

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:627
ANSWERED ON:21.02.2003
C & AG OBSERVATION ON TAX EXEMPTIONS
RAMJI MANJHI

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether C&AG in its Report No.12 of 1999 (Direct Taxes) in Para 3.1.8 has brought out the fact that during 1994-95 to 1996-97 out of 105 cases of exemptions concerning 100 percent Export Oriented Units in Andhra Pradesh, Karnataka, Kerala, Tamil Nadu, Uttar Pradesh, Delhi, West Bengal and Maharashtra, exemptions aggregating Rs.9422.90 lakh were allowed irregularly in 41 cases resulting into short levy of tax of Rs. 6213.86 lakh;

(b) if so, whether the Government have enquired into the matter;

(c) If so, the outcome thereof; and

(d) the action taken in the matter?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE & COMPANY AFFAIRS (SHRILINGEE N. RAMACHANDRAN)

(a) & (b) Yes, Sir.

(c) Although C&AG vide Para No. 3.1.8 appearing on page No. 57 of Report No. 12 of 1999, has mentioned the facts as reproduced in part (a) of this Question, the corresponding key documents received from C&AG specify 33 cases of under assessment which resulted in short levy of tax aggregating to Rs.6365.01 lakhs. A copy of such key documents received from C&AG is enclosed as Annexure 'A'. Out of such 33 cases, 27 cases were not accepted; one case partly accepted and only 5 cases were accepted by the Ministry involving tax effect of Rs.626.03 lakhs.

(d) Action Taken Notes in these cases have already been sent to C&AG and vetting comments have also been received from C&AG.

ANNEXURE-'A' to the Lok Sabha Unstarred Question No.627 for answer on 21.2.2003

KEY DOCUMENTS CORRESPONDING TO PARA 3.1.8 OF REPORT NO.12 OF 1999 RECEIVED FROM C&AG OF INDIA

S.No.	Para No.	Assessee M/s.	CIT Charge	Assessment	Tax Effect
	Year	(Rs.in lakh)			

1-3.	8.1	Trend Garments Pvt. Ltd.	Tamil Nadu-IV	1995-96	56.62
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		Interfit India Ltd.	Coimbatore	1994-95	261.13
				1995-96	9.90 (P)
					132.25

4-5.	8.2	Tata Tea Ltd.	WB-VI Kolkata	1993-94	1756.32
				1994-95	

6.	8.3 (a)	Mid India Industries	Indore, M.P.	1995-96	35.77
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7.	8.3 (b)	Pure Helium (I) P. Ltd.	City-I, Mumbai	1992-93	125.11
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8.	8.3 (c)	Amalgam Foods Ltd.	Kerala	1995-96	31.76(P)
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9-10. 8.4 (a) Jaswal Granites Ltd. A.P. Hyderabad 1994-95 31.46
1995-96

11-12. 8.4 (b) Kemwell International Karnataka-I 1994-95 7.15
Pvt. Ltd. 1995-96

13. 8.5 (a) Saketh India Ltd. Delhi-VII 1993-94 342.90

14. 8.5 (b) DSQ Software Ltd. Tamil Nadu-IV 1995-96 208.68

15. 8.5 (c) Asian Peroxide Ltd. Tamil Nadu-V 1993-94 146.50

16. 8.6 (a) Sociedade-de Fomento Panaji, Goa 1995-96 201.98
India Ltd.

17-18. 8.6 (b) Deccan Granites Ltd. A.P. Hyderabad 1993-94 35.83
1994-95

19-20. 8.7 (1) Moon Rock Agencies P. Ltd. Karnataka-I 1994-95 88.36
1995-96

21-22. (2) Index Computing P. Ltd. Karnataka-III 1995-96 169.15
1996-97

23-26. (3) Sociedade-de Fomento Panaji, Goa 1992-93 to 2373.88
India Ltd. 1995-96

27. (4) Mayfaire Exports (P) Ltd. Tamil Nadu-IV 1995-96 63.44

28. (5) Chamundi Textiles Madurai 1993-94 24.98
(Silk Mills) Ltd.

29-31. (6) Rajapalayam Mills Ltd. Madurai 1994-95 to 67.44
1996-97 115.67(P)

32. (7) Ralco Pvt. Ltd. Coimbatore 1993-94 18.98
22.01(P)

33. (8) United Granites Ltd. Coimbatore 1995-96 37.74