

**Report of the
Comptroller and Auditor General
of India**

for the year ended 31 March 2016

(Revenue Sector)

**Government of Uttar Pradesh
Report No. 5 of the year 2016**

TABLE OF CONTENTS

Particulars	Reference to	
	Paragraph (s)	Page (s)
Preface		v
Overview		vii
CHAPTER – I: GENERAL		
Trend of revenue receipts	1.1	1
Analysis of arrears of revenue	1.2	5
Arrears in assessment	1.3	6
Evasion of tax detected by the Departments	1.4	7
Pendency of refund cases	1.5	7
Response of the Government/ Departments towards audit	1.6	8
Analysis of the mechanism for dealing with the issues raised by Audit	1.7	11
Action taken on recommendations accepted by the Departments/ Government	1.8	12
Audit execution for the financial year 2015-16	1.9	13
Deficiencies noticed in the audit conducted during the year	1.10	13
Coverage of this Report	1.11	13
CHAPTER – II : MINING RECEIPTS		
Tax administration	2.1	15
Internal audit	2.2	15
Results of audit	2.3	16
Audit of “Sustainable mining with optimisation of revenue in Geology and Mining Department”	2.4	18
Audit observations	2.5	35
Cost of minerals not realised	2.6	35
Royalty and permit fees not realised from brick kiln owners	2.7	36
Short realisation of royalty on clay used for brick making	2.8	36
CHAPTER – III : TAXES ON VEHICLES, GOODS AND PASSENGERS		
Tax administration	3.1	39
Results of audit	3.2	39

Particulars	Reference to	
	Paragraph (s)	Page (s)
Performance Audit of "Working of the Transport Department"	3.3	41
Audit observations	3.4	70
Irregularities in permit	3.5	70
Additional tax on <i>JnNURM</i> buses not levied	3.6	71
Fitness certificate of vehicles	3.7	72
Registration of other than transport (Private vehicles) vehicles not renewed	3.8	74
Penalty under Carriage by Road Act not levied	3.9	74
Tax/ additional tax from surrendered vehicles not realised	3.10	75
CHAPTER – IV : TAXES ON SALES, TRADE ETC.		
Tax administration	4.1	77
Internal audit	4.2	77
Results of audit	4.3	80
Audit of "System of collection of arrears of revenue in Commercial Tax Department in Uttar Pradesh"	4.4	81
Audit observations	4.5	95
Tax short/not levied	4.6	96
Penalties not imposed	4.7	100
Entry tax	4.8	103
Central Sales Tax (CST)	4.9	105
Interest short/not charged	4.10	107
Irregularities relating to Input Tax Credit (ITC)	4.11	108
CHAPTER-V : STAMPS AND REGISTRATION FEES		
Tax administration	5.1	115
Internal audit	5.2	115
Results of audit	5.3	116
Audit of "E-Stamping and <i>Prerna</i> software in Stamp and Registration Department"	5.4	117
Audit observations	5.5	131
Residential land valued at agriculture rate	5.6	131
Undervaluation of land	5.7	132

Particulars	Reference to	
	Paragraph (s)	Page (s)
Sale deed misclassified as correction deed	5.8	132
CHAPTER-VI : OTHER TAX RECEIPTS		
(A) ENTERTAINMENT TAX DEPARTMENT		
Tax administration	6.1	135
Internal Audit Wing	6.2	135
Results of audit	6.3	136
Audit observations	6.4	137
Short realisation of entertainment tax from cable operators	6.5	137
(B) STATE EXCISE		
Tax administration	6.6	139
Internal audit	6.7	139
Results of audit	6.8	141
Audit observations	6.9	142
Failure to cancel the selection of shops and forfeiture of Basic License Fee and security deposit	6.10	142
Sale of beer without beer bar license	6.11	143
Failure to cancel the license and forfeit security deposit for violation of Rules	6.12	144
Appendices		149-211
Glossary of terms and abbreviations		213-216

PREFACE

This Report of the Comptroller and Auditor General of India for the year ended March 2016 has been prepared for submission to the Governor of Uttar Pradesh under Article 151 of the Constitution of India.

The Report contains significant findings of audit of Receipts and Expenditure of major Revenue earning Departments under the Revenue Sector conducted under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2015-16 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2015-16 have also been included, wherever necessary.

The Audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

OVERVIEW

This Report contains 26 paragraphs including one performance audit of “**Working of the Transport Department**”, relating to not/ short levy of tax, duty and interest, penalty etc. involving financial effect of ₹ 2,895.55 crore. The Departments/Government have accepted audit observations involving ₹ 1,547.50 crore out of which ₹ 82.05 lakh has been recovered. Some of the major findings are mentioned below:

I. General

The total receipts of the Government of Uttar Pradesh for the year 2015-16 were ₹ 2,27,075.94 crore against ₹ 1,93,421.60 crore during 2014-15. The revenue raised by the State Government amounted to ₹ 1,04,240.91 crore comprising tax revenue of ₹ 81,106.26 crore and non-tax revenue of ₹ 23,134.65 crore. Thus, the State Government could raise only 46 per cent of the total revenue. The receipts from the Government of India were ₹ 1,22,835.03 crore (State’s share of divisible Union taxes: ₹ 90,973.69 crore and grants-in-aid: ₹ 31,861.34 crore). Taxes on Sales, Trade etc. (₹ 47,692.40 crore) and Non-ferrous Mining and Metallurgical Industries (₹ 1,222.17 crore) were the major sources of tax and non-tax revenue respectively during 2015-16.

(Paragraph 1.1)

The arrears of revenue as on 31 March 2016 in respect of some principal heads of revenue viz Tax on Sales, Trade etc., Stamp and Registration fee, Taxes on vehicles, Non-ferrous Mining and Metallurgical Industries, State Excise and Entertainment tax amounted to ₹ 27,626.04 crore, of which ₹ 11,864.37 crore was outstanding for more than five years. Out of the total outstanding, ₹ 5,508.12 crore was certified for recovery as arrears of land revenue, ₹ 4,163.41 crore was held up due to proceedings in Courts and other appellate authorities, ₹ 587.59 crore was outstanding against the Government/ semi Government Departments and ₹ 1,520.51 crore was likely to be written off and for ₹ 15,457.15 crore specific action is underway in the Commercial Tax Department whereas specific action taken in respect of the remaining ₹ 389.26 crore was not intimated by the concerned Departments.

(Paragraph 1.2)

During the year 2015-16 we test checked the records of 580 units relating to Tax on Sales, Trade, etc., State Excise, Taxes on Vehicles, Goods and Passengers, Stamps and Registration fees, Entertainment Tax and Mining Receipts and found underassessment/ short levy/ loss of revenue aggregating to ₹ 3,240.99 crore in 2,673 cases. During the course of the year, the Departments concerned accepted underassessment and other deficiencies of ₹ 1,552.24 crore involving in 788 cases, of which 462 cases involving ₹ 1,547.67 crore were pointed out in 2015-16 and rest in earlier years. An amount of ₹ 1.73 crore was realised in 277 cases of which 50 cases involving ₹ 84.71 lakh were pointed out in 2015-16 and rest pertained to earlier years.

(Paragraph 1.10)

II. Mining Receipts

Audit of "Sustainable mining and optimization of revenue in Geology and Mining Department" revealed the following:

- Extraction of minor minerals were done without Environment Clearance (EC) as evident from the fact that five lessees and 2,909 brick kiln owners were allowed to extract minerals without any EC, 30 lessees were allowed to extract minerals in excess of quantity approved in EC and plantation work was not done by 40 lease holders in 191.77 acres of leased land. Further, the Government did not recover the cost of minerals amounting to ₹ 179.57 crore for these violations.

(Paragraph 2.4.5 to 2.4.9)

The necessity for the filing and approval of a mining plan was ignored in the cases of 58 lessees. In addition, 15 lessees were allowed to extract minerals without renewal of mining plan and 12 lessees were allowed to extract mineral much above the quantity approved in the mining plan. Thus the mining regulators had no control over the environmentally sensitive activity of mining and allowed exploitation of scarce resources unchallenged. It did not even make good this violation by recovering ₹ 282.22 crore as penalty.

(Paragraph 2.4.11)

- Department did not monitor the submission of mandatory quarterly returns, realisation of difference of royalty on revision of rate, assess the price of minerals and interest on belated payment of royalty/dead rent etc. The DMO concerned did not cross check the facts which led to unauthorised excavation and transportation. Thus, the Government was deprived of revenue of ₹ 477.93 crore.

(Paragraph 2.4.12 to 2.4.17)

III. Taxes on Vehicles, Goods and Passengers

A performance audit of "Working of the Transport Department" revealed the following:

- Onetime tax of ₹ 26.79 crore was short levied on 26,592 light four wheeler goods vehicles and school maxi cabs between November 2009 to March 2016.

(Paragraphs 3.3.9 & 3.3.10)

- Additional tax and penalty of ₹ 25.77 crore was not levied on 721 JnNURM buses found plying outside the Municipal Corporation area and Additional tax of ₹ 360.33 crore including penalty of ₹ 174.42 crore not levied on UPSRTC buses between November 2009 to March 2016.

(Paragraphs 3.3.14)

- Fitness fee of ₹ 4.56 crore including penalty was not levied on 9,942 vehicles which plied without valid fitness certificates between February 2014 and March 2016. Plying of such vehicles also compromised public safety.

(Paragraphs 3.3.15)

- Not creating the Uttar Pradesh Road Transport Accident Relief Fund (UPRTARF) by the Department led to ₹ 109.06 crore not being credited for accident victims between April 2012 to March 2016.

(Paragraphs 3.3.17)

- The Compounding Fee amounting to ₹ 4.76 crore on violation of permit conditions was not realised on contract and stage carriage vehicles between October 2012 to March 2016.

(Paragraphs 3.3.18)

- Department did not impose penalty amounting to ₹ 2.58 crore under Carriage by Road Act in 839 cases for different categories of vehicles which were seized for overloading during the period from July 2014 to March 2016.

(Paragraphs 3.3.19)

- The transport offices have no database/information of vehicles plying with or without PUC certificate as well as absence of infrastructure for testing of pollution of vehicles.

(Paragraphs 3.3.22)

- There were 12,41,085 vehicles involving cost amounting to ₹ 43,564.38 crore hypothecated to banks. The Department did not get inspected hypothecated documents from Stamp and Registration Department with a view to ascertain actual amount of stamp duty. Thus, the Government was deprived of revenue of ₹ 162.70 crore.

(Paragraphs 3.3.26)

- The inspection of field offices was not done as per norms fixed. Acute shortage of ancillary staff against the sanctioned strength led to excess workload and adversely effected collection/recovery of revenue.

(Paragraphs 3.3.29 & 3.3.31)

Additional tax of ₹ 9.92 crore was not levied on 84 *Jn*NURM buses under City Transport Services Limited which were found plying outside the municipal corporation area.

(Paragraph 3.6)

Fitness fee of ₹ 2.88 crore including penalty was not levied on 6,304 vehicles which plied without valid fitness certificates. Plying of such vehicles also compromised public safety.

(Paragraphs 3.7.1)

The Department did not impose penalty amounting to ₹ 1.42 crore under Carriage by Road Act on 591 cases of different categories of vehicles which were seized for overloading.

(Paragraph 3.9)

IV. Tax on Sales, Trade etc.

Audit of "System of collection of arrears of revenue in Commercial Tax Department in Uttar Pradesh" revealed the following:

- The amount of arrears increased from ₹ 16,665.41 crore as on 1 April 2011 to ₹ 27,188.58 crore as on 31 March 2016, thus registering an increase of 63.14 per cent.

(Paragraph 4.4.5.1)

- Recovery proceedings were delayed in 979 cases involving an arrear of ₹ 217.51 crore due to notices of demand were either not served or served after inordinate delay.

(Paragraph 4.4.7.1)

- Failure in pursuance of 604 RRCs sent to other States resulted in dues of ₹ 233.60 crore remaining unrecovered.

(Paragraph 4.4.9)

- Belated filing of claims and no pursuance with the Official Liquidator (OL) resulted in dues of ₹ 61.43 crore remaining unrecovered.

(Paragraph 4.4.12)

Tax of ₹ 5.66 crore including penalty was short/not levied due to application of incorrect rate of tax in respect of 50 CTOs in the cases of 69 dealers for the period 2008-09 to 2012-13.

(Paragraph 4.6)

Penalty amounting to ₹ 6.23 crore was not levied on concealment of turnover, delayed deposit of tax and false purchase in respect of 50 CTOs in the cases of 74 dealers for the period 2007-08 (VAT) to 2013-14.

(Paragraph 4.7)

Entry tax not levied at correct rate and irregular rebate on entry tax on purchases resulted in short/not levy of entry tax of ₹ 1.68 crore in respect of 14 CTOs in the cases of 23 dealers for the period 2009-10 to 2012-13.

(Paragraph 4.8)

Interest of ₹ 2.17 crore on delayed deposit of admitted tax was not charged in respect of eight CTOs in the cases of eight dealers for the period 2006-07 to 2012-13.

(Paragraph 4.10)

There were irregularities in ITC claims like irregular/inadmissible ITC claims, excess claims, ITC not reversed, penalties not imposed and interest not charged thereon etc. of ₹ 3.29 crore in respect of 35 CTOs in cases of 45 dealers for the period 2009-10 to 2012-13.

(Paragraph 4.11)

V. Stamps and Registration Fees

Audit of "E-stamping and Prerna software in Stamp and Registration Department" revealed the following:

- There were deficiencies in software like absence of Software Requirement Specification (SRS), delayed execution by Software Development Agency, lateral connectivity between the SROs and provision for online appointment and document presentation.

(Paragraph 5.4.5)

- Search utility in the software was not utilised by SROs which resulted in short levy of stamp duty and registration fees of ₹ 3.16 crore due to valuation of residential land at agriculture rate and ₹ 1.72 crore due to undervaluation of land.

(Paragraph 5.4.8)

- The Department did not have a well defined and documented password policy, access control system and internal control mechanism for proper application and enforcement of *PRERNA*.

(Paragraph 5.4.9)

- The Department failed to observe provisions of the U.P. E-Stamping Rules like inspection of CRKA, timely locking of e-stamp certificates and SRO-wise details of revenue collected through e-stamp.

(Paragraph 5.4.11)

Residential land measuring 3.55 lakh square meter was wrongly registered for ₹ 40.64 crore at agricultural rate. Correct valuation at residential rate worked out to ₹ 149.15 crore which resulted in short levy of stamp duty and registration fees of ₹ 6.50 crore.

(Paragraph 5.6)

Land of 55,679 square meter declared residential, was registered for ₹ 4.84 crore at the agricultural rate instead for ₹ 19.56 crore at residential rate. This resulted in short levy of stamp duty and registration fees of ₹ 90.79 lakh.

(Paragraph 5.7)

VI. State Excise

The licensees did not deposit the entire amount of security deposit within prescribed time limit. For this default, action for cancellation of settlement and forfeiture of deposited basic license fee and security money amounting to ₹ 37.43 crore was not initiated as envisaged in the Rules, by two DEOs in 1007 cases.

(Paragraph 6.10)

FL 7B license fee on 364 licensees was not levied by 23 DEOs which deprived the Government of revenue of ₹ 6.70 crore during the years 2013-14 to 2015-16.

(Paragraph 6.11)

CHAPTER-I GENERAL

1.1 Trend of revenue receipts

1.1.1 The tax and non-tax revenue raised by the Government of Uttar Pradesh during the year 2015-16, the State's share of net proceeds of divisible Union taxes and duties assigned to the state and grant-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are mentioned in **Table 1.1.1**.

Table- 1.1.1

Trend of revenue receipts

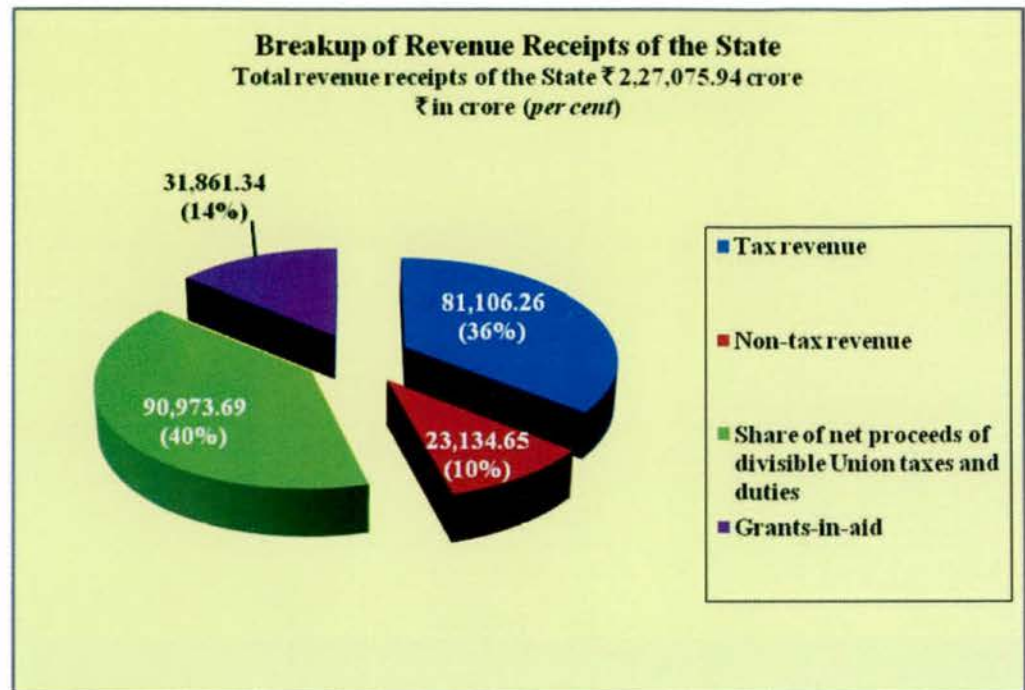
(₹ in crore)						
Sl. No.	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
1.	Revenue raised by the State Government					
	• Tax revenue	52,613.43	58,098.36	66,582.08	74,172.42	81,106.26
	• Non-tax revenue	10,145.30	12,969.98	16,449.80	19,934.80	23,134.65
	Total	62,758.73	71,068.34	83,031.88	94,107.22	1,04,240.91
2.	Receipts from the Government of India					
	• Share of net proceeds of divisible Union taxes and duties	50,350.95	57,497.86	62,776.70	66,622.91	90,973.69 ¹
	• Grants-in-aid	17,760.02	17,337.79	22,405.17	32,691.47	31,861.34
	Total	68,110.97	74,835.65	85,181.87	99,314.38	1,22,835.03
3.	Total revenue receipts of the State Government (1 and 2)	1,30,869.70	1,45,903.99	1,68,213.75	1,93,421.60	2,27,075.94
4.	Percentage of 1 to 3	48	49	49	49	46

Source: Finance Accounts of the Government of Uttar Pradesh

The above table indicates that during the year 2015-16, the revenue raised by the State Government (₹ 1,04,240.91 crore) was 46 *per cent* of the total revenue receipts (₹ 2,27,075.94 crore). The balance 54 *per cent* of the receipts during 2015-16 was from the Government of India.

¹ For details, please see Statement No. 14 - detailed accounts of revenue by minor heads in the Finance Accounts of the Government of Uttar Pradesh for the year 2015-16. Figures under the major heads 0020 - Corporation tax, 0021 - Taxes on income other than corporation tax, 0028 - Other Taxes on Income and Expenditure, 0032 - Taxes on wealth, 0037 - Customs, 0038 - Union excise duties, 0044 - Service tax and 0045 - Other taxes and duties on commodities and services - Share of net proceeds assigned to States booked in the Finance Accounts under 'A - Tax revenue' have been excluded from revenue raised by the State and included in 'State's share of divisible Union taxes' in this statement.

