

OVERVIEW

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This Report contains a Performance Audit on “*Functioning of the Transport Department*” and 28 paragraphs relating to under-assessments/ non-realisation /short realisation of penalties, taxes, duties and financial irregularities involving ₹ 659.71 crore. The major findings are mentioned below:

Chapter-I: General

➤ During the year 2015-16, the revenues raised by the State Government (₹ 1285.42 crore) was 18.25 *per cent* of the total revenue receipts (₹ 7043.13 crore). The balance 81.75 *per cent* of receipts during 2015-16 comprised of State's share of divisible taxes and duties amounting to ₹ 3276.46 crore and grants-in-aid from Government of India amounting to ₹ 2481.25 crore.

Paragraph 1.1

➤ Test check of the records of taxes on sale, trade *etc.*, state excise, motor vehicles tax, forest receipts and other non-tax receipts conducted during the year 2015-16 revealed under assessments/short/non-levy/loss of revenue amounting to ₹ 635.57 crore in 249 cases. During the year, the departments accepted under assessments/short/non-levy/loss of revenue of ₹ 451.57 crore in 147 cases pointed out in 2015-16, and recovered ₹ 1.83 crore.

Paragraph 1.9.1

Chapter-II: Taxes on Sale, Trade, etc.

➤ Failure of the Superintendent of Taxes to complete assessment resulted in evasion of tax amounting to ₹ 0.13 crore on purchase of goods using fake ‘C’ forms; on which interest of ₹ 0.27 crore and penalty not exceeding ₹ 0.26 crore were also leviable.

Paragraph 2.4

➤ Failure to carry out timely assessment allowed two dealers to escape the liability to pay tax amounting to ₹ 0.14 crore; on which interest of ₹ 0.19 crore and penalty not exceeding ₹ 0.28 crore were also leviable.

Paragraph 2.5

➤ A dealer fraudulently claimed Input Tax Credit of ₹ 0.90 crore; on which interest amounting to ₹ 1.03 crore and penalty not exceeding ₹ 1.80 crore were also leviable.

Paragraph 2.6

➤ A manufacturing unit irregularly claimed tax remission beyond the eligibility period resulting in short payment of tax amounting to ₹ 0.12 crore; on which interest of ₹ 0.11 crore and penalty not exceeding ₹ 0.24 crore were also leviable.

Paragraph 2.7

➤ Failure of the Superintendent of Taxes to carry out scrutiny/assessment resulted in short payment of tax amounting to ₹ 0.56 crore by a dealer; on which interest of ₹ 0.28 crore and penalty not exceeding ₹ 1.12 crore were also leviable.

Paragraph 2.8

➤ Failure of the Superintendents of Taxes to carry out scrutiny/assessment resulted in short payment of tax amounting to ₹ 10.29 crore by two cement manufacturing units; on which interest of ₹ 3.87 crore and penalty not exceeding ₹ 20.58 crore were also leviable.

Paragraph 2.9

➤ A coal dealer concealed turnover of ₹ 36.69 crore and evaded tax of ₹ 1.47 crore; on which penalty not exceeding ₹ 2.94 crore and interest of ₹ 1.10 crore were also leviable.

Paragraph 2.10

➤ Failure of the Superintendent of Taxes to assess the returns properly resulted in concealment of purchase of ₹ 6.94 crore by three dealers and consequent evasion of tax amounting to ₹ 1.02 crore; on which penalty not exceeding ₹ 1.53 crore and interest of ₹ 0.1 crore were also leviable.

Paragraph 2.11

➤ Irregular grant of concessional rate on sale of coal worth ₹ 19.25 crore resulted in short payment of tax amounting to ₹ 0.39 crore on which penalty not exceeding ₹ 0.78 crore and interest of ₹ 0.19 crore were also leviable.

Paragraph 2.12

➤ Failure of the Superintendent of Taxes to take timely action against a dealer resulted in irregular claim of tax remission of ₹ 0.18 crore; on which penalty not exceeding ₹ 0.36 crore and interest of ₹ 0.26 crore were also leviable.

Paragraph 2.13

➤ Irregular adjustment of *challans* in respect of tax deducted at source resulted in short payment of tax amounting to ₹ 0.10 crore; on which penalty not exceeding ₹ 0.20 crore and interest of ₹ 0.03 crore were also leviable.

