

CAG pulls up Sena-BJP govt. for revenue loss

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MUMBAI: What is common to the Hindi films *Border*, *Mrityudand*, *Pardes*, *Kalyug ka Arjun*, *Bhai Bhai*, *Gulam-e-Mustafa*, *Dushman*, *Sarya* and *Major Saab*?

They were among the 15 films which enjoyed the Shiv Sena-BJP alliance government's patronage in the form of entertainment tax exemption amounting to more than Rs.15.40 crore together for two years—1997-98 and 1998-99.

In its latest report, which was submitted before the state legislature during its recently-concluded monsoon session, the comptroller and auditor-general of India said the essential conditions governing the exemption of entertainment tax were not fulfilled. It observed that the exemption orders needed to be withdrawn under the rules but no such action had been taken by the government.

Explaining the rules, the CAG said exemption could be granted only if an advisory committee appointed by the government felt that the film concerned fulfilled the condition of promoting an educational, cultural or social purpose of a high order. Alternatively, the film must have been awarded the President's gold medal.

The report said in none of the 15 films these conditions were met. Similarly, the weekly returns were not submitted by the producers to the district collectors as prescribed.

The CAG said the films were shown in 21 districts during the period. In Mumbai city, the revenue loss was Rs 3.5 crore while it exceeded Rs 4 crore in suburban Mumbai district. The loss in Thane district was Rs 1.90 crore and more than Rs 2 crore in Pune district. The other districts where the films were exhibited without paying entertainment tax were Kolhapur, Satara, Sangli, Aurangabad, Parbhani, Nanded, Nagpur, Jalna, Ahmednagar, Beed, Jalgaon, Dhule, Latur, Nandurbar, Chandrapur, Osmanabad and Nashik.

When this was brought to the government's attention, the cultural affairs department said certain provisions in the rules were outdated and defective and action would be taken in consultation with the revenue department to amend them. However, no report of any action had been received till November, 1999, the report noted.

The report also said the state government had lost Rs 19 crore in revenue between 1992-93 and 1996-97 for exempting 55 films from entertainment duty. Even in those cases, the prescribed conditions were not fulfilled, it added.