Chart 1.1



1.1.2 The details of the tax revenue raised during the period 2011-12 to 2015-16 are given in Table 1.1.2.

Table 1.1.2

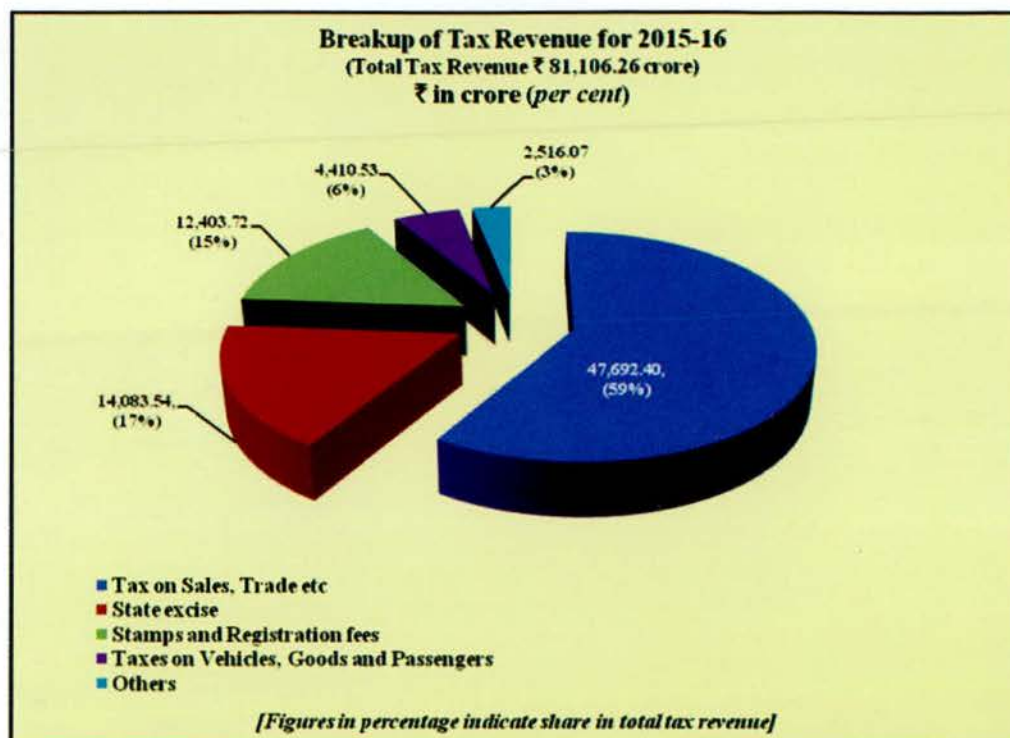
Details of Tax Revenue raised

		(₹ in crore)						
Sl. No.	Head of revenue	2011-12	2012-13	2013-14	2014-15	2015-16	Percentage of increase (+) or decrease (-) in actual of 2015-16 in comparison to	
		BE Actual	BE Actual	BE Actual	BE Actual	BE Actual	BE of 2015-16	Actual of 2014-15
1	Tax on Sales, Trade etc.	<u>32,000.00</u> 33,107.34	<u>38,492.18</u> 34,870.16	<u>43,936.00</u> 39,645.45	<u>47,497.92</u> 42,931.54	<u>52,670.69</u> 47,692.40	(-) 9.45	(+) 11.09
2	State excise	<u>8,124.08</u> 8,139.20	<u>10,068.28</u> 9,782.49	<u>12,084.00</u> 11,643.84	<u>14,500.00</u> 13,482.57	<u>17,500.00</u> 14,083.54	(-) 19.52	(+) 4.46
3	Stamps and Registration Fees	<u>6,612.00</u> 7,694.40	<u>9,308.00</u> 8,742.17	<u>10,555.00</u> 9,520.92	<u>12,722.67</u> 11,803.34	<u>14,836.00</u> 12,403.72	(-) 16.39	(+) 5.09
4	Taxes on Vehicles, Goods and Passengers (0041 & 0042)	<u>2,329.95</u> 2,380.67	<u>3,093.90</u> 2,993.96	<u>3,713.00</u> 3,442.01	<u>3,950.00</u> 3,797.58	<u>4,658.00</u> 4,410.53	(-) 5.31	(+) 16.14
5	Others ²	<u>1,268.12</u> 1,291.80	<u>1,094.68</u> 1,709.58	<u>1,905.00</u> 2,329.86	<u>2,327.34</u> 2,157.39	<u>2,250.31</u> 2,516.07	(+) 11.81	(+) 16.63
Total		<u>50,334.15</u> 52,613.41	<u>62,057.04</u> 58,098.36	<u>72,193.00</u> 66,582.08	<u>80,997.93</u> 74,172.42	<u>91,915.00</u> 81,106.26	(-) 11.76	(+) 9.35

Source: Finance Accounts of the Government of Uttar Pradesh

² Others includes receipts (less than five per cent of tax revenue) from the following : Taxes and duties on Electricity, Land Revenue, Hotel Receipt Tax, Entertainment Tax and Betting Tax.

Chart 1.2



It can be seen from the **Table 1.1.2** that the variation ranged between (-) 19.52 and (+) 11.81 *per cent* between the budget estimates and the actual during 2015-16 and variation between actual of 2014-15 and 2015-16 under various heads of revenue ranged between (+) 4.46 to (+) 16.63 *per cent*.

The respective Departments reported the following reasons for variation:

Tax on Sales, Trade etc: The reason attributed by the Department for not achieving the Budget Estimate was due to reduction in price of crude oil, natural gas and cement. However, reason³ for increase of actual receipts was due to collection of more receipts under Tax on Sales, Trade etc..

State Excise Department: The reason attributed by the Department for not achieving the Budget Estimate was mainly due to lesser cess, consideration fees and prices of liquor in nearby States in comparison to this State. However reason⁴ for increase in actual receipts was due to realisation of more revenue on account of sale of Country Spirits and Malt Liquors etc

Stamps and Registration Fees: The reason attributed by the Department for not achieving the Budget Estimate was due to lack of interest shown by the public in real estates especially in western Uttar Pradesh. However, actual receipt was higher than the previous years' due to increase in annual rate list.

The other Departments despite being requested did not intimate the reasons for variation in Budget Estimate and receipts from that of previous year (October 2016).

1.1.3: The details of the non-tax revenue raised during the period 2011-12 to 2015-16 are indicated in **Table 1.1.3**.

³ As per Finance Accounts.

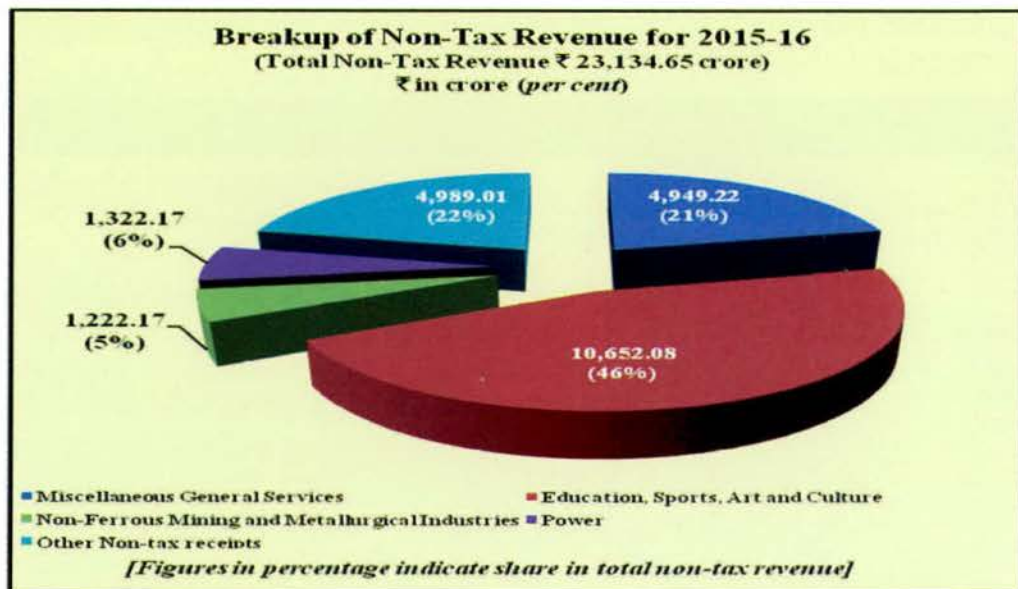
⁴ As per Finance Accounts.

Table 1.1.3
Details of Non-tax revenue raised

Sl. No.	Head of revenue	₹ in crore)						
		2011-12	2012-13	2013-14	2014-15	2015-16	Percentage of increase (+) or decrease (-) in actual of 2015-16 in comparison to	
		BE Actual	BE Actual	BE Actual	BE Actual	BE Actual	BE of 2015-16	Actual of 2014-15
1	Miscellaneous General Services	4,216.01 4,035.23	3,264.23 4,494.11	2,970.98 3,194.28	4,037.81 6,400.41	4,774.00 4,949.22	(+) 3.67	(-) 22.67
2	Education, Sports, Art and Culture	3,000.00 2,008.55	5,410.00 4,211.69	5,852.75 6,414.09	6,887.18 5,798.52	7,600.00 10,652.08	(+) 40.16	(+) 83.70
3	Non-Ferrous Mining and Metallurgical Industries	900.00 593.28	954.00 722.13	1,000.00 912.52	1,100.00 1,029.42	1,500.00 1,222.17	(-) 18.52	(+) 18.72
4	Power	180.00 76.83	90.00 72.80	270.00 1,060.81	2,700.00 967.87	2700.00 1322.17	(-) 51.03	(+) 36.61
5	Other Non-tax receipts ⁵	3,815.55 3,431.41	4,455.59 3,469.25	3,088.75 4,868.10	5,506.96 5,738.58	5,062.32 4989.01	(-) 1.45	(-)13.06
	Total	12,111.56 10,145.30	14,173.82 12,969.98	13,182.48 16,449.80	20,231.95 19,934.80	21,636.32 23,134.65	(+) 6.93	(+) 16.05

Source: Finance Accounts of the Government of Uttar Pradesh

Chart 1.3



It can be seen from the Table 1.1.3 that the variation ranged between (-) 51.03 and (+) 40.16 per cent between the budget estimates and the actual during

⁵ Others includes receipts (less than five per cent of non- tax revenue) from the following : Other Fiscal Services, Interest receipts, Dividends and Profits, Public Service Commission, Police, Jail, Stationery & Printing, Public Works, Other Administrative Services, Contribution & Recoveries towards pension and other retirement benefits, Medical & Public Health, Family Welfare, Water Supply & Sanitation, Housing, Urban Development, Information & Publicity, Labour & Employment, Social Security & Welfare, Other Social Services, Crop Husbandry, Animal Husbandry, Dairy Development, Fisheries, Forest & Wild Life, Agriculture & Research & Education, Cooperation, Other Agriculture Programs, Land Reforms, Other Rural Development Programs, Other special areas programs, Major Irrigation, Medium Irrigation, Minor Irrigation, Non Conventional Source of Energy, Village & Small Industries, Industries, Other Industries, Civil Aviation, Roads & Bridges, Road Transport, Tourism, Civil Supply and Other General Economic Services.

2015-16 and variation between actual of 2014-15 and 2015-16 under various heads of revenue ranged between (-) 22.67 to (+) 83.70 per cent.

The respective Departments reported the following reasons for variation:

Non-Ferrous Mining and Metallurgical Industries: The reason attributed by the Department for not achieving the Budget Estimate was due to revision in rates of royalty and mining of sand/*maurang* which was banned by order of Hon'ble high court. The reason for increase of receipt over previous year was due to increase of rates of royalty and special attention by enforcement.

The other Departments despite being requested did not intimate the reasons for variation in receipts from that of previous year (October 2016).

1.2 Analysis of arrears of revenue

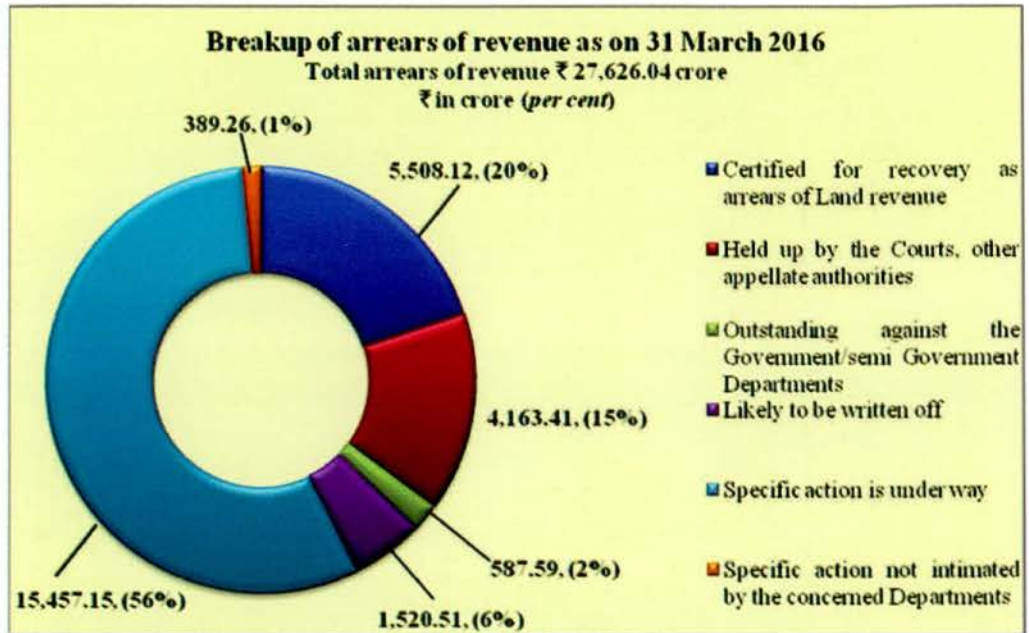
The arrears of revenue as on 31 March 2016 in respect of some principal heads of revenue amounted to ₹ 27,626.04 crore of which ₹ 11,864.37 crore was outstanding for more than five years, as detailed in **Table 1.2**.

Table 1.2
Arrears of revenue

(₹ in crore)				
Sl. No.	Head of revenue	Total Amount outstanding as on 31 March 2016	Amount outstanding for more than five years as on 31 March 2016	Stages at which arrears were pending
1.	Tax on Sales, Trade etc.	27,188.58	11,804.32	Out of ₹ 27,188.58 crore, demand for ₹ 4,270.19 crore had been certified for recovery as arrears of land revenue; recovery certificates for ₹ 1,195.28 crore have been sent to other states; recoveries for ₹ 4,122.26 crore had been stayed by the courts/appellate authority and Government; recoveries for ₹ 587.59 crore were outstanding against the Government/semi Government Departments; the demand for recovery of ₹ 1,514.74 crore was likely to be written off; and ₹ 41.37 crore was outstanding from transporters. For remaining amount of ₹ 15,457.15 crore, specific action is underway in the Department.
2.	Stamps and Registration Fees	243.76	The Department has no such data.	The details of arrears outstanding for more than five years were not available with the Department. The Department could not furnish stages under which recovery is pending.
3.	Taxes on Vehicles	118.11	The Department has no such data.	Out of ₹ 118.11 crore, demand for ₹ 13.98 crore had been stayed by the Hon'ble courts and Government. The details of arrears outstanding for more than five years were not available with the Department at Headquarter level.
4.	State Excise	52.72	52.25	Demand for the entire outstanding amount i.e. ₹ 52.72 crore had been certified for recovery as arrears of land revenue. Out of ₹ 52.72 crore, recovery certificates for ₹ 0.06 crore have been sent to other states; demand for ₹ 16.81 crore had been stayed by the Hon'ble courts and ₹ 5.77 crore was likely to be written off.
5.	Entertainment Tax	22.87	7.80	Out of ₹ 22.87 crore, demand for ₹ 10.36 crore had been stayed by the Hon'ble courts/appellate authority and demand for ₹ 12.51 crore had been certified for recovery as arrears of land revenue.
6.	Non-Ferrous Mining and Metallurgical Industries	Department has no such data	Department has no such data	The details of arrear were not available with the Department at Directorate level.
Total		27,626.04	11,864.37	

Source: Information provided by the Departments

Chart 1.4



Out of the total outstanding of ₹ 27,626.04 crore, ₹ 5,508.12 crore was certified for recovery as arrears of land revenue, ₹ 4,163.41 crore was held up by the Courts, other appellate authorities, ₹ 587.59 crore was outstanding against the Government/semi Government Departments, ₹ 1,520.51 crore was likely to be written off and for ₹ 15,457.15 crore specific action is underway in the Commercial Tax Department whereas specific action taken in respect of the remaining ₹ 389.26 crore was not intimated by the concerned departments.

1.3 Arrears in assessment

The details of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed of during the year and number of cases pending for finalisation at the end of the year as furnished by the Commercial Tax Department in respect of Taxes on Sales, Trade, etc. (Sales Tax, Value Added Tax, Entry Tax, Central Sales Tax and tax on works contracts) was as below in Table 1.3.

Table 1.3

Arrears in assessments

Head of revenue	Opening balance	New cases due for assessment during 2015-16	Total assessments due	Cases disposed of during 2015-16	Balance at the end of the year	Percentage of disposal (col. 5 to 4)
1	2	3	4	5	6	7
Tax on Sales, Trade etc.	66,261	2,21,963	2,88,224	2,79,019	9,205	96.81

Source: Information provided by the Department

The percentage of disposal was good but efforts may be made to dispose off cases in the same year so that arrears do not raise.

1.4 Evasion of tax detected by the Departments

The details of cases of evasion of tax detected by the Commercial Tax, Stamps and Registration, Transport, and Entertainment Tax Department, cases finalised and the demands for additional tax raised as reported by the Department are given in **Table 1.4**.

Table 1.4
Evasion of Tax

(₹ in crore)							
Sl. No.	Head of revenue	Cases pending as on 31 March 2015	Cases detected during 2015-16	Total	Number of cases in which assessment/ investigation completed and additional demand with penalty etc. raised		Number of cases pending for finalisation as on 31 March 2016
					Number of cases	Amount of demand	
1.	Tax on Sales, Trade etc.	9,003	6,682	15,685	6,788	2,374.25	8,897
2.	Stamps and Registration Fees	18,831	31,127	49,958	32,047	N.A.	17,911
3.	Taxes on Vehicles	5,358 ⁶	297	5,655	10	0.27	5,645
4.	Entertainment Tax	17	13	30	30 ⁷	0.04	0
Total		33,209	38,119	71,328	38,875	2,374.56	32,453

Source: Information provided by the Departments

It would be seen from the above table that number of cases pending for finalisation at the end of the year did not increase except in case of Taxes on Vehicles, but the reduction in pendency of cases was very slow.

1.5 Pendency of refund cases

The number of refund cases pending at the beginning of the year 2015-16, claims received during the year, refunds allowed during the year and the cases pending at the close of the year 2015-16 as reported by the Commercial Tax and State Excise Department is given in **Table 1.5**.

Table 1.5
Details of pendency of refund cases

(₹ in crore)					
Sl. No.	Particulars	Sales tax / VAT		State Excise	
		No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of the year	171	27.88	02	1.83
2.	Claims received during the year	9,761	731.49	0	0
3.	Refunds made during the year	9,814	754.44	0	0
4.	Balance outstanding at the end of the year	118	4.93	02	1.83

Source: Information provided by the Departments

⁶ The Department stated that the data of opening balance as on 01.04.2015 informed earlier was provisional and has been amended.

⁷ This includes 17 cases of previous year in which no discrepancy was found.

Uttar Pradesh VAT Act provide for payment of interest, at the rate of one *per cent* per month, if the excess amount is not refunded to the dealer within 30 days from the date of order of refund passed by the assessing authority till the refund is made. Though the progress of refund cases of sales tax/ VAT was considerably good but the pendency of the refund at the end of the year is liable for payment of interest. In State Excise Department the claims pending from previous year were not refunded during the year.

1.6 Response of the Government / Departments towards audit

The Accountant General (E&RSA), Uttar Pradesh conducts periodical inspection of the Government Departments to test check the transactions and verify the maintenance of important accounts and other records as prescribed in the rules and procedures. These inspections are followed up with the Inspection Reports (IRs) incorporating irregularities detected during the inspection and not settled on the spot, which are issued to the heads of the offices inspected with copies to the next higher authorities for taking prompt corrective action. The heads of the offices/Government are required to promptly comply with the observations contained in the IRs, rectify the defects and omissions and report compliance through initial reply to the AG within one month from the date of issue of the IRs. Serious financial irregularities are reported to the heads of the Department and the Government.

Analysis of Inspection Reports issued upto December 2015 disclosed that 39,256 audit observations involving ₹ 6,977.03 crore relating to 11,616 IRs remained outstanding at the end of June 2016 as mentioned below alongwith the corresponding figures for the preceding two years in **Table 1.6**.