Paragraph 2.14

Chapter-III: State Excise

➤ Four Bonded Warehouses were irregularly allowed excess transit breakage claim on 2073 cases of liquor resulting in short payment of excise duty of ₹ 0.11 crore.

Paragraph 3.4

➤ Two bottling plants concealed 0.66 lakh Bulk Litres of Extra Neutral Alcohol and evaded excise duty payment of ₹ 0.98 crore.

Paragraph 3.5

➤ Destruction of 1384 cases of seized stock of IMFL/beer without auctioning the same resulted in loss of revenue amounting to ₹ 0.12 crore.

Paragraph 3.6

➤ The Excise Department failed to realise licence fee amounting to ₹ 0.11 crore from 143 outstills under four local chiefs.

Paragraph 3.7

➤ Licence fee amounting to ₹ 1.01 crore could not be realised from 66 bottling plants/bonded warehouses/retail licencees.

Paragraph 3.8

➤ Security deposits of 21 bonded warehouses/distilleries/companies had lapsed, but were not renewed, resulting in non-realisation of security deposit amounting to ₹ 0.60 crore.

Paragraph 3.9

Chapter-IV: Motor Vehicle Receipts

➤ A Performance Audit on “Functioning of the Transport Department” revealed the following irregularities:

Weighbridge lessees were allowed undue benefit to the tune of ₹ 0.99 crore due to failure of the Government to incorporate pro-rata provisions in the contractual agreements.

Paragraph 4.4.9.1

The Transport Department failed to set up Auto Emissions Testing Stations in the State due to which atleast 2.12 lakh vehicles were plying in the State without necessary pollution under control certificates causing a major threat to the environment.

Paragraph 4.4.9.2

The Transport Department irregularly registered ‘commercial vehicles’ as ‘private vehicles’ resulting in short realisation of road tax amounting to ₹ 1.17 crore.

Paragraph 4.4.10

Essential information pertaining to vehicle registration were not captured in *Vahan* software. Database of stolen vehicles was not linked with Police Department. Vehicles from outside the jurisdiction including those from other States were irregularly registered.

Paragraph 4.4.22

Injudicious positioning of the transport checkpoint at Rongmil resulted in non-detection of excess load of 30.98 lakh MT and consequent non-realisation of penalty amounting to ₹ 368.72 crore.

Paragraph 4.4.23.3

Weak internal controls in the Transport Department resulted in under reporting of excess load at three checkpoints and short realisation of fine amounting to ₹ 92.31 crore.

Paragraphs 4.4.27.2 & 4.4.27.3

Chapter-V: Forest & Environment

➤ There was short realisation of revenue amounting to ₹ 12.99 crore by the user departments.

Paragraph 5.4

➤ Due to lack of co-ordination between Government Departments, four cement companies concealed utilisation of 4.22 lakh MT of limestone resulting in evasion of royalty of ₹ 2.98 crore.

Paragraph 5.5

➤ There was loss of revenue amounting to ₹ 0.33 crore due to short realisation of royalty on minor minerals.

Paragraph 5.6

➤ There was under-reporting of 1.85 lakh MT of limestone by the Umkiang Forest Checkgate resulting in short realisation of revenue of ₹ 1.29 crore.

Paragraph 5.7

➤ Failure of the DFO to contain illegal activities in the reserve forests resulted in illegal felling and removal of 408.31 cu. m. of timber amounting to ₹ 0.22 crore.

Paragraph 5.8

➤ Seven cement manufacturing companies failed to deposit forest royalty amounting to ₹ 12.73 crore on account of consumption of 26.06 lakh MT of limestone.

Paragraph 5.9

Chapter-VI: Mining Receipts

➤ The Department failed to realise royalty amounting to ₹ 16.47 crore on 2.44 lakh MT of declared/assessed coal.

Paragraph 6.4

➤ Under reporting of 8.62 lakh MT of limestone exported to Bangladesh resulted in short realisation of cess of ₹ 1.72 crore.

Paragraph 6.5

➤ There was evasion of cess on 4.59 lakh MT of limestone utilised by a cement company amounting to ₹ 0.92 crore.

Paragraph 6.6

➤ Interest amounting to ₹ 0.65 crore was not realised from five lessees for dues not paid or paid belatedly.

Paragraph 6.7

Chapter-VII: State Lottery

➤ The Government of Meghalaya incurred unfruitful expenditure of ₹ 5.69 crore towards pay and allowance of idle staff.

Paragraph 7.4