 2008-09 was 20.96 *per cent* higher.

(Paragraph 1.1)

➤ Test check of the records of sales tax, state excise, motor vehicles tax, other tax receipts, forest receipts and other non-tax receipts conducted during the year 2009-10 revealed underassessment / short / non-levy / loss of revenue amounting to ₹ 903.26 crore in 169 cases. During the year, the departments accepted assessments / short / non levy / loss of revenue of ₹ 31.37 crore in 15 cases pointed out in 2009-10 and earlier years, and recovered ₹ 0.26 crore.

(Paragraph 1.5.1)

2. TAXES ON SALE, TRADE/VAT ETC

A review of "Exemptions, Concessions and Remissions under the Meghalaya Industrial Policy 1997 and the schemes framed thereunder" and audit of Sales Tax Department revealed the following irregularities:

➤ Non-fulfilment of export obligation by industrial units set up in Export Promotion Industrial Park led to exemptions of ₹ 76.93 crore being irregularly allowed.

(Paragraph 2.9.7.2)

➤ Lack of clarity in the schemes of 2001 and 2006 regarding period for which incentives are to be allowed led to revenue loss of ₹ 9.97 crore.

(Paragraph 2.9.7.3)

➤ Inconsistencies between the Industrial Policy 1997 and the Meghalaya Industries (Tax Remission) Scheme, 2006 led to tax incentive of ₹ 5.31 crore being irregularly allowed.

(Paragraph 2.9.7.4)

➤ Eight industrial units irregularly availed incentives of ₹ 85.28 crore though they failed to employ local tribal people as per prescribed norms.

(Paragraph 2.9.7.6)

➤ 23 manufacturing units did not appoint any local tribal in the Board of Directors but were allowed by the Single Window Agency to avail tax incentives of ₹ 27.49 crore.

(Paragraph 2.9.7.7)

➤ Tax exemption benefit was irregularly extended to goods taxable under Purchase Tax Act leading to loss of revenue of ₹ 6.91 crore

(Paragraph 2.9.8.2)

➤ Two units claimed tax remission beyond the eligible period leading to loss of revenue of ₹ 1.06 crore.

(Paragraph 2.9.8.5)

➤ Exemption and concession of ₹ 8.57 crore was granted to 62 manufacturing units on the strength of invalid declarations.

(Paragraph 2.9.8.11)

Three bottling plants sold 9,07,076 cases of IMFL worth ₹ 99.49 crore on which tax of ₹ 19.89 crore was not levied.

(Paragraph 2.11)

Two dealers concealed sales of ₹ 5.33 crore on which tax of ₹ 63.67 lakh and interest of ₹ 65.43 lakh was leviable. Besides penalty of ₹ 95.51 lakh could also be levied.

(Paragraph 2.22)

68 dealers concealed sales turnover of ₹ 1589.93 crore on which tax of ₹ 63.60 crore was leviable. Besides, penalty of ₹ 127.20 crore was also leviable for concealment of turnover.

(Paragraph 2.30)

24 dealers furnished fake declaration forms/misutilised declaration forms in the course of interstate trade and evaded tax ₹ of 3.90 crore on which interest of ₹ 5.31 crore was leviable.

(Paragraph 2.31)

141 exporters not registered under the CST Act exported 9,58,880 MT of coal to Bangladesh resulting in loss of revenue of ₹ 11.51 crore.

(Paragraph 2.36.2)

3. OTHER TAXES AND DUTIES

Two lessees did not register the lease agreements with the concerned Registrars. This resulted in evasion of stamp duty of ₹ 0.37 crore.

(Paragraph 3.4)

Incorrect classification of a deed resulted in non-realisation of stamp duty of ₹ 0.35 crore on rent and security deposit.

(Paragraph 3.5)

4. STATE EXCISE

Non-inclusion of import pass fee as an element of cost price led to loss of revenue of ₹ 3.15 crore.

(Paragraph 4.7)

Import pass fee of ₹ 52.14 lakh was not realised on import of IMFL and beer.

(Paragraph 4.8)

5. MOTOR VEHICLES RECEIPTS

Fine of ₹ 395.09 crore was not levied on 5,15,394 trucks for carrying 29,20,139 MT of coal beyond the permissible limit.

(Paragraph 5.7)

Unauthorised retention of sale proceeds from helicopter services and utilisation of revenue for departmental expenditure by the MTC led to temporary misappropriation of ₹ 1.16 crore.

(Paragraph 5.14)

6. FOREST RECEIPTS

Export of limestone without transit pass fee led to non-realisation of revenue of ₹ 1.38 crore.

(Paragraph 6.6)

Non-settlement/operation of *mahals* led to loss of revenue of ₹ 0.17 crore.

(Paragraphs 6.7 & 6.8)

7. RECEIPTS FROM MINES AND MINERALS

Delay in implementation of revised rate of royalty on coal and cess on limestone etc., led to loss of revenue of ₹ 133.16 crore.

(Paragraph 7.6)

Non-realisation of royalty on 3,53,894.55 MT of coal and 98,218.24 MT of limestone exported to Bangladesh led to loss of revenue of ₹ 13.47 crore in the form of royalty, cess and penalty.

(Paragraph 7.7)

Lack of co-ordination between Mining & Geology and Forest departments led to non-realisation of cess of ₹ 47.80 lakh on 9.56 lakh MT of limestone extracted.

(Paragraph 7.11)