Table 1.6

Details of pending Inspection Reports

	June 2014	June 2015	June 2016
Number of IRs pending for settlement	11,104	10,899	11,616
Number of outstanding audit observations	34,446	38,049	39,256
Amount of revenue involved (₹ in crore)	6,816.69	6,813.44	6,977.03

Source: Information available in the audit office

1.6.1 The Department-wise details of the IRs and audit observations outstanding as on 30 June 2016 and the amounts involved are mentioned in the **Table 1.6.1**.

Table 1.6.1
Department-wise details of IRs

					(₹ in crore)
Sl. No	Name of the Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit observations	Money value involved
1	Finance	Taxes on Sales, Trade etc.	5,191	22,796	3,573.00
		Entertainment tax	163	344	15.25
2	State Excise	State Excise	1,161	2,260	1,075.62
3	Transport	Taxes on vehicles	1,253	4,885	812.09
4	Stamps and Registration	Stamps and registration fees	3,680	8,147	740.45
5	Geology and Mining	Non-ferrous mining and metallurgical industries	168	824	760.62
Total			11,616	39,256	6,977.03

Source: Information available in the audit office

Audit did not receive even the first replies from the heads of offices within one month from the date of issue of the IRs for 631 IRs issued during 2015-16. This large pendency of the IRs due to not receiving the replies is indicative of the fact that the heads of offices and the Departments did not initiate action to rectify the defects, omissions and irregularities pointed out by the AG in the IRs.

1.6.2 Departmental audit committee meetings

The Government sets up audit committees to monitor and expedite the progress of the settlement of the IRs and paragraphs in the IRs. The details of the audit committee meetings held during the year 2015-16 and the paragraphs settled are mentioned in **Table 1.6.2**.

Table 1.6.2
Details of Departmental audit committee meetings

				(₹ in crore)
Sl. No.	Head of revenue	Number of meetings held	Number of paras settled	Amount
1.	Tax on Sales, Trade etc.	23	72	2.11
2.	Taxes on Vehicles	02	53	0.24
3.	Stamp and Registration fees	01	76	1.33
4.	Entertainment Tax	01	19	0.12
Total		27	220	3.80

Source: Information available in the audit office

The progress of settlement of paragraphs pertaining to the Commercial Tax Department, Transport Department, Stamp and Registration Department and Entertainment Department was negligible as compared to the huge pendency of the IRs and paragraphs; despite holding Departmental audit committee meetings. State Excise Department and Geology and Mining Department did not hold any Departmental audit committee meetings despite the request.

The Government may consider devising an effective system for prompt and appropriate response to audit observations and to hold audit committee meetings.

1.6.3 Records not produced to audit for scrutiny

The programme of local audit of Tax Revenue/Non-tax Revenue offices is drawn up sufficiently in advance and intimations are issued, usually one month before the commencement of audit, to the Departments to enable them to keep the relevant records ready for audit scrutiny.

During the year 2015-16 in 29 commercial tax offices list of deemed cases, assessment files, returns, refunds registers and other relevant records were not made available to Audit. Audit could not ascertain the amount involved in these cases due to unavailability of records.

1.6.4 Response of the Departments to the draft audit paragraphs

The draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded by the AG to the Principal Secretaries / Secretaries of the concerned Department, drawing their attention to audit findings and requesting them to send their response within six weeks. The fact of not receiving of the replies from the Departments / Government is invariably indicated at the end of such paragraphs included in the Audit Report.

Twenty six draft paragraphs including one Performance audit were sent to the Principal Secretaries of the respective Departments by name between May 2016 and July 2016. The replies of the Government/Department have been included in this Report.

1.6.5 Follow up on the Audit Reports-summarised position

To ensure accountability of the executive in respect of all the issues dealt in the various Audit Reports (ARs), the Department of Finance issued instructions in June 1987 to initiate *suo moto* action on all paragraphs/Performance audits figuring in the Audit Reports irrespective of whether the cases were taken up for examination by the Public Accounts Committee (PAC) or not. In spite of these provisions, the explanatory notes on audit paragraphs of the Reports were being delayed inordinately. Two hundred and fourteen paragraphs (including Performance audits) included in the Reports of the Comptroller and Auditor General of India on the Revenue Sector of the Government of Uttar Pradesh for the years ended 31 March 2011, 2012, 2013, 2014 and 2015 were placed before the State Legislature Assembly between 30 May 2012 and 08 March 2016. The action taken explanatory notes from the Departments concerned on these paragraphs were received late. For the Audit Reports 2010-11 to 2014-15, against 214 paragraphs action taken explanatory notes of 129 paragraphs were received late with delay ranging between one month and 43 months. Action taken explanatory notes in respect of 85 paragraphs from the Departments had not been received for the Audit Report year ended 31 March 2011, 2012, 2013, 2014 and 2015 so far (October 2016).

The PAC discussed 96 selected paragraphs pertaining to the Audit Reports for the years from 2010-11 to 2013-14. However, Action Taken Notes (ATNs)

have not been received in respect of 96 paragraphs of the PAC from the Departments concerned as mentioned in **Table 1.6.3**.

Table 1.6.3
Summarised position of ATNs of Audit Reports

Year	Name of the Department	Total
2010-11	State Excise, Transport and Stamp & Registration, Weight and Measurement	17
2011-12	Commercial Tax, State Excise, Transport, Stamp & Registration, Geology and Mining, Medical Health and Family Welfare/ Forest, Weight and Measurement	54
2012-13	State Excise, Transport, Geology and Mining, Weight and Measurement	18
2013-14	State Excise, Commercial Tax	07
Total		96

Source: Information available in the audit office

1.7 Analysis of the mechanism for dealing with the issues raised by Audit

To analyse the system of addressing the issues highlighted in the Inspection Reports/Audit Reports by the Departments/Government, the action taken on the paragraphs included in the Audit Reports of the last 10 years for Transport Department was evaluated and is included in this Audit Report.

The succeeding paragraphs 1.7.1 to 1.7.2 discuss the performance of the Transport Department under revenue head 0041 and 0042 and cases detected in the course of local audit during the last ten years and also the cases included in the Audit Reports for the years 2006-07 to 2015-16.

1.7.1 Position of Inspection Reports

The summarised position of the Inspection Reports issued to Transport Department during the last 10 years, paragraphs included in these reports and their status as on 31 March 2016 are tabulated below in **Table-1.7.1**.

Table 1.7.1
Position of Inspection Reports

(₹ in crore)													
Sl. No.	Year	Opening Balance			Addition during the year			Clearance during the year			Closing balance during the year		
		IRs	Para graphs	Money value	IRs	Para graphs	Money value	IRs	Para graphs	Money value	IRs	Para graphs	Money value
1	2006-07	904	2,710	102.72	61	171	9.22	1	4	0.01	964	2,877	111.93
2	2007-08	964	2,877	111.93	67	295	11.35	6	12	0.10	1,025	3,160	123.18
3	2008-09	1,025	3,160	123.18	74	245	107.19	208	546	10.73	891	2,859	219.65
4	2009-10	891	2,859	219.65	78	360	25.74	39	111	11.15	930	3,108	234.24
5	2010-11	930	3,108	234.24	60	183	8.34	132	610	15.57	858	2,681	227.01
6	2011-12	858	2,681	227.01	71	510	87.47	4	24	0.39	925	3,167	314.09
7	2012-13	925	3,167	314.09	80	744	170.80	0	5	0.12	1,005	3,906	484.77
8	2013-14	1,005	3,906	484.77	78	733	327.22	7	114	1.77	1,076	4,525	810.22
9	2014-15	1,076	4,525	810.22	60	575	57.88	0	6	0.20	1,136	5,094	867.90
10	2015-16	1,136	5,094	867.90	66	526	28.95	0	53	0.24	1,202	5,567	896.61

Source: Information available in the audit office

The Government arranges Audit Committee Meetings between the Department and AG's office to settle the old paragraphs. As would be evident from the above table, against 904 outstanding IRs with 2,710 paragraphs as on 01 April 2006, the number of outstanding IRs increased to 1,202 with 5,567 paragraphs as on 31 March 2016. This is indicative of the fact that adequate steps were not taken by the Department in this regard resulting in increase in the number of the outstanding IRs and paragraphs.

1.7.2 Recovery of accepted cases

The position of paragraphs included in the Audit Reports of the last 10 years, those accepted by the Transport Department and the amount recovered are mentioned in **Table 1.7.2**.

Table 1.7.2
Recovery of accepted cases

Year of Audit Report	Number of paragraphs included	Money value of the paragraphs	Number of paragraphs accepted	₹ in crore)	
				Money value of accepted paragraphs	Amount recovered
2005-06	3	1.73	3	1.30	1.18
2006-07	2	6.11	0	0	0
2007-08	2	82.02	1	30.62	16.12
2008-09	4	5.80	4	1.48	0.38
2009-10	6	15.62	4	3.48	1.98
2010-11	7	2.46	6	1.58	0.72
2011-12	9	15.42	5	11.28	4.21
2012-13	8	9.75	6	1.88	0.64
2013-14	10	35.58	0	0	0
2014-15	7	38.82	6	38.52	0.20

Source: Information available in the audit office

It is evident from the above table that the progress of recovery even in accepted cases was negligible during the last ten years. The recovery of accepted cases was to be pursued as arrears recoverable from the concerned parties. No mechanism for pursuance of the accepted cases had been put in place by the Department/Government. In the absence of a suitable mechanism, the Department could not monitor recovery of accepted cases.

The Department may take immediate action to pursue and monitor prompt recovery of the dues involved in accepted cases.

1.8 Action taken on recommendations accepted by the Departments/ Government

The draft Performance audits (PAs) conducted by the AG are forwarded to the concerned Department/Government for their information with a request to furnish their replies. These Performance audits were also discussed in an exit conference and the Department's/ Government's views were included while finalising the Performance audits for the Audit Reports.

The details of accepted recommendations and their status in respect of

Performance audits on the Commercial Tax Department, Transport Department and Stamp and Registration Department featured in the last five years Reports are shown in the **Appendix-I**.

1.9 Audit execution for the financial year 2015-16

The unit offices under various Departments are categorised as high, medium and low risk units according to their revenue position, past trends of the audit observations and other parameters. The annual audit plan is prepared on the basis of risk analysis which *inter-alia* include critical issues in Government revenues and tax administration i.e. budget speech, white paper on state finances, Reports of the Finance Commission (State and Central), recommendations of the Taxation Reforms Committee, statistical analysis of the revenue earnings during the past five years, factors of the tax administration, audit coverage and its impact during past five years etc.

During the year 2015-16, there were 2,352 auditable units, of which 585 units were planned and 580 units had been audited, which is 25 *per cent* of the total auditable units. Five planned units could not be audited due to one unit being closed, one unit refused audit referring to Hon'ble High Court's decision and three units requested for audit after March 2016 due to administrative reason (**Appendix-II**).

1.10 Deficiencies noticed in the audit conducted during the year

During the year 2015-16 we test checked the records of 580 units relating to Tax on Sales, Trade, etc., State Excise, Taxes on Vehicles, Goods and Passengers, Stamps and Registration fees, Entertainment Tax and Mining Receipts and found underassessment/ short levy/ loss of revenue aggregating to ₹ 3,240.99 crore in 2,673 cases. During the course of the year, the Departments concerned accepted underassessment and other deficiencies of ₹ 1,552.24 crore involved in 788 cases, of which 462 cases involving ₹ 1,547.67 crore were pointed out in 2015-16 and rest in earlier years. An amount of ₹ 1.73 crore was realised in 277 cases of which 50 cases involving ₹ 84.71 lakh were pointed out in 2015-16 and rest pertains to earlier years.

1.11 Coverage of this Report

This Report contains 26 paragraphs (selected from the audit detections made during the local audit referred to above and during earlier years, which could not be included in earlier reports) including one performance audit of **“Working of the Transport Department”** and three audits of **“Sustainable mining with optimization of revenue in Geology and Mining Department”**, **“System of collection of arrears of revenue in Commercial Tax Department in Uttar Pradesh”** and **“E-Stamping and PRERNA software in Stamp and Registration Department”** involving financial effect of ₹ 2,895.55 crore.

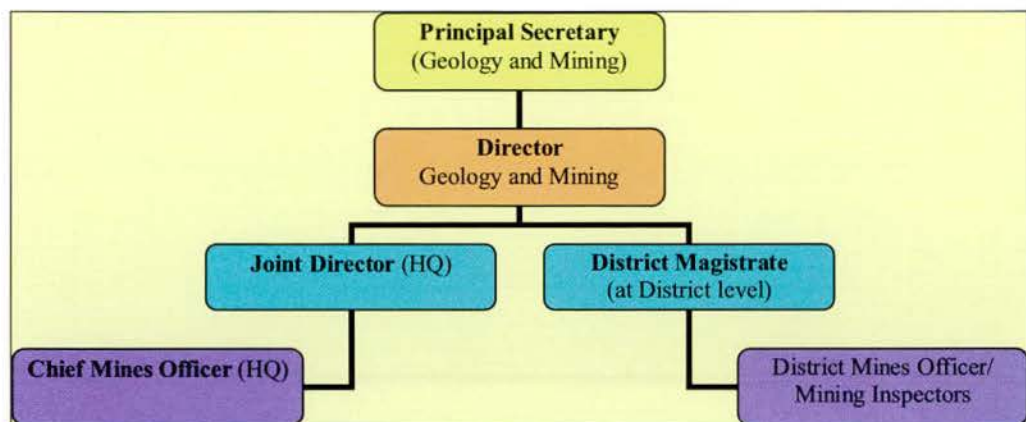
The Departments/Government have accepted audit observations involving ₹ 1,547.50 crore out of which ₹ 82.05 lakh had been recovered (September 2016). These are discussed in succeeding Chapters II to VI.

CHAPTER-II MINING RECEIPTS

2.1 Tax administration

The levy and collection of receipts from Mining in the State is governed by the Mines and Minerals (Development and Regulation) Act, 1957, the Mineral Concession Rules, 1960 and the Uttar Pradesh Minor Mineral Concession Rules, 1963. The Principal Secretary Geology and Mining, Uttar Pradesh, is the administrative head at Government level. The overall control and direction of Geology and Mining Department (Department) is vested with the Director, Geology and Mining, Uttar Pradesh, Lucknow.

Chart 2.1 Orgainsational setup



2.2 Internal audit

Internal Audit of an organisation is a vital component of the internal control mechanism and is generally defined as the control of all controls. It enables the organisation to assure itself that the prescribed systems are functioning reasonably well.

Details of organisational setup of the internal audit wing of the Department and staff posted for the same were not provided by the Department. Year in which Internal Audit Wing was established in the Department was also not provided by the Department.

The details of Internal Audit (IA) planning such as number of units planned for audit, number of units audited and shortfall are shown in **Table 2.1**.

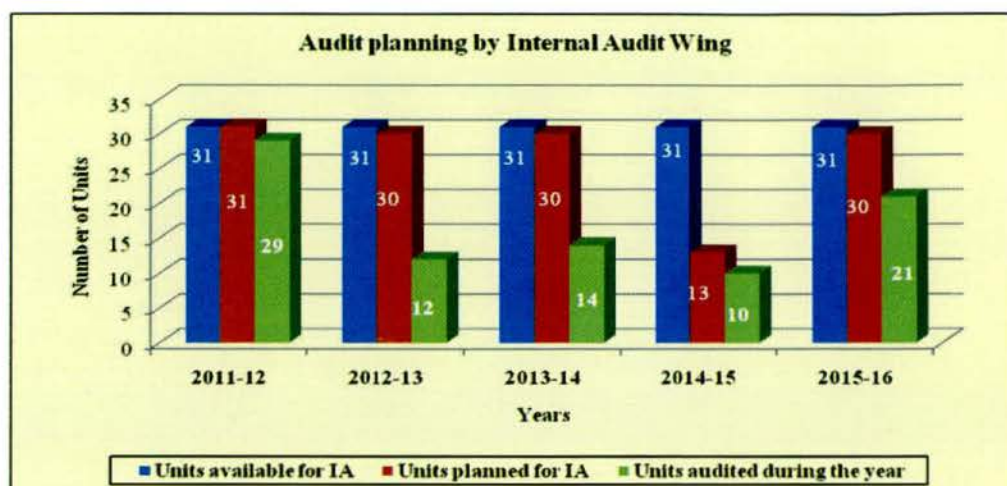
Table 2.1

Audit planning by internal audit wing

Year	Total number of units available for IA	Number of units planned for IA	Number of units audited during the year	Shortfall	Percentage of shortfall
2011-12	31	31	29	2	6.45
2012-13	31	30	12	18	60.00
2013-14	31	30	14	16	53.33
2014-15	31	13	10	3	23.08
2015-16	31	30	21	09	30.00

Source: Information provided by the Department.

Chart: 2.2



This shows that the audit planning of the IAW is not realistic as shortfall ranged from 6.45 per cent to 60 per cent during the years 2011-12 to 2015-16. Reasons for shortfall as stated were that audit was not conducted under orders of Director Geology and Mining for three years and in 2015-16 it was not done due to Panchayat elections. We do not agree with the reply of the Department because in some districts internal audit were conducted and Panchayat elections were not held throughout the year.

The internal audit conducted by the IAW and number and amount of objection raised and settled during the year is mentioned in Table 2.2.

Table 2.2

Details of outstanding paras and amount

Year	(₹ in crore)							
	Opening balance		Addition during the year		Clearance during the year		Closing balance	
	No. of cases	Amount involved	No. of cases	Amount involved	No. of cases	Amount involved	No. of cases	Amount involved
2011-12	1,216	55.43	82	10.87	5	2.55	1,293	63.75
2012-13	1,293	63.75	41	4.44	8	3.16	1,326	65.03
2013-14	1,326	65.03	38	7.39	0	0.62	1,364	71.80
2014-15	1,364	71.80	21	5.72	0	0	1,385	77.52
2015-16	1,385	77.52	37	9.09	24	2.40	1,398	84.21

Source: Information provided by the Department.

It is clear from the above table that compliance made by the Department against the cases raised by the IAW is very low as well as pendency is increasing year to year.

2.3 Results of audit

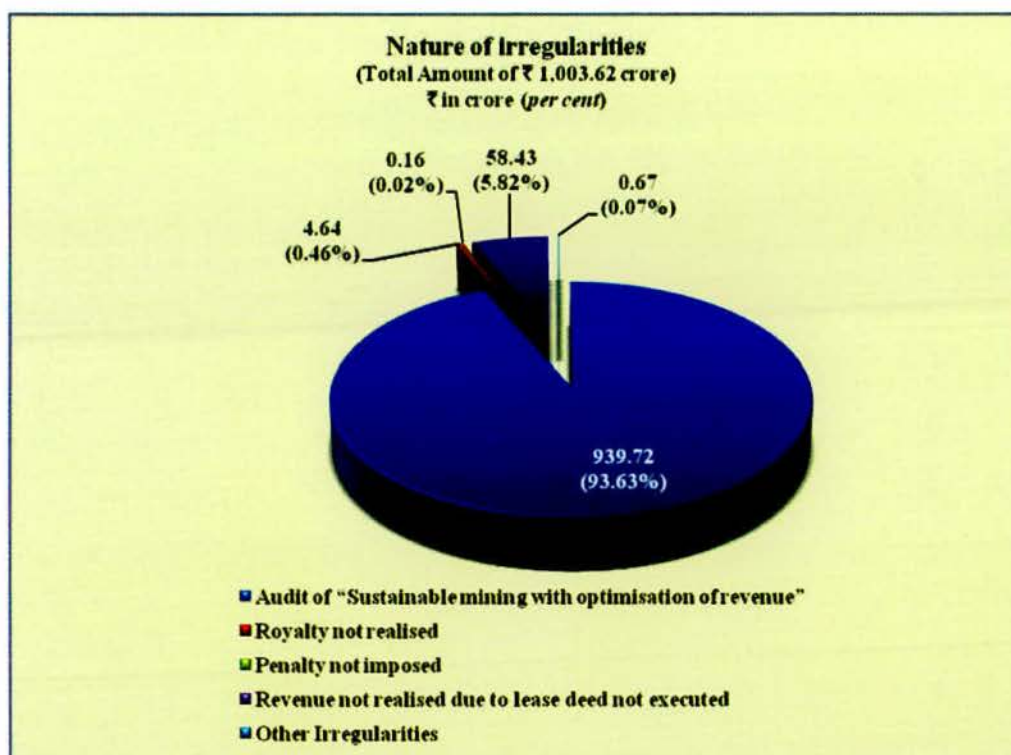
In 2015-16, the Department realised revenue of ₹ 1,222.17 crore. We planned nine annual units, three biennial units and eight triennial units out of the total 75 units of Geology and Mining Department during 2015-16 and test checked all the above planned units which showed irregularities of royalty, penalty, revenue due to not execution of lease deed etc. amounting to ₹ 1,003.62 crore in 61 cases, which fall under the following categories as mentioned in Table 2.3.

Table 2.3
Results of audit

(₹ in crore)			
Sl. No.	Category	Number of cases	Amount
1.	Audit of "Sustainable mining with optimisation of revenue in Geology and Mining Department"	1	939.72
2.	Royalty not realised	22	4.64
3.	Penalty not imposed	10	0.16
4.	Revenue not realised due to lease deed not executed	18	58.43
5.	Other Irregularities	10	0.67
Total		61	1,003.62

Source: Information available in the Audit office.

Chart 2.3



During the course of the year, the Department accepted deficiencies of ₹ 70.39 crore in six cases which were pointed out in 2015-16.

Audit of "Sustainable mining with optimization of revenue in Geology and Mining Department" involving ₹ 939.72 crore and a few illustrative cases of compliance deficiency involving ₹ 7.27 crore are discussed in the following paragraphs.

2.4 Audit of “Sustainable mining with optimisation of revenue in Geology and Mining Department”

2.4.1 Introduction

The Mines and Minerals (Development and Regulation) (MMDR) Act 1957 as amended in 2015 enacted by the Central Government, lays down the legal framework for regulation of mines and development of minerals. The Mineral Concession Rules, 1960 have been framed for conservation and systematic development of minerals and for regulating grant of permits, licences and leases. Legislations for exploration of minor minerals have been delegated to the states. Accordingly, the Uttar Pradesh Minor Mineral Concession Rules, 1963 and the Uttar Pradesh Minerals (Prevention of Illegal Mining Transportation and Storage) Rules, 2002 were framed by the State Government. The Environment (Protection) Act, 1986 and Rules provides the necessary powers to the Government to take suitable actions for preventing, controlling and abetting environment pollution.

2.4.2 Audit objectives

The audit has been conducted with a view to ascertain whether:

- mining leases are granted as per prescribed procedure/ system and penal provisions have been invoked whenever necessary;
- fixing and collection of rent, royalty, fees, dead rent, fines or other charges was done as per MMDR Act 1957 and Rules made thereunder; and
- environment clearances were obtained under Environment Impact Assessment notification 2006.

2.4.3 Audit scope and methodology

Out of 75 districts of Uttar Pradesh 18 districts¹ were selected for detailed audit scrutiny. We segregated the units into high, medium and low risk on the basis of revenue realised by the District Mines Offices (DMOs). We examined the records of all the 14 DMOs identified as high risk, two DMOs identified as medium risk and two DMOs identified as low risk. We conducted the audit between January 2016 and May 2016. The records of office of the Director, Geology and Mining Department, Lucknow and 18 DMOs were examined for the period from April 2011 to March 2016. The objectives of the audit were discussed in the entry conference held on 22 January 2016 with the Principal Secretary cum Director, Geology and Mining Department. We held an exit conference with the Government and Department on 27 July 2016 in which the audit findings were discussed with the Principal Secretary. All the recommendations discussed in exit conference were accepted by the Department. The views of the Government/Department have been incorporated in the report.

¹ Agra, Allahabad, Ambedkarnagar, Bahraich, Banda, Bulandshahar, Chitrakoot, Faizabad, Fatehpur, G B Nagar, Hamirpur, Jalaun, Jhansi, Lalitpur, Mahoba, Mirzapur, Saharanpur and Sonbhadra.

2.4.4 Audit findings

We test checked 681 (587 of stone leases and 94 of sand leases) out of 1,216 leases (1,122 of stone lease and 94 of sand leases) in operation and our findings of 7,067 cases involving ₹ 939.72 crore are mentioned in following paragraphs:

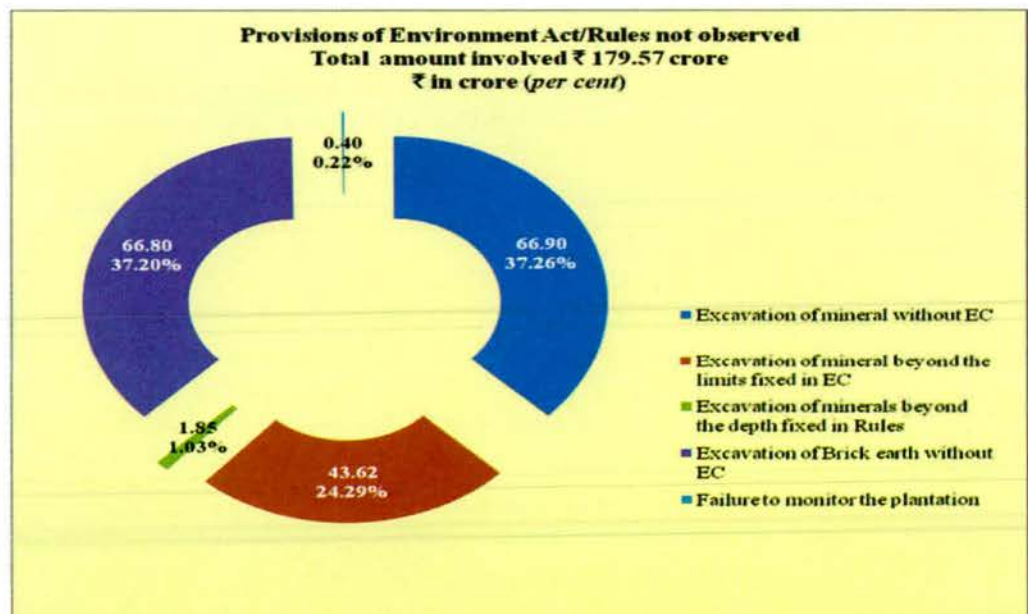
Provisions of Environment Act/Rules not observed



Section 15 of the Environment Protection Act, 1986 provides that whoever fails to comply with or contravenes any of the provisions of this Act, or the rules made or orders or directions issued thereunder, shall in respect of each such failure or contraventions be punishable with imprisonment for a term which may extend to five years or with fine, which

may extend to one lakh rupees or with both and in case of failure or contravention continues with an additional fine which may extend to five thousand rupees for every day during which such failure or contravention continues after the conviction for the fresh such failure or contravention. We examined whether the provisions of Environment Act/Rules were complied with by the Department. Our observations on these issues involving ₹ 179.57 crore are mentioned in following paragraphs:

Chart 2.4



2.4.5 Excavation of mineral without Environment Clearance (EC)

To protect the environment, the Government issued orders in May 2011 and March 2012 for addition of the EC clause in mining lease. According to this clause, mining lease holder shall get EC from the Ministry of Environment and Forest (MoEF) at their own cost. The quantity to be excavated during the year is mentioned in EC. If any person excavates the minerals beyond the quantity approved in EC it is treated as illegal and attracts royalty, cost of minerals and penalty under section 21(5) of the MMDR Act.

Under Section 21(5) of the MMDR Act, whenever any person raises without lawful authority, any mineral from any land, the State Government may recover from such person the mineral so raised or where such mineral has already been disposed off, the price thereof along with royalty. Further under Rule 21 (2) of UPMMC Rules, the total royalty is fixed at the rate of not more than 20 per cent of the pit's mouth value of minerals.

2.4.5.1 Stone lease

The minimum fine of ₹ one lakh and cost of excavated mineral amounting to ₹ 20.57 crore were not recovered from three lessees for excavating 4.16 lakh cubic meters of minor minerals without EC.

We examined (between January 2016 and May 2016) files of lease holders of sampled DMOs and observed that in two DMOs² in three cases, the lessees had excavated 4.16 lakh cubic meters of minor minerals without EC (May 2011 and January 2016) on which lessees paid royalty of ₹ 4.11 crore. The DMOs took no steps to ensure that lease holders had obtained EC. The mineral excavated by the lessees were unauthorised. They neither stopped these mining activities nor imposed the required penalty. The minimum fine of ₹ one lakh each to be imposed on lessees for the violation of environment rules and the cost of excavated minerals which was five times of royalty amounting to ₹ 20.57 crore were recoverable from the lessees.

During exit conference the Department stated that mining leases were running prior to period for which the EC was compulsory. The reply of the Department is not acceptable because all these cases pertain to the period between May 2011 and January 2016 for which the EC was compulsory.

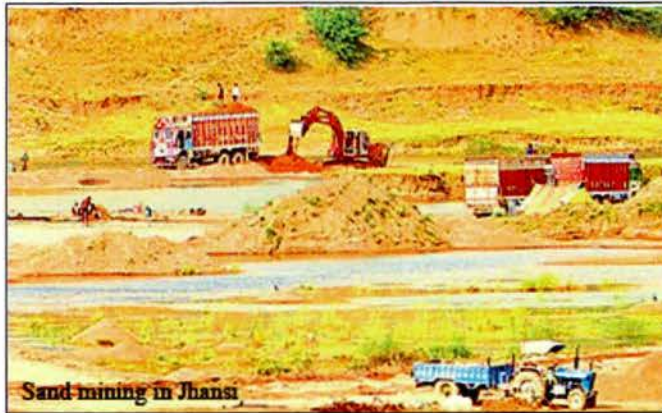
2.4.5.2 Sand lease

The minimum fine of ₹ one lakh and cost of excavated mineral amounting to ₹ 46.33 crore were not recovered from one lessee for excavating 18.73 lakh cubic meters of minor minerals without EC.

We examined (between January 2016 and May 2016) files of sand lease holders of sampled DMOs and observed that in DMO Jhansi, the lessee had excavated 18.73 lakh cubic meters of sand/*morrhum* during the period between May 2012 and August 2013 without EC for which lessee paid ₹ 9.27 crore as royalty. The mineral excavated by the lessee was unauthorised. The DMO took no steps to ensure that lease holder had obtained EC. He neither stopped

² Jhansi and Mirzapur.

these mining activities nor imposed the penalty. The minimum fine of ₹ one lakh to be imposed on lessee for the violation of environment rules and the cost of excavated mineral which was five times of royalty amounting to ₹ 46.33 crore was recoverable.



During exit conference the Department stated that mining leases were running prior to period for which the EC was compulsory. The reply of the Department is not acceptable because all these cases pertain to the period between May 2012 and August 2013 for which the EC was

compulsory.

2.4.6 Excavation of minerals beyond the limits fixed in Environment Clearance

Environment clearance has sufficient safeguards build into their provisions to ensure protection of the environment. Further the Government also issued directions vide order dated 10 April 2014 for issuance of MM-11 not more than quantity approved in EC.

2.4.6.1 Stone lease

The minimum fine of ₹ one lakh and the cost of mineral amounting to ₹ 2.12 crore was not recovered from three lessees for excavating 58,389 cubic meters of Gitti/pattiya/boulder in excess of the EC.

We examined (between January 2016 and May 2016) files of stone lease holders of sampled DMOs and observed that in two DMOs³, three lessees had excavated 58,389 cubic meters of *Gitti/pattiya/boulder* (April 2015 and February 2016) in three cases in excess of the quantity fixed in EC. Thus, the mineral excavated by the lessees was unauthorised and the cost of the excavated mineral amounting to ₹ 2.12 crore was recoverable from the lessees. Despite records being available which showed regular excess excavation in this period, the DMOs neither initiated any action against the lessees for excess excavation nor took any action for recovery of the cost of excavated mineral which was five times of royalty amounting to ₹ 2.12 crore and minimum fine of ₹ one lakh each for the violation of environment rules (Appendix-III).

During exit conference the Department stated that since there is no provision for recovery of cost of minerals and penalty in UPMMC Rule 1963 for excavation by the lessees beyond the quantity mentioned in EC, therefore recovery was not required. The reply of the Department is not tenable as EC is

³ Allahabad and Mirzapur.

a necessary condition for any lease, the recovery of cost of mineral is also a condition under section 21(5) of MMDR Act.

2.4.6.2 Sand lease

The minimum fine of ₹ one lakh and cost of the mineral amounting to ₹ 41.50 crore was not recovered from 27 lessees for excavating 14.94 lakh cubic meters of Sand/ morrum in excess of quantity fixed in EC.

Mining, especially mining of sand, can cause severe environmental degradation if not done scientifically. Sand is a very important medium for ground water recharge and in the absence of sand, rainfall would result in runoff. Illegal excavation by way of over exploitation of sand has a negative impact on environment which not only results in reduced recharging of groundwater bodies but also affects the quality of groundwater.

We examined (between January 2016 and May 2016) mining lease case files and mining plans of sampled DMOs and observed that in 10 DMOs⁴, the lessees had excess excavated 14.94 lakh cubic meters of sand/morrum in 27 cases during the period between November 2012 and January 2016 against 16.93 lakh cubic meters permitted in EC on which lessees paid royalty of ₹ 8.30 crore. DMOs allowed the excess excavation of mineral by issuing MM-11 forms to these lease holders. Thus, the mineral excavated by the lessees was unauthorised and the cost of the excavated mineral which was five times of royalty amounting to ₹ 41.50 crore was not recovered along with minimum fine of ₹ one lakh each (**Appendix-IV**).

During exit conference the Department stated that since there is no provision for recovery of cost of minerals and penalty in UPMMC Rule 1963 for excavation by the lessees beyond the quantity mentioned in EC, therefore recovery was not required. The reply of the Department is not tenable as EC is a necessary condition for any lease, the recovery of cost of minerals is also a condition under section 21(5) of MMDR Act.

Government may ensure that the excavation/ extraction of minor minerals is allowed only after receipt of the Environment Clearance Certificate.

2.4.7 Excavation of minerals beyond the depth fixed in rules

The lessee excavated 49,360 cubic meters of sand beyond the depth of three meter, which was unauthorised but the cost of the excavated mineral amounting to ₹ 1.85 crore was not recovered.

Under Rule 41(h) of UPMMC 1963, the lessee shall not do any mining operations beyond the depth of three meters or water level whichever is less in the river bed and no mining shall be carried out in the safety zone so worked out by the District Officer. Further, Sections 21 (1) and (5) of MMDR Act prescribes that the penalty for any illegal mining includes recovery of the price

⁴ Agra, Allahabad, Banda, Chitrakoot, Fatehpur, Faizabad, Hamirpur, Jalaun, Saharanpur and Sonbhadra.

of the mineral, rent, royalty or taxes as the case may be, for the period during which the land was occupied by such person without any lawful authority.

We examined (between January 2016 and May 2016) mining lease case files of sampled DMOs and observed that in DMO Sonebhadra, a sand lease area for 5.60 acre for the period from March 2010 to March 2013 was granted. As per MM-11 issue register lessee excavated 1,17,350 cubic meters against authorised quantity of 67,990 cubic meters sand, the lease area⁵ of 22,663 sq. metres excavated upto depth of three metres between 04 March 2013 to 14 March 2013. Thus, the DMO allowed the lessee to excavate 49,360 cubic meters of sand beyond the depth of three meter which was unauthorised and the cost of the excavated mineral which was five times of royalty amounting to ₹ 1.85 crore was not recovered.

During exit conference the Department stated that mineral had been extracted after payment of royalty in advance by the lessee. Therefore recovery of cost of mineral from lessee was not required. The reply of the Department is not tenable because the cases of contravention of Rule 41(h) are treated as illegal mining and the condition of section 21(5) of MMDR Act will be applicable on them.

2.4.8 Excavation of brick earth without environment clearance

The minimum fine of ₹ one lakh each and cost of mineral amounting to ₹ 66.80 crore was not recovered from 2,909 brick kilns which operated during the period 2013-14 to 2014-15 without EC.



Ministry of Environment and Forests (MOEF) issued a notification under sub-rule (3) of rule 5 of the Environment (Protection) Rules 1986, dated 14 September 2006 for imposing certain restrictions and prohibitions on mining projects. Further, MOEF issued an OM on dated 24th June 2013 clarifying the ambit of notification dated 14 September 2006 in its application to the activities of excavation/borrowing of brick earth in connection with the operation of brick kilns. Such type of excavation of ordinary earth was categorised in B-2 category. Therefore, consent for operation of brick kiln to the brick kiln owners could not be granted without obtaining EC.

As per provision of rule 34 of UPMMCR 1963 the lessee shall start the mining operation after obtaining EC if required under the provisions of EIA notification.

⁵ 1 acre= 4046.8564 square metres

Under Section 21(5) of the MMDR Act, whenever any person raises without lawful authority, any mineral from any land, the State Government may recover from such person the mineral so raised or where such mineral has already been disposed off, the price thereof along with royalty.

We examined (between January 2016 and May 2016) permit registers, bhatta registers and challans registers of sampled DMOs and observed that in 14 DMOs⁶, 2,909 brick kilns owners operated their kilns during the period 2013-14 to 2014-15 and paid due royalty without obtaining EC. Thus, the excavation of brick earth without EC was not only illegal but could also affect the environment and so was unauthorised. Despite the fact that the mining activities were being carried out, the Department did not take any action to stop the business or levy penalty as per Rules. The minimum fine of ₹ one lakh was to be imposed on each kiln owners for the violation of environment rules. The cost of excavated mineral which was five times of royalty amounting to ₹ 66.80 crore was also not recovered (**Appendix-V**).

During exit conference the Department stated that requirement of EC for excavation of brick clay is a new provision and it will take some time to be executed completely. It is evident from the reply of the Department, that the provision of EC and recovery of cost of mineral remains to be implemented.

2.4.9 Failure to monitor the plantation

For violation the provisions of plantation in lease deed the minimum fine of ₹ 40 lakh was not levied on 40 lease holders.

The Government issued direction dated 4 June 2008 for addition of the clause of plantation in the mining leases. As per this clause, any mining lease holder undertaking mining on one acre or more area shall plant 200 trees per acre at their own cost.

We examined (between January 2016 and May 2016) files of lease holders of sampled DMOs and observed that in five⁷ DMOs, between 2011-12 and 2015-16 the mining of stone ballast/boulder/grit/granite/sand etc. was carried out by 40 lease holders in 191.77 acres of land. As per condition of lease, plantation was required to be done. In all the cases of 40 lease holders nothing was found on record regarding plantation work and as per section 15 of Environment Act the DMOs took no steps to ensure these lease holders carried out the plantation work. They neither stopped these mining activities nor imposed the required penalty. For this violation a minimum fine of ₹ one lakh on each lessee amounting to ₹ 40 lakh was also not imposed. Apart from this, there was also a provision that an additional fine which may extend to ₹ 5,000 per day during such contravention was leviable under section 15 of Environment Protection Act 1986.

During exit conference the Department stated that building stone and sand/morrum are found either in stony area or in riverbed where plantation is

⁶ Agra, Allahabad, Ambedkar Nagar, Bahraich, Balandshahar, Chitrakoot, Faizabad, Fatehpur, G B Nagar, Hamirpur, Jalaun, Mirzapur, Saharanpur and Sonebhadra.

⁷ Ambedkar Nagar, Agra, Hamirpur, Lalitpur and Mirzapur

not practically possible. The reply of the Department is not acceptable because for plantation the mining Department should have requested the Forest Department to carry out plantation after obtaining of requisite amount from the lessees.

2.4.10 Annual environment statement not filed

Lessees had not submitted the environment statement (Form V) during the period of lease.

Rule 14 of the Environment (Protection) Rules, 1986, stipulates that every person carrying on an industry requiring consent under Section 25 of the Water (Prevention and Control of Pollution) Act, 1974 or under Section 21 of the Air (Prevention and control of Pollution) Act, 1981, shall submit an environment statement (Form V) for the financial year ending on 31 March to the concerned State Pollution Control Board (SPCB) of every year. Further, as per Section 15 of the Environment (Protection) Act, 1986, penalty up to ₹ one lakh shall be levied for contravention of these Acts/Rules and in case of repeated failures an additional fine which may extend to ₹ 5000 per day shall be levied.

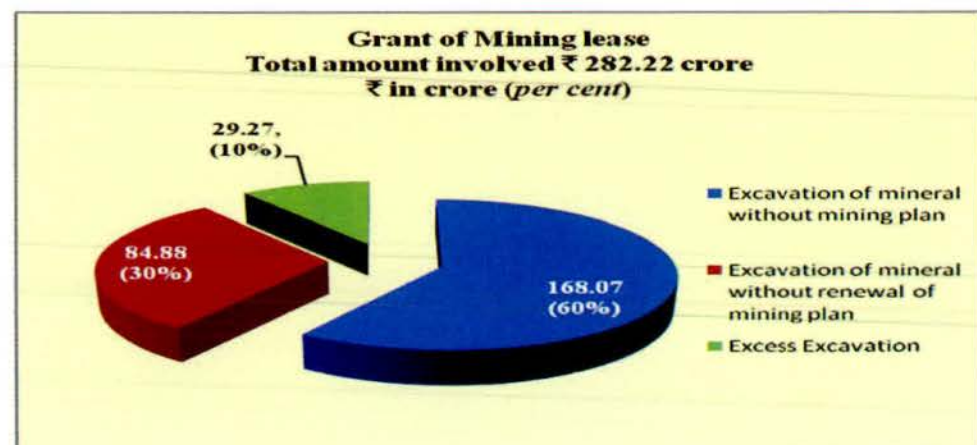
We examined (between January 2016 and May 2016) files of lease holders of sampled DMOs and observed that in six DMOs, lessees had not submitted the environment statement during the period of lease. In the absence of the environment statement, the Board could not keep a watch over issues like discharge of pollutants, management of solid waste etc. which required attention on a periodical basis.

During exit conference the Department stated that reply was required from SPCB, but no environment statement in form V was available in SPCB records.

Grant of mining lease

We examined whether mining leases were granted as per prescribed procedure/ system and penal provisions have been invoked wherever necessary. Our observations on these issues involving amount ₹ 282.22 crore are mentioned in following paragraphs:

Chart 2.5



2.4.11 Unauthorised extraction

Under Rule 34 (2) of UPMMC Rules 1963, mining operation shall in respect of in situ rock deposits and sand or *morrum* or *bajari* or boulder or any of these in mixed state exclusively found in river bed be undertaken in accordance with the mining plan, detailing yearly development schemes which is duly approved by the Director of Geology and Mining Department.

As per Rule 34(5) of UPMMC Rules as amended on dated 23 December 2012, the mining plan once approved by the Director shall be valid for entire duration of the lease.

Rule 22A of Mineral Concession Rules, 1960 provides that mining operations shall be undertaken in accordance with duly approved mining plan and modification of the approved mining plan during the operation of a mining lease also requires prior approval of competent authority.

Under Section 21(5) of the MMDR Act, whenever any person raises without lawful authority, any mineral from any land, the State Government may recover from such person the mineral so raised or where such mineral has already been disposed off, the price thereof along with royalty. Further under Rule 21 (2) of UPMMC Rules, the total royalty is fixed at the rate of not more than 20 *per cent* of the pits mouth value of minerals.

2.4.11.1 Excavation of mineral without mining plan

The mining plan should be prepared by technical experts scientifically in such a manner so that it could help in development of area. If the mining activities are done without approved mining plan, the Department will not have any control over it and lessee may extract more minerals in an unscientific manner which would adversely affect the mineral resources, protection of forest, water courses, and would abet air and water pollution.

- **Stone leases**

The lessees had excavated 3.26 lakh cubic meters of Gitti/boulder without mining plan for which ₹ 15.64 crore was recoverable from them.

We examined (between January 2016 and May 2016) mining lease case files and mining plans of sampled DMOs and observed that in seven DMOs in 15 out of 587 cases, the lessees had excavated 3.26 lakh cubic meter of minor minerals without approved mining plan (January 2013 to March 2016), for which lessees paid ₹ 3.13 crore as royalty. Thus, the mineral excavated by the lessees was unauthorised and the cost of the excavated mineral as assessed by us, which was five times of royalty, amounting to ₹ 15.64 crore, was recoverable from the lessees. Thus, in contravention of the provisions of the Rule 34 (2) of UPMMC Rules and Rules 22 A of the MCR, the lessees were excavating minor minerals without mining plans. The DMO allowed the excavation of minor mineral by issuing MM-11 forms to these lease holders. For this violation an amount of ₹ 15.64 crore was recoverable from the errant mine owner.

- Sand leases

The lessees had excavated 43.03 lakh cubic meters of sand/morrum without mining plan for which ₹ 152.43 crore was recoverable from them.



We examined (between January 2016 and May 2016) mining lease case files and mining plans of sampled DMOs and observed that in 10 DMOs in 43 out of 94 cases, the lessees had excavated 43.03 lakh cubic meter of sand/morrum during the period between December 2012 to January 2016, without mining plan for

which lessees paid ₹ 30.49 crore as royalty. Thus, the mineral excavated by the lessees was unauthorised and the cost of the excavated mineral which was five times of royalty amounting to ₹ 152.43 crore was recoverable from the lessees. The DMOs allowed the excavation of minor mineral by issuing MM-11 forms to these lease holders in contravention of the provisions of the Rule 34 (2) of UPMMC Rules and Rules 22 A of the MCR. As a result, the cost of mineral of ₹ 152.43 crore was not recovered (**Appendix-VI**).

During exit conference the Department stated that these are not the matter of illegal mining as they are legal permit holder and excavating the minerals with lawful authority. The Department categorised such excavation as irregular mining and it was assured that provision of penalty regarding such irregularities would be introduced shortly.

Reply of the Department is not based on the facts because mining operation beyond the quantity mentioned in the approved mining plan is without lawful authority and hence attracts recovery of cost of minerals excavated under Section 21 (5) of MMDR Act.

2.4.11.2 Excavation of mineral without renewal of mining plan

The lessees had excavated 17.08 lakh cubic meters of Gitti/ boulder without renewal of mining plan for which ₹ 84.88 crore was recoverable from them.

We examined (between January 2016 and May 2016) mining lease case files and mining plans of sampled DMOs and observed that in five DMOs in 15 out of 587 cases, the lessees had excavated 17.08 lakh cubic meter of Gitti/boulder during the period between April 2013 and March 2016, without renewal of mining plan for which lessees paid ₹ 16.98 crore as royalty. Thus, the mineral excavated by the lessees was unauthorised and the cost of the excavated mineral which was five times of royalty amounting to ₹ 84.88 crore was recoverable from the lessees. The DMO allowed the excavation of minor

mineral by issuing MM-11 forms to these lease holders in contravention of the provisions of the Rule 34 (2) of UPMMC Rules and Rules 22 A of the MCR. As a result, the cost of mineral of ₹ 84.88 crore was not levied (**Appendix-VII**).

We further observed that the Department renewed the mining plans only for five years, whereas it was required to be renewed for entire period of lease as per provisions of UPMMC Rules.

During exit conference the Department stated that these are not the matter of illegal mining as they are legal permit holder and excavating the minerals with lawful authority. The Department categorised such excavation as irregular mining and it was assured that provision of penalty regarding such irregularities would be introduced shortly.

Reply of the Department is not based on the facts because mining operation beyond the quantity mentioned in the approved mining plan is without lawful authority and hence attracts recovery of cost of minerals excavated under Section 21 (5) of MMDR Act.

2.4.11.3 Excess excavation

The lessees had excavated 6.40 lakh cubic meters of stone ballast/boulder/Gitti/khanda/patiya in excess of the mining plan for which ₹ 29.27 crore was recoverable from them.

We examined (between January 2016 and May 2016) mining lease case files and mining plans of sampled DMOs and observed that in five DMOs in 12 out of 587 cases, lessees had excavated 6.40 lakh cubic meter of stone ballast/ boulder/ granite blocks/ granite *khanda/ patiya* in excess of the approved mining plan during the period between November 2011 to January 2016. Thus, the mineral excavated by the lessees was unauthorised and the cost of the excavated mineral which was five times of royalty amounting to ₹ 29.27 crore was recoverable from the lessees. Despite records being available showing regular excess excavation in this period, the DMOs neither initiated any action against the lessees even after lapses of five years for excavation of the excess mineral of the mining plan nor took any action for recovery of the cost of excavated mineral of ₹ 29.27 crore (**Appendix-VIII**).

During exit conference the Department stated that these are not the matter of illegal mining as they are legal permit holder and excavating the minerals with lawful authority. The Department categorised such excavation as irregular mining and it was assured that provision of penalty regarding such irregularities would be introduced shortly.

Reply of the Department is not based on the facts because mining operation beyond the quantity mentioned in the approved mining plan is without lawful authority and hence attracts recovery of cost of minerals excavated under Section 21 (5) of MMDR Act.

Government may ensure that the excavation of minor mineral is allowed only after approval of the mining plan and extraction of minerals is allowed only in accordance with approved mining plan. In case of

negligence and/or connivance, the Director Geology and Mining should initiate disciplinary proceedings against the officials.

Deficiencies related to Rent, royalty and fines

We examined whether the fixing and collection of rent, royalty, fees, dead rent, fines and other charges were being levied and collected as per provisions of MMDR Act/Rules and our observations on these issues are mentioned in following paragraphs.

2.4.12 Quarterly return not submitted (MM-12)

The 71 lessees had not submitted 538 quarterly returns, for which lessees were liable to pay penalty amounting to ₹ 10.76 lakh.

Under Rules 73 (1) of UPMMCR, 1963, lessees shall submit quarterly returns for the preceding quarter in Form MM-12 to the District Mines Officer in the second week of July, October, January and April. This is the main tool of control to compare the quantity excavated against the admissible quantity indicated in the mining plan. Rule 73(2) provides that whenever any holder of mineral concession fails to submit the return within the time specified in Sub-Rule (1) he shall be liable to pay penalty of ₹ 2,000.

We examined (between January 2016 and May 2016) files of lease holders of sampled DMOs and observed that in 10 DMOs⁸, 71 lease holders out of 681 lease holders had not submitted 538 quarterly returns (MM-12) during January 2012 to December 2015. The Department did not take any penal action against these defaulters and did not realise the penalty of ₹ 10.76 lakh.

During exit conference the Department accepted our observation and stated that the penalty would be realised from the lease holders.

2.4.13 Short deposit of dead rent

Dead rent of ₹ 36.32 lakh was deposited by 30 lessees for the period 2011-12 to 2015-16 instead of ₹ 97.42 lakh which resulted in short levy of ₹ 61.10 lakh.

Under Rule 72 of UPMMC Rules, mining area can be notified for mining lease. According to Rule 22 of UPMMC Rules, every lessee of mining lease shall pay every year, dead rent in advance for the whole year at the rates prescribed in second Schedule for all areas included in the lease. The rate of dead rent for sand/*Gitti*/Boulder was revised with effect from 2 November 2012.

We examined (between January 2016 and May 2016) lease files and concerned files of sampled DMOs and observed that in eight DMOs⁹, 30 lessees deposited dead rent of ₹ 36.32 lakh for the period 2011-12 to 2015-16 instead of ₹ 97.42 lakh. Although the details of payment were available on lease files, the Department did not initiate any action for levy and recovery of

⁸ Allahabad, Bahraich, Banda, Chitrakoot, Faizabad, Hamirpur, Mahoba, Mirzapur, Saharanpur and Sonebhadra.

⁹ Banda, Chitrakoot, Faizabad, Jalaun, Lalitpur, Mahoba, Mirzapur and Sonebhadra.

dead rent even after lapses of five years. Thus, the dead rent of ₹ 61.10 lakh was short levied.

During exit conference the Department accepted our observation and stated that the balance dead rent would be recovered from the lease holders.

2.4.14 Interest on belated payment was not charged

Interest of ₹ 15.07 lakh was not charged on 11 lessees who deposited royalty of ₹ 40.51 lakh with delays ranging from four months to 26 years and 11 months.

Rule 58(2) of UPMMC Rules provides that interest at the rate of 24 per cent per annum will be charged for the delay in payment of any rent, royalty, demarcation fee and any other dues to the State Government after the expiry of 30 days notice period.

We examined (between January 2016 and May 2016) lease files and concerned files of sampled DMOs and observed that in four DMOs, 11 lessees deposited royalty of ₹ 40.51 lakh for the period May 1986 to August 2015 with delay ranging from four months to 26 years and 11 months. Though the details of delay in payment were available in records, the Department did not initiate any action for charging of interest on these belated payments. As a result, interest of ₹ 15.07 lakh was not charged as shown below in **Table 2.4**.

Table 2.4

Interest on belated payment was not charged

(Amount in ₹)						
Sl. No	Name of Office	Period	No. of cases	Period of delay in days	Amount due and deposited	Interest chargeable
1	DMO Banda	01.02.13 to 16.05.14	1	470	32,67,000	10,09,637
2	DMO Chitrakoot	20.07.13 to 20.03.15	4	112 to 564	2,97,796	66,104
3	DMO Jhansi	11.12.08 to 24.08.15	1	283 to 2,385	3,627,50	2,19,322
4	DMO Sonebhadra	03.05.86 to 29.11.14	5	935 to 9,840	1,23,831	2,12,243
TOTAL			11		40,51,377	15,07,306

Source: Information available on the basis of audit findings.

During exit conference the Department accepted our observation and stated that the interest would be recovered from the lease holders.

2.4.15 Short levy of royalty due to revision of rates

Eighty one lessees deposited royalty of ₹ 1.32 crore at pre-revised rates instead of ₹ 2.32 crore at revised rates which resulted in short realisation of royalty of ₹ one crore.

Rule 21 of UPMMC Rules provides that the royalty shall be payable on the basis of rate revised from time to time. The rate of royalty and dead rent was revised from 19 January 2016 by the State Government.

We examined (between January 2016 and May 2016) lease files, permit files and MM 11 issue register of sampled DMOs and observed that in 11 DMOs¹⁰ in 81 cases, the Department issued Form MM 11 for 3,33,354 cubic meter of minor minerals to different lessees and permit holders from January 2016 to March 2016 and levied the royalty of ₹ 1.32 crore at pre-revised rates instead of ₹ 2.32 crore at revised rates. This resulted in short realisation of the royalty of ₹ one crore (**Appendix-IX**).

During exit conference the Department accepted our observation and stated that the balance royalty would be recovered from the lease holders.

2.4.16 Cost of minor mineral not recovered

The Department did not recover the cost of minerals amounting to ₹ 469.07 crore from 3,379 civil works contractors for not submitting the MM-11 form.

As per Section 4(1-A) and Section 21(1) to (5) of the MMDR Act read with Rule 70(1) of the UPMDC Rules, 1963 provides that the holder of a mining lease or permit or a person authorised by him in this behalf may issue a pass in form MM-11 to every person carrying, consignment of minor mineral by a vehicle, animal or any other mode of transport. Rule 70(2) provides that no person shall carry, within the State a minor mineral by a vehicle, animal or any other mode of transport, excepting railway, without carrying a pass in Form MM-11 issued under sub rule (1). Further, Rule 3 of Uttar Pradesh Minerals (Prevention of Illegal Mining Transportation and Storage) Rules, 2002 provides that no person shall transport, carry or cause to be transported, carried any mineral by any means from its raising place to any other place without valid transit pass issued by the holder of mining lease. Under the provisions of Section 21(5) and 21(1) of the MMDR Act, the recovery of price thereof is mandatory. If contractors do not produce royalty receipt in form MM-11 or Form C, the DDO will deduct the royalty and price of minerals from the contractor's bill and deposit the same into the Treasury. This was reiterated by the Government in its order dated 15 October 2015, wherein it was stated that apart from royalty, the cost of minerals (ordinarily five times of royalty) be deducted from the contractor's bill and deposited into the treasury.

We examined (between January 2016 and May 2016) returns and Treasury scroll pertaining to period 2014-15 and 2015-16 of sampled DMOs and observed that in all DMOs, 3,379 civil works contractors did not submit the MM-11 forms along with the bills. The executive agencies deducted the royalty of ₹ 93.81 crore from the bills and deposited into the treasury. The Department did not recover the cost of minor minerals which was five times of royalty amounting to ₹ 469.07 crore (**Appendix-X**).

During the exit conference the Government/Department stated that the execution of Government order dated 15 October 2015 had been stayed by Hon'ble High Court by order dated 31 March 2016. The reply was not tenable as the stay has been vacated by Hon'ble High Court while disposing of the Writ Petition on 1 August 2016. Hon'ble High Court held that the Government

¹⁰ Ambedkar Nagar, Banda, Bulandshahar, Faizabad, Fatehpur, G B Nagar, Hamirpur, Mahoba, Mirzapur, Saharanpur and Sonbhadra.

order dated 15 October 2015 was just and valid and had been issued in public interest. Therefore recoveries as per the provisions of the Act may be affected.

2.4.17 Illegal mining/transportation

Under Rule 3 and 57 of UPMMC Rules, no person shall undertake any mining operation in any area, except under and in accordance with the terms and conditions of a quarrying permit or a mining lease granted under these Rules. Sections 21 (1) and (5) of MMDR Act prescribes that the penalty for any illegal mining includes recovery of the price of the mineral, rent, royalty or taxes as the case may be, for the period during which the land was occupied by such person without any lawful authority. Further, Rule 57 of the UPMMC Rules prescribes initiation of criminal proceedings attracting punishment of simple imprisonment that may extend to six months or with fine which may extend to ₹ 25,000 or both. We observed the following;

2.4.17.1 Illegal transportation

Royalty, cost of minerals and penalty amounting to ₹ 1.30 crore was not recovered from the lessees for illegal transportation of 8,871 cubic meters of minerals.

We examined (between January 2016 and May 2016) MM-11 issue registers



and files of verification of MM-11 of sampled DMOs and final payment bills in PWD and RED divisions and observed that in two DMOs, the contractors submitted 393 MM-11 forms covering the transportation of 8,871 cubic meters of minerals (March 2014 to February 2016), whereas, as per records

of the DMOs the MM-11 forms were issued for transportation of 1,627 cubic meters of minerals only. Thus, the contractors made irregular claim of royalty of 7,244 cubic meters of minerals, which was not covered by form MM-11. The Department should have been aware of the discrepancy because executing agencies had sent forms to DMOs for verification but concerned DMOs neither verified the fact from their lessees records nor initiated any action to recover royalty and also the cost of mineral which was five times of royalty along with penalty amounting to ₹ 1.30 crore from them as shown below in **Table 2.5.**

Table 2.5
Illegal transportation

Sl no.	Name of unit	No. of MM-11	Transported Qty in cum	Royalty paid for Qty.in cum	Excess Qty.in cum	Due Royalty in ₹	Cost of Mineral in ₹	Penalty in ₹	Total amount due in ₹
1	DMO Saharanpur	377	8,605	1,514	7,091	5,16,516	25,82,580	94,25,000	1,25,24,096
2	DMO Sonebhadra	16	265.59	112.75	152.84	11,463	57,315	4,00,000	4,68,778
	Total	393	8,870.59	1626.75	7,243.84	5,27,979	26,39,895	98,25,000	1,29,92,874

Source: Information available on the basis of audit findings.

During exit conference the Department accepted our observation and stated that process of recovery would be initiated with working agencies as per rules and request for the same would be made to working agencies.

2.4.17.2 Illegal excavation

Price of minerals of ₹ 5.63 crore was not recovered from 14 illegal miners for 2,15,816 cubic meters of minor minerals.

We examined (between January 2016 and May 2016) files and registers of illegal mining in sampled DMOs and observed that DMO Saharanpur detected 14 cases of illegal extraction and storage of 2,15,816 cubic meters of minor minerals (September 2015 and December 2015) and also issued notices to them. As per Rule 57 of UPMMC Rule, Department compounded the above cases and issued MM-11 to them on payment of royalty of ₹ 1.15 crore and penalty of ₹ 7.75 lakh but did not recover the cost of minerals which was five times of royalty amounting to ₹ 5.63 crore.

During exit conference the Department stated that rule 57 of UPMMCR 1963 provides maximum penalty of ₹ 25,000. The reply is not tenable as extraction through illegal mining attracts recovery of cost of minerals excavated which is five times of royalty under Section 21 (5) of MMDR Act.

2.4.17.3 Transit pass (MM-11) not issued by the Department

Fake 19 MM-11 forms were found in use in the Rural Engineering Department, Jhansi on which royalty, cost of minerals and penalty amounting to ₹ 5.88 lakh was not levied.

Minor minerals (sand, stone and stone ballast) were shown as utilised in construction works by contractors, who produced MM-11 forms in support of transportation and utilisation of minerals in construction works with their bills. As MM-11 forms were furnished by contractors, full payment was released to the contractors.

We examined (between January 2016 and May 2016) MM-11 issue register of sampled DMOs and observed that 19 MM-11 forms purported to be issued by the DMO Jalaun (September 2015 and January 2016) were fake as the DMO subsequently denied having issued the said MM-11 forms. The fake MM-11 forms were found in use in the Rural Engineering Department (RED) Jhansi. As the MM-11 forms were not authentic, it is obvious that no royalty has been paid on the minerals. There was no system to obtain details of MM-11

directly/electronically from the DMOs. The Department did not take any action to levy the royalty at the specified rate and the cost of minerals which was five times of royalty along with the penalty in accordance with UPMMC Rules. As a result, the royalty, cost of minerals and penalty amounting to ₹ 5.88 lakh was not levied.

During exit conference the Government/Department accepted our observation and stated that process of recovery was to be initiated by RED as per rules and a request for the same would be sent to RED Jhansi. Further, it was stated that the computerisation of MM-11 forms is in progress for online verification.

2.4.18 Conclusion

We conclude that:

- Extraction of minor minerals were done without Environment Clearance (EC) as evident from the facts that five lessees and 2,909 brick kiln owners were allowed to extract minerals without any EC, 30 lessees were allowed to extract minerals in excess of quantity approved in EC and plantation work was not done by 40 lease holders in 191.77 acres of leased land. Further, the Government did not recover the cost of minerals amounting to ₹ 179.57 crore for these violations.
- The necessity for the filing and approval of a mining plan was ignored in the cases of 58 lessees. In addition, 15 lessees were allowed to extract minerals without renewal of mining plan and 12 lessees were allowed to extract mineral much above the quantity approved in the mining plan. Thus the mining regulators had no control over the environmentally sensitive activity of mining and allowed exploitation of scarce resources unchallenged. It did not even make good this violation by recovering ₹ 282.22 crore as penalty.
- Department did not monitor the submission of mandatory quarterly returns, realisation of difference of royalty on revision of rate, assess the price of minerals and interest on belated payment of royalty/dead rent etc. The DMO concerned did not cross check the facts which led to unauthorised excavation and transportation. Thus, the Government was deprived of revenue of ₹ 477.93 crore.

2.4.19 Summary of recommendations

We recommend the following:

- **Excavation of minor minerals should be allowed only after approval of the mining plan/Environment Clearance.**
- **In case of negligence and/or connivance, the Director, Geology and Mining should initiate disciplinary proceedings against officials concerned.**

2.5 Audit observations

Our scrutiny of records in the offices of the Geology and Mining showed cases of not realising cost of minerals, royalties, permit fee and cases where penalty was not imposed which are mentioned in the succeeding paragraphs in this chapter. These cases are illustrative and are based on a test check carried out by us. We point out such omissions each year, but not only do the irregularities persist; these remain undetected till we conduct an audit. There is need for the Government to improve the internal control system so that recurrence of such lapses in future can be avoided.

2.6 Cost of minerals not realised

The Department did not recover the cost of minerals amounting to ₹ 6.71 crore besides penalty of ₹ 28.00 lakh from 112 civil works contractors for not submitting the MM-11 form.

As per Section 4(1-A) and Section 21(1) to (5) of the MMDR Act read with Rule 70(1) of the UPMDC Rules, 1963 provides that the holder of a mining lease or permit or a person authorised by him in this behalf may issue a pass in form MM-11 to every person carrying, consignment of minor mineral by a vehicle, animal or any other mode of transport. Rule 70(2) provides that no person shall carry, within the State a minor mineral by a vehicle, animal or any other mode of transport, excepting railway, without carrying a pass in Form MM-11 issued under sub rule (1). Further, Rule 3 of Uttar Pradesh Minerals (Prevention of Illegal Mining Transportation and Storage) Rules, 2002 provides that no person shall transport, carry or cause to be transported, carried any mineral by any means from its raising place to any other place without valid transit pass issued by the holder of mining lease. Under the provisions of Section 21(5) and 21(1) of the MMDR Act, the recovery of price thereof is mandatory. If contractors do not produce royalty receipt in form MM-11 or Form C, the DDO will deduct the royalty and price of minerals from the contractor's bill and deposit the same into the Treasury. This was reiterated by the Government in its order dated 15 October 2015, wherein it was stated that apart from royalty, the cost of minerals (ordinarily five times of royalty) be deducted from the contractor's bill and deposited into the treasury.

We examined (between June 2014 and March 2016) returns and treasury scroll of four¹¹ DMOs, and observed that executing agencies got 112 civil works done through contractors. In all these cases the contractors did not submit the MM-11 forms along with the bills. The executing agencies deducted the royalty of ₹ 1.34 crore from the bills and deposited the amount into treasury. The Department did not recover the cost of minerals valued at ₹ 6.71 crore and penalty of ₹ 28.00 lakh.

During the exit conference the Government/Department stated that the execution of Government order dated 15 October 2015 had been stayed by Hon'ble High Court by order dated 31 March 2016. The reply was not tenable as the stay has been vacated by Hon'ble High Court while disposing of the Writ Petition on 1 August 2016. Hon'ble High Court held that the Government

¹¹ Amethi, Kannauj, Pratapgarh and Sant Kabir Nagar

order dated 15 October 2015 was just and valid and had been issued in public interest and therefore, recoveries as per the provisions of the Act may be affected.

2.7 Royalty and permit fees not realised from brick kiln owners

Royalty and permit fees for the period 2013-14 and 2014-15 by 39 brick kiln owners was not paid, though it was specified in the scheme. As a result, royalty of ₹ 17.48 lakh, interest of ₹ 6.72 lakh and permit fees of ₹ 78,000 were not realised.

Under the One Time Settlement Scheme (OTSS) announced by the Government time to time, brick kiln owners are required to pay consolidated amount of royalty at the prescribed rates based on category of the brick kiln areas, after paying an application fee of ₹ 2000 per brick kiln. Further, the OTSS provides that if the brick kiln owner fails to make payment of consolidated amount of royalty, the competent officer shall stop such business and initiate certificate proceedings for realisation of outstanding royalty/penalty. Besides, interest at the prescribed rate may also be charged on the rent, royalty, fee or other sum due to the Government as per the OTSS. New rate of royalty as per notification of 2 November 2012 is ₹ twenty seven per thousand bricks.

We examined (between June 2015 and July 2015) the brick kiln register and other relevant records maintained in the individual files of the brick kiln owners in three¹² DMOs and observed that 39 brick kilns were in operation during the period October 2013 to March 2015. However, these brick kiln owners did not pay any royalty and permit fees for the period 2013-14 and 2014-15, as was specified in the scheme. The concerned District Mines Officers (DMOs) neither initiated action to stop their business nor made efforts to realise the royalty due of ₹ 17.48 lakh, interest of ₹ 6.72 lakh and permit fees of ₹ 78,000.

We reported the matter to the Government and the Department (July 2015 to September 2015). During exit conference the Government/Department accepted our observation and stated that action would be taken as per rules.

2.8 Short realisation of royalty on clay used for brick making

Royalty of ₹ 22.60 lakh was deposited by 61 brick kiln owners at pre-revised rate instead of ₹ 33.90 lakh leviable at revised rate. This resulted in short levy of royalty of ₹ 11.30 lakh on clay used for brick making.

Rule 21 of UPMMC Rules provides that the royalty shall be payable on the basis of revised rate from time to time. The rate of royalty and dead rent was revised with effect from 2 November 2012 by the State Government vide GO No. 2974/86- 2012-200/77 T C II Lucknow dated 2 November 2012. The rate of royalty for clay used for brick making was revised from ₹ eighteen per thousand to ₹ twenty seven per thousand with effect from 2 November 2012.

¹² Basti, Kannauj and Pratapgarh

We examined (June 2015) the brick kiln files in DMOs Kannauj and Pratapgarh and observed that the Department did not levy the royalty at revised rate in 61 cases out of 69 cases test checked during the period from August 2012 to May 2015. The brick kiln owners deposited royalty of ₹ 22.60 lakh at pre-revised rate instead of ₹ 33.90 lakh at revised rate. This resulted in short levy of royalty of ₹ 11.30 lakh.

We reported the matter to the Government and the Department (July 2015). During exit conference the Government/Department accepted our observation and stated that action would be taken as per rules.



CHAPTER-III TAXES ON VEHICLES, GOODS AND PASSENGERS

3.1 Tax administration

The receipts of the Transport Department (Department) are regulated under the provisions of the Motor Vehicles Act, 1988 (MV Act), Central Motor Vehicles Rules, 1989 (CMV Rule), Uttar Pradesh Motor Vehicles Taxation Act, 1997 (UPMVT Act), Uttar Pradesh Motor Vehicles Taxation Rules, 1998 (UPMVT Rules), Carriage by Road Act, 2007 (CBR Act), Carriage by Road Rules, 2011 (CBR Rules) and Notifications, Circulars and G.Os issued by Government and Department from time to time.

The Principal Secretary, Transport, Uttar Pradesh is the administrative head at Government level. The entire process of assessment and collection of taxes and fee is administered and monitored by the Transport Commissioner (TC) Uttar Pradesh, who is assisted by two Additional Transport Commissioners at Headquarters and six Deputy Transport Commissioners (DTCs), 19 Regional Transport Officers (RTOs) and 75 Assistant Regional Transport Officers (ARTOs) (Administration) in the field. RTOs perform the overall work of issue and control of permits regarding transport vehicles and ARTOs perform the work of assessment and levy of taxes and fee regarding transport vehicles and other than transport vehicles. Overall administration of Sub-Regional Transport Offices is administered by respective RTOs.

3.2 Results of audit

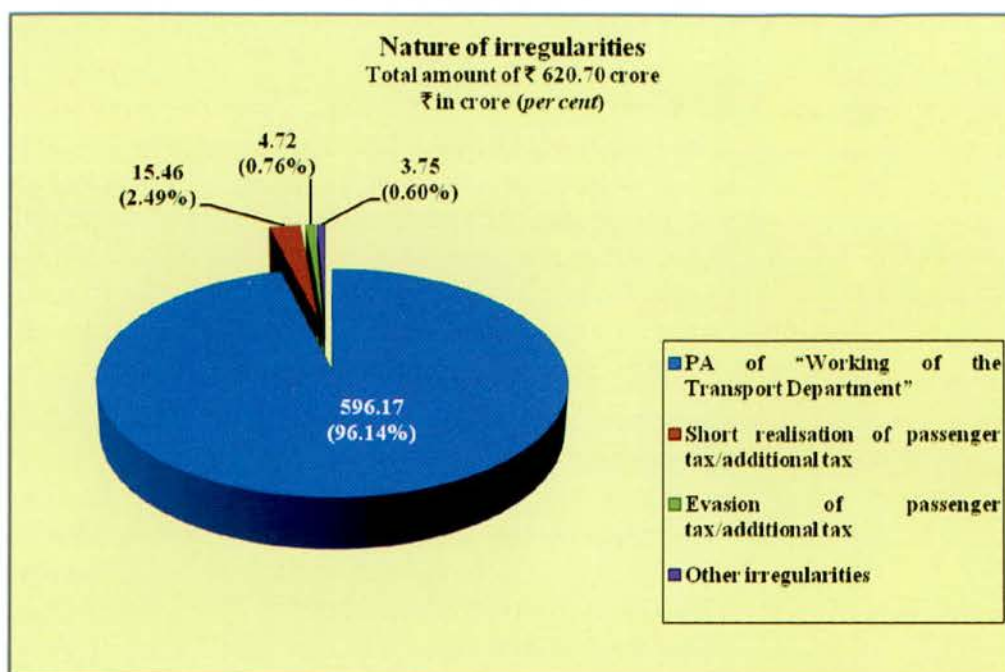
In 2015-16, the Department realised revenue of ₹ 4,410.53 crore. We planned audit of 44 annual units and one biennial unit out of the total 76 units of Transport Department during 2015-16 and test checked all the above planned units. The basis of selection was collection of revenue and past audit reports of units. We found short assessment of tax and other irregularities involving ₹ 620.70 crore in 325 cases, which fall under the following categories as mentioned in **Table 3.1**.

Table 3.1
Results of Audit

			(₹ in crore)
Sl. No.	Categories	Number of cases	Amount
1.	PA of "Working of the Transport Department"	1	596.77
2.	Short realisation of <ul style="list-style-type: none"> • Passenger tax/additional tax • Goods tax 	65	15.46
3.	Evasion of tax <ul style="list-style-type: none"> • Passenger tax/additional tax • Goods tax 	100	4.72
4.	Other irregularities	159	3.75
Total		325	620.70

Source: Information available in the Audit office.

Chart 3.1



During the year 2015-16 the Department accepted underassessment and other deficiencies of ₹ 569.81 crore in 52 cases of which 44 cases involving ₹ 569.76 crore were pointed out in 2015-16 and rest in earlier years. An amount of ₹ 34.06 lakh was realised in 39 cases of which 31 cases involving ₹ 29.41 lakh was pointed out in 2015-16 and rest pertains to earlier years.

Performance Audit of **“Working of the Transport Department”** involving ₹ 596.77 crore and a few illustrative cases of compliance deficiency involving ₹ 15.69 crore are discussed in the following paragraphs.

3.3 Performance Audit of “Working of the Transport Department”

Highlights

- Onetime tax of ₹ 26.79 crore was short levied on 26,592 light four wheeler goods vehicles and school maxi cabs between November 2009 and March 2016.

(Paragraphs 3.3.9 & 3.3.10)

- Additional tax and penalty of ₹ 25.77 crore was not levied on 721 JnNURM buses found plying outside the Municipal Corporation area and Additional tax of ₹ 360.33 crore including penalty of ₹ 174.42 crore not levied on UPSRTC buses between November 2009 and March 2016.

(Paragraphs 3.3.14)

- Fitness fee of ₹ 4.56 crore including penalty was not levied on 9,942 vehicles which plied without valid fitness certificates between February 2014 and March 2016. Plying of such vehicles also compromised public safety.

(Paragraphs 3.3.15)

- Not creating the Uttar Pradesh Road Transport Accident Relief Fund (UPRTARF) by the Department led to ₹ 109.06 crore not being credited for accident victims between April 2012 and March 2016.

(Paragraphs 3.3.17)

- The Compounding Fees amounting to ₹ 4.76 crore on violation of permit conditions was not realised on contract and stage carriage vehicles between October 2012 and March 2016.

(Paragraphs 3.3.18)

- Department did not impose penalty amounting to ₹ 2.58 crore under Carriage by Road Act in 839 cases for different categories of vehicles which were seized for overloading during the period from July 2014 to March 2016.

(Paragraphs 3.3.19)

- The transport offices had no database/information of vehicles plying with or without PUC certificate as well as absence of infrastructure for testing of pollution of vehicles.

(Paragraphs 3.3.22)

- There were 12,41,085 vehicles involving cost amounting to ₹ 43,564.38 crore hypothecated to banks. The Department did not get inspected hypothecated documents from Stamp and Registration Department with a view to ascertain actual amount of stamp duty. Thus, the Government was deprived of revenue of ₹ 162.70 crore.

(Paragraphs 3.3.26)

- The inspection of field offices was not done as per norms fixed. Acute shortage of ancillary staff against the sanctioned strength led to excess workload and adversely effected collection/recovery of revenue.

(Paragraphs 3.3.29 & 3.3.31)

3.3.1 Introduction

The receipts of the Transport Department (Department) are regulated under the provisions of the Motor Vehicles Act, 1988 (MV Act), Central Motor Vehicles Rules, 1989 (CMV Rule), Uttar Pradesh Motor Vehicles Taxation Act, 1997 (UPMVT Act), Uttar Pradesh Motor Vehicles Taxation Rules, 1998 (UPMVT Rules), Carriage by Road Act, 2007 (CBR Act), Carriage by Road Rules, 2011 (CBR Rules) and Notifications, Circulars and G.Os issued by Government and Department from time to time.

The main function of the Department is to issue Driving Licence, Certificate of Registration, Certificate of Fitness, Trade Certificate, National Permit, Contract Carriage Permit, Stage Carriage Permit etc. to ensure greater control, quick monitoring and provide better citizen services.

Motor vehicles tax in respect of other than transport vehicles is realised as One Time Tax (OTT) for 15 years, whereas tax and additional tax from transport vehicles is realised monthly/quarterly/annually at the rates specified in the UPMVT Act.

3.3.2 Organisational setup

The Principal Secretary, Transport, Uttar Pradesh is the administrative head of the Transport Department at Government level. The entire process of assessment and collection of taxes and fees is administered and monitored by the Transport Commissioner (TC) Uttar Pradesh who is assisted by two Additional Transport Commissioners at Headquarters and three Additional Transport Commissioners in field.

There are six Deputy Transport Commissioners (DTCs) in zones, 19 Regional Transport Officers (RTOs) in regions and 75 Assistant Regional Transport Officers (ARTOs) (Administration) in sub-regions at the field levels. RTOs perform the overall work of issue of permit and its control regarding transport vehicles and ARTOs perform the work of assessment and levy of taxes and fees regarding transport vehicles and other than transport vehicles. Overall administration of sub-regional transport offices is with respective RTOs.

The organisational chart of the Department is as under:

Chart 3.2 Organisational setup



There are 114 Enforcement squads consisting of one ARTO (Enforcement), one supervisor and three Enforcement constables in the State attached to the Headquarters and deployed at district level. Two special Enforcement squads are posted at Headquarters and 09 Regional Transport Officers (E) are posted at district level, under the control and supervision of an Additional TC (Enforcement) at the headquarters and six Deputy TCs at zonal¹ level.

3.3.3 Audit objectives

The Performance Audit was conducted with a view to ascertain whether:

- the provisions of Acts/Rules for levy and collection of revenue were complied with and credited timely into Government Account;
- working of Enforcement Wing was effective to check/control the leakage of revenue as well as vehicular pollution; and
- adequate internal controls existed for proper budgeting/fixing of targets for the realisation of revenue and for arresting pilferage/leakage of revenue.

3.3.4 Audit criteria

The audit criteria were drawn from:

- Motor Vehicles Act, 1988 (MV Act),
- Central Motor Vehicles Rules, 1989 (CMV Rules),
- Carriage by Road Act, 2007 (CBR Act),
- Carriage by Road Rules 2011 (CBR Rules),
- Uttar Pradesh Motor Vehicles Taxation Act, 1997 (UPMVT Act),
- Uttar Pradesh Motor Vehicles Taxation Rules, 1998 (UPMVT Rules), and;
- Circulars and Notifications issued by the Department and Government from time to time.

3.3.5 Audit scope

The Performance Audit covering the working of Transport Department with a view to ascertain the efficiency and effectiveness of the Transport Department in ensuring levy/collection of the taxes/fees in accordance with the provisions of the Act/Rules during the period 2011-12 to 2015-16 was conducted between October 2015 and May 2016. We selected 19 out of 75 District Transport Offices (DTO's) (RTOs/ARTOs) along with office of the Transport Commissioner, Uttar Pradesh, Lucknow, for scrutiny in performance audit.

For the purpose of the Performance Audit we segregated the units into high, medium and low risk² on the basis of average annual revenue realised by the RTOs/ARTOs covering the period from 2011-12 to 2015-16. In 19 DTO's, nine³ out of 13 DTO's of high risk, eight⁴ out of 31 DTO's of medium risk and

¹ Agra, Bareilly, Kanpur Nagar, Lucknow, Meerut and Varanasi.

² High risk : where the revenue collection was above ₹ 50 crore annually.

Medium risk : where the revenue collection ranged between ₹ 20 crore and ₹ 50 crore.

Low risk : where the revenue collection was below ₹ 20 crore.

³ RTO Agra, Allahabad, Bareilly, Ghaziabad, Kanpur Nagar, Lucknow, Varanasi and ARTO Gautambudh Nagar, and Mathura,

two⁵ out of the remaining 31 DTO's of low risk which were the basis of selection on random sampling.

3.3.6 Audit methodology

We test checked taxation registers, registration registers, files, permit registers, certificate of fitness registers, etc. in sampled districts offices and in the office of the TC. Further, we obtained the computerised data of the sampled DTO's. The computerised data was cross-checked with manual records maintained in the districts offices.

An entry conference was held with the Government and the Department on 20 January 2016 in which Special Secretary Transport represented the Government and Transport Commissioner represented the Department. They were apprised of the scope and methodology of Performance Audit. An exit conference was held on 16 August 2016 with the Government and the Department in which audit findings were discussed with the Deputy Secretary Transport, Government of Uttar Pradesh and Transport Commissioner. The response of the Government/Department has been incorporated in the relevant paragraphs.

3.3.7 Trend of revenue receipt

The budget estimates and actual receipts under the head (0041 and 0042) Taxes on vehicles, goods and passengers during the period 2011-12 to 2015-16 are given in **Table 3.2**:

Table 3.2

Variations between budget estimates and actual

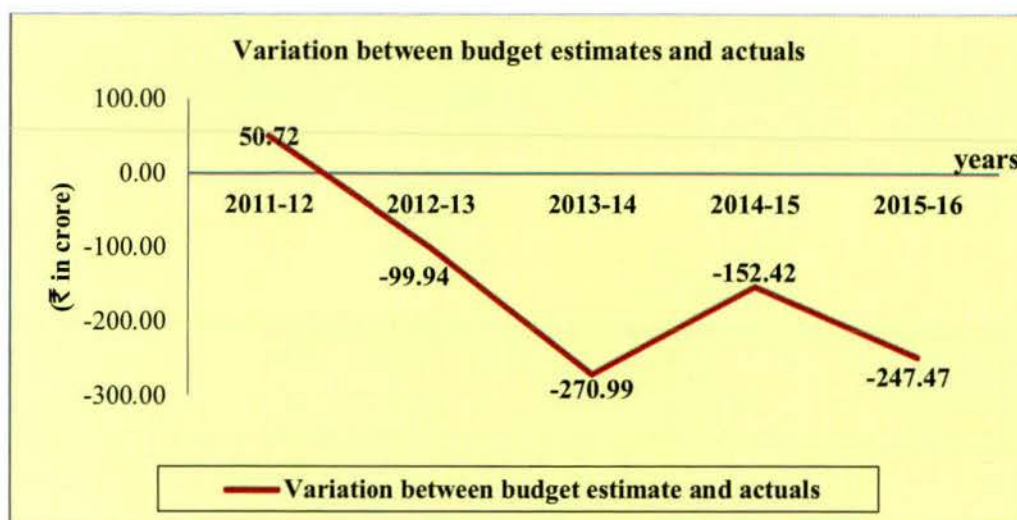
Year	Budget estimates	Actual Receipts	Variation between budget estimate and actuals	(₹ in crore)
				Percentage of shortfall
2011-12	2,329.95	2,380.67	50.72	2.18
2012-13	3,093.90	2,993.96	-99.94	-3.23
2013-14	3,713.00	3,442.01	-270.99	-7.30
2014-15	3,950.00	3,797.58	-152.42	-3.86
2015-16	4,658.00	4,410.53	-247.47	-5.31

Source: Finance Accounts of the Government of Uttar Pradesh

⁴ RTO Jhansi, and ARTO Balia, Firojabad, Hardoi, Jalaun, Raebareli, Shahjahanpur, and Unnao.

⁵ ARTO Hathrash and Mau.

Chart 3.3



The above chart shows that the Department could not achieve the budget estimates except in 2011-12.

During exit conference, the Department accepted our observation and stated that reason for the difference between Budget Estimates and actual receipt is due to finalisation of budget estimates five months prior to the next financial year. We do not agree with the reply of the Department because the preparation of budget estimates was not realistic. The Department could not achieve the budget estimates fixed in any year except in 2011-12.

3.3.8 Acknowledgement

The Indian Audit and Accounts Department acknowledges the co-operation of the Transport Department for providing necessary information and records to audit.

Audit findings

Provision of Acts/Rules not complied with

No transport vehicle of State Transport Undertaking/transport vehicles/other than transport vehicles shall be used in any public place in Uttar Pradesh unless additional tax/tax and various fees have been paid. Our findings on violation of various sections of Act and rules involving tax effect of ₹ 420.65 crore have been mentioned in the following paragraphs.

3.3.9 Short levy of onetime tax on light four wheeler goods vehicles

Onetime tax of ₹ 24.73 crore on 25,435 light four wheeler goods vehicles was short levied.

Section 4 sub-section (1), provided for onetime tax at the rate of 7 per cent of the cost of the vehicle with unladen weight exceeding 1000 kgs but not exceeding 5000 kgs to be levied on the four wheeler Goods vehicles. The Department violating the provisions of Section 4(1), levied onetime tax of ₹ 7,600 per metric ton on the four wheeler Goods vehicles instead of 7 per cent of the cost of the vehicle. Section 4(1-A), of UPMV Taxation Act, provides for levy of onetime tax ₹ 7,600 for every metric ton of the gross

vehicles weight of the vehicle or part thereof on the three wheeler motor cab and goods vehicles carrying total weight of 3,000 kg.



We examined the vehicles files, vehicles database, receipt books and cash-books of sampled RTOs/ARTOs and observed that 25,435 out of 54,636 four wheeler goods vehicles were registered during from April 2011 to March 2016. The Department, violating the

provisions of Section 4(1), levied onetime tax of ₹ 7,600 per metric ton on the four wheeler Goods vehicles instead of 7 per cent of the cost of vehicle. As a result, the onetime tax amounting to ₹ 24.73 crore was short levied.

During exit conference the Department stated that provision of Section 4(1-A) are applicable to all the vehicles having GVW not exceeding 3000 kgs.

We do not agree with reply of the Department because the provision 4(1-A) are applicable only on three wheeler goods vehicles whereas our observation is on four wheeler goods vehicles for which provision of Section 4(1) is applicable.

3.3.10 Short levy of tax on school maxi cab vehicles

Tax of ₹ 2.06 crore on school maxi cab vehicles was short levied due to levy of onetime tax instead of the rates prescribed for such vehicles.

Under Section 4(2) of the UPMVT Act, no transport vehicle shall be used in any public place in Uttar Pradesh unless prescribed tax has been paid. The rate of tax applicable to motor cab (excluding three wheelers motor cab) and maxi cab was ₹ 550 per seat/per quarter upto 7 November 2010 and ₹ 660 per seat per quarter from 8 November 2010. It was also provided that rate of tax on motor vehicles, which is exclusively used for the conveyance of pupils of educational institution and employees of factory to and from the institutions shall be half the rate of ₹ 550 and ₹ 660.

We examined the vehicles files, vehicles database, receipt books and cash-books of sampled RTOs/ARTOs and observed that in 13 RTOs/ARTOs⁶, 1,057 out of 2,209 vehicles were registered (November 2009 to October 2015) for the conveyance of pupils of educational institution and employees of factory but Department levied onetime tax instead of the rates prescribed for such vehicles as per Section 4(2) of UPMVT Act. As a result, due to application of incorrect rates of tax amounting to ₹ 2.06 crore was short levied (Appendix-XI).

During exit conference the Department did not give specific reply relating to levy of tax applicable to maxi cabs.

⁶ RTO Agra, Ghaziabad, Lucknow, Varanasi and ARTO Firozabad, GB Nagar, Hardoi, Hathras, Jalaun, Mathura, Rebareli, Shahjahanpur, Unnao

3.3.11 Registration of other than transport (private) vehicles not renewed

Re-registration fee, penalty, fitness fee, certificate fee and green tax amounting to ₹ 72.77 lakh was not realised from 5,597 other than transport vehicles whose registration had expired.

Under Section 39 of the MV Act, every vehicle is required to be registered. Section 41 (7) of the Act *ibid* provides that registration of other than transport⁷ vehicle is valid for the period of 15 years and registration can be renewed for subsequent period of five years. Fitness is also required to be checked and issue certificate for the same at the time of re-registration of vehicle for which ₹ 200 as fitness fee and ₹ 100 for issue of certificate is leviable. Re-registration fee for other than transport light motor vehicle is ₹ 200 and in case of delay ₹ 100 is also leviable as penalty under Section 177 of the Act.

As per G.O. dated 27 January 2015 no motor vehicle other than a transport⁸ vehicles shall be used in any public place after expiry of validity of registration under the MV Act unless a green tax at the rate 10 *per cent* of due onetime tax at time of registration has been paid in respect thereof. As per Section 192 of the MV Act, if the Enforcement wing finds that any vehicle is used in contravention of the provisions of the Section 39 it shall be punishable for the first offence with a fine which may extend to five thousand rupees but shall not be less than two thousand rupees.

We examined the vehicles files, vehicles database, receipt books and cash-books of sampled RTOs/ARTOs and observed that in 16 RTOs/ ARTOs 5,597 out of 15,276 other than transport light motor vehicles were registered during January 1990 to February 2001 for the period of 15 years. The registration of the said vehicles lapsed between January 2005 and March 2016. In none of these cases, change of address of the owners under relevant Act or the cancellation of registration under section 55 of MV Act 1988 was found on records but none of these vehicles were re-registered and the Enforcement wing failed to detain the vehicle in police custody. Also Demand, Collection and Balance (DCB)/other registers were not being reviewed periodical by the Department. As a result, re-registration fee, penalty, fitness fee, certificate fee and green tax amounting to ₹ 72.77 lakh was not realised (**Appendix-XII**).

During exit conference the Department stated that generally when the vehicles owners come for re-registration after inspection by the registration authority all the dues are levied. However, the contention of the Department is not tenable as we did not find levy of fee and tax in any of the case test checked.

Government may consider periodic review of registered other than transport vehicles (private vehicles) to identify vehicles whose validity of registration has expired.

⁷ Other than transport vehicle/private vehicles do not used for public purpose.

⁸ Transport vehicles used for public purposes.

3.3.12 Registration mark not assigned to vehicles of other States

Vehicles arrived from other States were not assigned registration mark of State as such, assignment fee amounting to ₹ 7.70 lakh was not realised from 1,621 other State vehicles which were found plying on roads.

Under Section 47 (1) of the MV Act, and Rule 81 of CMV Rules, when a motor vehicle registered in one State has been kept in another State for a period exceeding twelve months, the owner of the vehicle shall apply to the registering authority, within the jurisdiction of that State for the assignment of a new registration mark and shall present the certificate of registration to that registering authority. The fees payable for assignment of new registration in case of heavy, medium, light and other than transport vehicle is ₹ 600, ₹ 400, ₹ 300 and ₹ 200 respectively.

We examined the data base and files of vehicles of sampled RTOs/ARTOs and observed that in 11⁹ RTOs/ARTOs, 1,621 out of 2,461 vehicles registered in other States brought and registered into Uttar Pradesh (UP) (January 2011 to March 2015) were plying in UP for a period of more than one year. Though the owners of the vehicles were paying tax in UP for more than one year, they had not applied for assignment of new registration marks. The Department did not issue notices for new assignment of registration marks and Enforcement wing did not detain these vehicles. Thus, the Government remained deprived of revenue of ₹ 7.70 lakh.

During exit conference the Department accepted our observation and stated that the vehicle wise details are being prepared in the district.

3.3.13 Tax/additional tax from surrendered vehicles not realised

The taxation officers did not realise the tax/ additional tax amounting to ₹ 1.18 crore from 458 out of 2,433 vehicles which were surrendered for the period beyond three calendar months.

Rule 22 of the UPMVT Rules, provides that when the owner of a transport vehicle withdraws his motor vehicle from use for one month or more, the certificate of registration, tax certificate, additional tax certificate, fitness certificate and permit, if any, must be surrendered to the taxation officer. The taxation officer shall not accept the intimation of not using of any vehicle for more than three calendar months, within a calendar year, however, the period beyond three calendar months may be accepted by the RTO of the region concerned, if the owner makes an application with requisite fee to the taxation officer. If any such vehicle remains surrendered for more than three calendar months during a year without extension of acceptance of surrender by RTO, it shall be deemed to be revoked and the owner shall be liable to pay tax and additional tax, as the case may be. Further, subject to the provision of sub-rule (4), the owner of a surrendered vehicle in respect of which intimation of not using the vehicle has already been accepted, shall be liable to pay tax and additional tax for the period beyond three calendar months during any

⁹ RTO Allahabad, Ghaziabad, Varanasi and ARTO Ballia, Firozabad, Hardoi, Hathras, Jalaun, Mathura, Mau, and Rae bareli.

calendar year, whether the possession of the surrendered documents have been taken from the taxation officer or not.

We examined the surrender registers, vehicles files, passenger tax registers and goods tax registers of sampled RTOs/ARTOs and observed that in 16 RTOs/ARTOs, 458 out of 2,433 vehicles were surrendered for periods beyond three calendar months in a year during the period from January 2014 to November 2015. Though extension of acceptance of surrender beyond three months was not granted by concerned RTO, the taxation officers did not initiate any action to realise the tax/additional tax due thereon, and the Enforcement wing failed to detain the vehicle in police custody. As a result, tax/addition tax amounting to ₹ 1.18 crore was not realised (**Appendix-XIII**).

During exit conference the Department accepted our observation and stated that all the RTOs/ARTOs have been directed to initiate action in such cases.

3.3.14 Additional tax not levied on *Jn*NURM and UPSRTC buses

3.3.14.1 Additional tax on *Jn*NURM buses not levied

Additional tax of ₹ 25.77 crore was not levied on 721 *Jn*NURM buses under City Transport Services Limited found plying outside the municipal corporation area.

No transport vehicle of State Transport Undertaking shall be used in any public place in Uttar Pradesh unless additional tax prescribed under sub-section (1) of Section 6 of UPMVT Act, has been paid. Motor Vehicles of State Transport undertaking operating within the limits of Municipal Corporation or Municipality shall be exempted from the payment of additional tax.



We examined the route and tax files returns and challan submitted by the Uttar Pradesh State Road Transport Corporation (UPSRTC) in sampled RTOs/ARTOs and found that in six¹⁰ RTOs/ARTOs, 721 out of 1,020 Jawaharlal Nehru National Urban Renewal Mission

(*Jn*NURM) buses under City Transport Services Limited were plying outside the municipal corporation area between November 2009 and March 2016 and were liable for payment of additional tax of ₹ 25.77 crore. The transport officers did not initiate any action i.e. issue notice to deposit the additional tax, detain the vehicle in police custody by Enforcement wing of the Department or issue RCs for not depositing of additional tax on these vehicles. As a result, additional tax of ₹ 25.77 crore was not levied.

¹⁰ RTO Agra, Allahabad, Kanpur Nagar, Lucknow, Varanasi and ARTO Mathura.

During exit conference the Department accepted our observation and directed all transport officers to initiate action against such buses which are found plying outside the municipal corporation area.

3.3.14.2 Additional tax and penalty on UPSRTC buses not levied

Additional tax of ₹ 185.91 crore and penalty of ₹ 174.42 crore not levied on UPSRTC buses.

No transport vehicle of State Transport Undertaking shall be used in any public place in Uttar Pradesh unless additional tax prescribed as per Section 6(1) of UPMVT Act read with Rule 9 and 24 of UPMVT Rules has been paid. Principal Secretary vide letter 20 February 2006 directed Managing Director, UPSRTC to remit the total additional tax due directly to the treasuries and to submit the original challan to the headquarters office. In case of delayed payment of tax or addl. tax made after 15th of a month, penalty at the rate of five *per cent* of the due tax/additional tax was to be leviable.



We examined the records of tax/additional tax files, tax returns and challans of sampled RTOs/ARTOs and TC office and observed that tax/additional tax should be assessed and levied by Motor Vehicle Department as per UPMVT Act 1997 and

the order of Principal Secretary was applicable to remit tax only upto March 2007. UPSRTC was not authorised to assess and remit the tax into treasury after March 2007. But in these cases additional tax on buses plying on road is assessed and deposited by UPSRTC against the provisions of the Act and subsequently created a pendency of ₹ 745.27 crore for recovery upto March 2011. Due to continuous short assessment/payment of additional tax on the 44,674 buses plying on road during April 2011 to March 2016, the additional pendency of recovery amounted to ₹ 185.91 crore. Besides, penalty of ₹ 174.42 crore was also imposable. Even after lapse of ten years the Department made no effort to assess and recover the additional tax from the vehicles plying under UPSRTC. As a result, besides imposition of penalty of ₹ 174.42 crore, additional tax of ₹ 185.91 crore was not levied. The details are shown in **Table 3.3**.

Table 3.3

Additional tax and penalty on UPSRTC Buses not levied

(₹ in crore)						
Sl. No.	Year	Total number of vehicles	Addl. Tax due during the year	Addl. Tax deposited during the year	Addl. Tax balance during the year	Penalty due as on 31.03.2016
1.	2011-12	8,325	222.61	124.00	98.61	98.61
2.	2012-13	8,634	220.95	176.16	44.79	44.79
3.	2013-14	9,318	230.84	200.54	30.30	30.30
4.	2014-15	9,128	227.43	227.22	00.21	00.12
5.	2015-16	9,269	225.00	213.00	12.00	00.60
Total		44,674	1,126.83	940.92	185.91	174.42

Source: Information available on the basis of audit findings

During exit conference the Department assured us of issuing notices for realisation of additional tax and penalty from UPSRTC buses.

Government may institute a mechanism for periodic review of DCB register to monitor collection of revenue from defaulter vehicles/vehicles plying under UPSRTC and ensure strict adherence to provisions of Acts/Rules.

3.3.15 Fitness certificate of vehicles not renewed

There is no system in the Department to check whether there is valid fitness certificate while accepting payment of tax due. As a result 9,942 vehicles plied without valid fitness certificates and were liable for levy of fitness fee of ₹ 57.69 lakh and imposition of penalty of ₹ 3.98 crore.

Under Section 56 read with 84 and 86 of MV Act, and Rule 62 of CMV Rules, 1989 made thereunder, a transport vehicle shall not be deemed to be validly registered unless it carries a certificate of fitness. A fitness certificate granted in respect of a newly registered transport vehicle is valid for two years and is required to be renewed every year and in case of failure his permit is likely to be cancelled or suspended for a certain period. Payment of the prescribed test fee of ₹ 100, ₹ 200, ₹ 300 and ₹ 400 for three wheelers, light, medium and heavy vehicle respectively is required to be made. In addition to this, renewal fee of ₹ 100 for issuing certificate of fitness is also leviable for all category of vehicles. In case of default, an additional amount equal to the prescribed fee is also leviable. Plying a vehicle without certificate of fitness is compoundable under Section 192 of the MV Act, 1988 at the rate of ₹ 4,000 vide notification dated 25 August 2010.

We examined the tax registers, vehicles files, vehicles database, receipt books and cash-books in sampled RTOs/ARTOs and observed that 9,942 out of 30,457 vehicles plied between February 2014 and March 2016 without valid fitness certificate although the tax due was realised. In VAHAN software information regarding expiry of fitness was available but Department failed to identify such cases. Specific feature to prevent vehicle owners to pay tax where fitness had expired was not available. The Department neither initiated any action to issue notices for cancelling the permit of these vehicles whose fitness certificate had become overdue nor levied any fine on defaulting vehicle owners as per provisions of the MV Act. It was the responsibility of ARTO (Administration) to identify and stop these vehicles with the help of

Enforcement wing. Plying of such vehicles also compromised public safety. These vehicles were liable for levy of fitness fee of ₹ 57.69 lakh and imposition of penalty of ₹ 3.98 crore (**Appendix-XIV**).

During exit conference the Department accepted our observation and stated that the vehicle wise position is being prepared and penalty would be levied on vehicles found plying without fitness. Thus the Department was aware of such defaulting vehicles but failed to prevent them from plying on road which could compromise public safety.

Department should take immediate steps to verify the fitness of all vehicles while accepting payments towards tax due, to avoid loss of revenue and in the interest of public safety.

3.3.16 Irregularities in permit

3.3.16.1 Permit fee, application fee and penalty not levied on vehicles plying without permit

Permit fee, application fees and compounding fee amounting to ₹ 45.43 lakh was not realised from 625 vehicles found plying on roads without renewal of permit.

Section 66 of the MV Act provides that no owner of a motor vehicle shall use or permit the use of the vehicle as a transport vehicle in any public place without permit. As per Section 81 of MV Act a permit other than a temporary permit is valid for a period of five years. Rule 125 of the UPMVT Rules, prescribed rates for issue of new permit and its renewal and application fees. Plying a vehicle without permit is compoundable under Section 192 of the MV Act, at the rate of ₹ 4,000.

We examined vehicle files, permit registers, receipt books and cash-books of sampled RTOs/ARTOs and observed that in TC office and five¹¹ RTOs, 625 out of 10,358 contract carriage, auto/three wheeler vehicles, stage carriage, school vehicles and goods vehicles were plying on roads (February 2010 to March 2016) without renewal of permit even after expiry of validity period. In VAHAN software information regarding expiry of permit was available but Department failed to identify such cases. The Department neither realised permit fees, application fee and penalty nor initiated any action i.e. issue notices to permit holders for cancellation of permit to seize and detain these vehicles under section 66(1), 192 of MV Act and rule 125 of CMV Rules. As a result, permit fees application fee and penalty amounting to ₹ 45.43 lakh was not realised.

During exit conference the Department stated that penalty would be imposed and realised only when the vehicle is found plying on road without permit and it is not impossible on the basis of not renewing permit by the vehicle owner.

The fact remains that the audit noticed and assessed on the basis of records available that 625 vehicles were plying on roads without renewal of permit even after expiry of validity period. Despite the information being available with the Department, it failed to provide data of such vehicles to Enforcement

¹¹ RTO Agra, Ghaziabad, Kanpur Nagar, Lucknow and Varanasi

Wing. As a result, the Enforcement Wing failed to carry out its duty to detain such vehicles and impose penalty.

3.3.16.2 Authorisation of National Permit and All India Tourist Permit not renewed

Section 81 of MV Act provides that a permit is valid for five years. As per Rule 83 and 87 (3) of CMV Rules, authorisation for All India Tourist permit and National Permit is for one year. As per orders of TC (February 2000) the authorities concerned shall issue notice to the permit holder within 15 days of expiry of authorisation calling his explanation as to why the permit should not be cancelled if the authorisation was not renewed and cancel the permit in case no explanation being received within the prescribed time.



- **Authorisation of National Permit was not renewed**

Composite and authorisation fees amounting to ₹ 68.78 lakh was not realised from 393 goods vehicles found plying on roads without renewal of authorisation of national permit.

The Composite fee of ₹ 16,500 per annum for authorisation along with application fee amounting to ₹ 1,000 was to be deposited in the Government account for authorisation of national permit.

We examined the vehicle files, permit registers, receipt books and cash-books of sampled RTOs/ARTOs and observed that in eight¹² RTOs, 393 out of 3,150 goods vehicles covered under national permit were plying on roads (March 2015 to March 2016) without renewal of authorisation of national permit even after expiry of validity period. All this information was also available in VAHAN software which was required to be analysed at State level by an officer not below the rank of Deputy Transport Commissioner and at RTO level by ex-officio Secretary of the Regional Transport Authority of the Transport Department as per rule 55(7), 56(7) of UPMV Rules 1998. However the Enforcement wing of the Department neither traced these vehicles as provided under section 192 of MV Act nor did the Department issue notices to those permit holders for cancellation of permits. The physical check of records and scrutiny of digital data was absent. Thus there was absence of mechanism for monitoring of the subsequent authorisation during currency of national permits in those RTOs. As a result, composite fee and authorisation fee amounting to ₹ 68.78 lakh were not realised.

¹² RTO Agra, Allahabad, Bareilly, Ghaziabad, Jhansi, Kanpur Nagar, Lucknow and Varanasi

• **Authorisation of All India Tourist Permit not renewed**

Authorisation fee and court fees amounting to ₹ 6.57 lakh was not realised from 938 tourist vehicles found plying on roads without renewal of authorisation.



The authorisation fee of ₹ 500 per annum for authorisation along with court fee amounting to ₹ 200 was to be deposited in the Government account for authorisation of all India tourist permit.

We examined the vehicle files, permit registers, receipt books and cash-books of sampled RTOs and observed that in five¹³

RTOs, 938 out of 6,000 tourist vehicles covered under all India permit were plying on roads (June 2014 to March 2016) without renewal of authorisation of all India permit even after expiry of validity period. All this information was also available in VAHAN software which was required to be analysed at State level by an officer not below the rank of Deputy Transport Commissioner and at RTO level by ex-officio Secretary of the Regional Transport Authority of the Transport Department as per rule 55(7), 56(7) of UPMV Rules 1998. However the Enforcement wing of the Department could neither trace these vehicles under provision of section 192 of MV Act nor could the Department issue notices to these permit holders for cancellation of permits. The physical check of records and scrutiny of digital data was also absent. Thus there was an absence of any mechanism to monitor the subsequent authorisation of the All India permits in those RTO's. As a result authorisation fee and court fee amounting to ₹ 6.57 lakh was not realised.

During exit conference the Department accepted our audit observation.

3.3.17 Accident Relief Fund not established and its impact

Due to not creating of Uttar Pradesh Road Transport Accident Relief Fund (UPRTARF) by the Department, ₹ 109.06 crore could not be credited for accident victims between April 2012 to March 2016.

As per provisions of Section 8(1) of UPMVT Act, 1997 as amended in 2009, for the purpose of providing relief to the passengers or to heirs of such passengers or other persons or other persons suffering casualty in any accident in which a public service vehicle is involved, the State Government shall establish a fund to be known as the Uttar Pradesh Road Transport Accident Relief Fund (UPRTARF). The amount equivalent to two *per cent* of the tax

¹³ RTO Bareilly, Ghaziabad, Kanpur Nagar, Lucknow and Varanasi.

levied under Section 4 and two *per cent* of the additional tax levied under Section 6 shall be credited to the said fund.

We examined the Monthly statement of revenue receipts of the office of the Transport Commissioner and found that the Department had realised a sum of ₹ 5,453.04 crore as tax and additional tax from goods and passenger vehicles during the period between April 2012 and March 2016. Two *per cent* of this amount ₹ 109.06 crore was to be credited to the UPRTARF but could not be credited to the fund by the Department as no such funds had been established. We further noticed that compensation amounting to ₹ 49.02 lakh was paid from the budget major head “2235 Social Safety and Welfare” during the year 2012-13 to 2015-16 to the passengers or heirs of such passengers against 334 cases of accident from public service vehicles. The failure to create a fund negated the very purpose of the provision of the Act and the compensation had to be paid out of revenue budget of the State.

During exit conference the Government/Department accepted our observation and stated that process of amendment in Rules for creation of UPRTARF is in progress.

Effectiveness of Enforcement wing

The regulatory functions of the Enforcement Wing in the State comprise of checking of offences for plying of unregistered vehicles/vehicles without permit/driving license/certificate of fitness/norms of pollution/overload vehicles/evade tax and violation of Act/Rules. The deficiencies found in working of Enforcement Wing on the above functions involving ₹ 8.85 crore have been discussed in the following paragraphs.

3.3.18 Compounding fee not levied on contract and stage carriage vehicles

3.3.18.1 Compounding Fee not levied on contract carriage vehicles in violation of permit conditions

Compounding fee amounting to ₹ 4.10 crore was not realised from 10,241 contract carriage vehicles found plying on roads in violation of permit conditions.

Under Rule 70 of the UPMV Rules, the owner of the contract carriage vehicle other than motor cab is liable for submission of passenger’s list and quarterly abstract of the vehicle log book as required under the terms and conditions of the permit issued by the competent authority. Section 192A of MV Act defines the penalty for violation of conditions of permit which attracts imposition of compounding fee of ₹ 4,000.

We examined the files and database of vehicles of contract carriage of sampled RTOs/ARTOs and observed that in TC office and five¹⁴ RTOs/ARTOs, 10,241 out of 11,983 contract carriage vehicles were covered under contract carriage permit and were plying during the period October 2012 to March 2016 but no vehicle owner submitted passenger list and logbook as

¹⁴ RTO Barreilly, Ghaziabad, Kanpur Nagar, Lucknow and Varanasi

per above provisions. As a result, compounding fees amounting to ₹ 4.10 crore was neither levied nor realised by the Department.

During exit conference the Department stated that not producing of log book and/or passengers list does not attract penalty as this is not a violation of permit conditions.

We do not agree with the reply of the Government as all the vehicles were plying and paying tax regularly without submitting passenger's list and quarterly abstract of the vehicle log book violating the condition of permit, but the Department did not impose penalty on these vehicles.

3.3.18.2 Compounding Fee not levied on stage carriage vehicles in violation of permit conditions

Compounding fee amounting to ₹ 65.92 lakh was not levied in violation of permit conditions by 1,648 stage carriage vehicles.

Section 72 of MV Act, provides different conditions for grant of stage carriage permit. Sub section 2(iii) *ibid* specifies that the minimum and maximum number of daily trips to be provided in relation to any route or area generally or on specified days and occasions may be provided after issue of such permit. Further as per Rule 17 of the UPMVT Rules, every operator of the stage carriage shall within seven days of coming into force of the Act or being possessed of the vehicle, as the case may be, furnish to the Taxation Officer a table regulating timing of arrival and departure of his stage carriage, as well as the number of single trips made in a quarter and such other particulars connected with this business, as the Taxation Officer may by order, from time to time require. Violation of permit condition attracts imposition of compounding fee ₹ 4,000 per case.

We examined the route files of stage carriage vehicles of sampled RTOs/ARTOs and observed that in 13 RTOs/ARTO¹⁵s, all 1,648 stage carriage vehicles test checked were covered under stage carriage permit and plying during the period from September 2011 to March 2016 but none of the vehicle owners submitted their time table for arrival and departure of vehicle as required under Rule. Thus, due to this the Department not only remained deprived of compounding fee amounting to ₹ 65.92 lakh but also in case of any accident in the absence of details of trips and passengers the Department will not be able to work out the actual victims, the compensation payable to them and it will also affect the law and order issues.

During exit conference, the Department accepted our observation and stated that in the cases of violation of permit conditions, if the owner of the vehicle applies for compounding the charges, at his request the compounding fee is imposed and in case where the vehicle owner does not turn-up, cases are referred to court.

We do not agree with the reply of the Government as the Enforcement wing was entrusted with identification and penalisation for violation of permit conditions. Audit noticed that all the vehicles were plying and paying tax

¹⁵ RTO Agra, Allahabad, Ghaziabad, Jhansi, Kanpur Nagar, Lucknow, Varanasi and ARTO Firozabad, G B Nagar, Jalaun, Mathura, Mau, and Unnao.

3.3.20.3 Excess amount received from auction of seized vehicles not refunded to owners

Owners were not refunded excess amount of ₹ 10.90 lakh received from the auction of 128 seized vehicles.

We examined the seizure registers and concerned files of sampled RTOs/ARTOs and observed that in five¹⁹ RTOs/ARTOs, 128 out of 284 test checked vehicles were seized by the Enforcement wing from January 2009 to August 2014 under the provisions of the UPMVT Act for not depositing dues of ₹ 11.33 lakh. The defaulters failed to deposit the due amount within the prescribed period of 45 days. The Department auctioned the seized vehicles between January 2014 and February 2015 and recovered an amount of ₹ 22.23 lakh against the due amount of ₹ 11.33 lakh. Thus excess amount of ₹ 10.90 lakh recovered from the auction of seized vehicles was not refunded to owners.

During exit conference the Department accepted our observation and stated that instruction has been issued to concerning district officers to refund excess amount received in auction to owners of vehicles.

3.3.21 Commercial use of vehicles registered as private/agriculture vehicles

Tax and fine amounting to ₹ 16.04 lakh was not realised from 93 tractors engaged in commercial activities.

Under Section 4(2) of UPMVT Act, on tractors used for commercial purposes other than agriculture purposes, tax is leviable at the rate of ₹ 500 per quarter or ₹ 1,800 per year upto 18 October 2012 and ₹ 525 per quarter or ₹ 1,890 per year from 19 October 2012, for every metric ton of the unladen weight of the vehicle or part thereof. Further under Section 66(1) read with 192 of the MV Act, use of a motor vehicle in contravention of provisions shall be punishable for the first offence with a fine of ₹ 2,500 which was raised to ₹ 4,000 with effect from 25 August 2010.

We examined the seizure registers and concern files of sampled RTOs/ARTOs and observed that in six²⁰ RTOs/ARTOs, 93 tractors registered for agricultural purposes engaged in commercial activities of transporting sub-mineral (sand and ordinary soil). This fact was verified from relevant records of respective District Mines Officers. We observed from the prosecution registers, that the Department did not initiate any action for the levy and collection of the differential rate of tax from these vehicles being put to commercial use and also did not impose fines for violation of provision of Act. As a result, the tax and fine amounting to ₹ 16.04 lakh were not realised.

During exit conference the Department accepted our observation and stated that notice has been issued in one out of six ARTOs.

¹⁹ RTO Agra, Ghaziabad, Jhansi and ARTO Hathras, and Unnao.

²⁰ ARTO Ballia, Firozabad, Hathras, Mathura, Shahjahanpur and Unnao

3.3.22 Vehicular Pollution

3.3.22.1 Lack of information of polluting vehicles

Transport offices had no database/information of vehicles plying with or without PUC certificate.

Under the provisions of Rule 115(7) of the CMV Rules, after the expiry of a period of one year from the date on which the motor vehicles was first registered every such vehicle shall carry a valid 'Pollution Under Control' (PUC) certificates issued by an agency authorised for this purpose by the State Government. The validity of the certificate shall be for six months. Under rule 115(2) if the standard of pollution of vehicles is found within the prescribed limit the pollution testing centers will issue PUC certificate on payment of prescribed fee.



We examined the records related to pollution in sampled RTOs/ARTOs and TC office and observed that the Department had authorised 787 private pollution testing centers in 70 RTOs/ARTOs of the State and the rest five ARTOs had no centre. There were 507 pollution testing centers in sampled

RTOs/ARTOs. The TC and RTOs/ARTOs offices did not have any database/information regarding vehicles plying with or without PUC in VAHAN software, which has been confirmed by the Department in their reply stating that information from field offices are being collected.

3.3.22.2 Absence of infrastructure for testing of pollution of vehicles

We examined the records in sampled RTOs/ARTOs and TC office and observed that in eight RTOs/ARTOs the necessary equipments for checking of smoke emission of vehicles were out of order. There was no such equipments in 10 out of remaining 11 RTOs/ARTOs and 19 Enforcement wings. In the absence of infrastructure testing of pollution of vehicles could not be carried out in accordance with the prescribed norms.

During exit conference the Department accepted our observation and stated that the detailed information is being called for from the districts.

Government may consider deployment of adequate traffic personnel along with required equipments to ensure the implementation of pollution standards.

Internal Control mechanism

The Department should develop an effective internal control mechanism to ensure proper implementation of Act/Rules. This also helps in the creation of reliable financial and management information system for prompt and efficient decision making and adequate safeguard against short collection and evasion of revenue. This should also be reviewed and updated from time to time to maintain their effectiveness. Our findings on the efficacy of internal controls in the Department involving ₹ 167.27 crore have been mentioned in the following paragraphs.

3.3.23 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2016 amounted to ₹ 118.11 crore. The **Table 3.4** depicts the position of arrears of revenue during the period 2011-12 to 2015-16:

Table 3.4
Analysis of arrears of revenue

Year	(₹ in crore)			
	Opening balance of arrears	Addition during the year	Amount collected during the year	Closing balance of arrears
2011-12	29.67	786.76	786.74	29.69
2012-13	47.44	949.83	943.43	53.84
2013-14	87.94	1125.91	1088.21	125.64
2014-15	124.94	1187.74	1175.87	136.81
2015-16	146.70	1180.81	1209.40	118.11

Source: Information provided by the Department

We observed that there was an arrear of ₹ 29.67 crore against private parties at the beginning of 2011-12 which increased to ₹ 118.11 crore (298 per cent) in 2015-16. The detail of arrears outstanding for more than five years is not available with the Department. This shows that the Department did not take concerted efforts to reduce the arrears. Opening balance of a year must tally with the figures of closing balance of the previous year, which did not as the above table shows. The opening balance of each year differs from the closing balance of the preceding year. Thus, it can be inferred that the information maintained by Department regarding arrears was incorrect and that the Department was unaware of the actual amount of arrears that needed to be recovered.

During exit conference the Department accepted our audit observation and stated that the reason for variation in year to year is due to digitisation of old vehicular records. The details of arrears outstanding for more than five years are still not available with the Department, hence they could not furnish stages under which recovery is pending.

3.3.24 Realisation of arrears

Under the provisions of Section 20 of the UPMVT Act, 1997 arrears of any tax or additional tax or penalty shall be recoverable as arrears of land revenue. The taxation officer shall raise a demand in the form as may be prescribed from the owner or operator, as the case may be, for the arrears of tax and additional tax and penalty of each year, which shall also include the arrears of tax, additional tax or penalty, if any of preceding years and RRCs will be

initiated within 45 days from the date of expiry of the period of the notice of 30 days.

Section 22 authorises the taxation officer to seize and detain the vehicle and to get the dues recovered by auction of the vehicle if the dues are not paid within 45 days from the date of seizure or detention of the vehicle.

3.3.24.1 Absence of monitoring and follow up mechanism for realisation of arrears

Due to the absence of follow up and monitoring, revenues amounting to ₹ 2.21 crore were not realised in 336 cases.

We examined the RCs registers and files of vehicles of sampled RTOs/ARTOs and observed that in 13²¹ RTOs/ARTOs, there were arrears of tax/additional tax amounting to ₹ 2.21 crore in 336 cases for which Recovery Certificates (RCs) were issued during the period November 2012 to July 2015. We noticed that these RCs were issued with the delay of one month to 14 year six months after the date when revenues become due and recovery of these outstanding dues could not be made. No evidence of regular follow up with the revenue authorities for the recovery of these outstanding RCs was seen on files. The taxation officers of the districts did not initiate any action for seizing the vehicles of the owner who had defaulted on their dues under Section 22. We noticed that no provision for a time frame regarding issue of RCs was made in the rules and the Department also had no system to monitor the issue of the RCs within a specified time frame. In the absence of follow up and monitoring mechanism, revenue amounting to ₹ 2.21 crore was not realised (**Appendix-XVI**).

During exit conference the Department accepted our observation and stated the efforts of recovery of such arrears are being made.

3.3.24.2 Return of Recovery Certificate without realisation of revenue

Recovery Certificate amounting to ₹ 1.86 crore in 179 cases were returned without realisation of revenue.

We examined the tax registers, arrear registers, recovery certificate issue registers and vehicles files of sampled RTOs/ARTOs and observed that in 12 RTOs/ARTO²²s, there were arrears of tax/additional tax amounting to ₹ 1.86 crore in 179 out of 727 cases for which Recovery Certificates (RCs) were issued during the period October 2007 to December 2015 to concern District Magistrate (DM) for recovery of outstanding dues. Audit noticed that after laps of one to nine years of issue of RCs, the dues could not be recovered and the RCs were return by DM to Department with the comment of incorrect address /death /no-property /father's name of defaulter not mentioned whereas it was the responsibility of the RTOs/ARTOs to maintain full details. Further, as per rule the Department should have examined the reason of its return and

²¹ RTO Agra, Allahabad, Bareilly, Ghaziabad, Lucknow and ARTO Ballia, Firozabad, GB Nagar, Hathras, Mathura, Mau, Shahjahanpur, and Unnao.

²² Major defaulting RTOs/ARTOs: Firozabad, Ghaziabad, G.B. Nagar and Unnao.

make active efforts for reissuance. Audit noticed that in none of the case of return of RCs the concerned RTOs/ARTOs examined the reason and made any further correspondence with the respective District authority.

Department failed to re-issue R.C.s for recovery of the outstanding dues and did not take any action against the defaulters. Thus, due to ineffective follow-up as per act and rules the recovery of dues amounting to ₹ 1.86 crore could not be recovered (**Appendix-XVII**).

During exit conference the Department accepted our observation and stated the efforts of recovery of such arrears are being made.

3.3.25 Delayed compliance of office order

Revenue amounting to ₹ 49.75 lakh was short levied due to delayed compliance of office order.

Under Rule 115 (7) of CMV Rules, the TC vide letter dated 23 September 1993, prescribed ₹ 20 as fee for pollution certificate of various Diesel/Petrol vehicles. Of which ₹ 2 (10 *per cent*) was to be remitted to Government Treasury by the Private Pollution Test Centers. Further these rates were as well as format of PUC were revised vide order no. 109 *pravi./2013-01/sa.su./2012* dated 21 January 2013. The new rates were ₹ 30 for two/three Petrol/CNG/LPG vehicles, ₹ 40 for four wheeler Petrol vehicles and ₹ 50 for Diesel vehicles. Similarly an amount equal to 10 *per cent* of the fee was to be remitted to the Government Treasury vide order 4 December 2013.

We examined the records relating to the pollution certificates *viz* receipts and issue registers, payment registers in TC Office and observed that the Department continued to realise the fees at pre-revised rates and issued certificates in old format upto 31 December 2013 for Petrol vehicles and upto 24 January 2014 for Diesel vehicles. A total of 20,96,000 certificates for Petrol vehicles and 9,59,500 certificates for Diesel vehicles (Total 30,55,500 certificates) were issued to Private Pollution Test Centers and on these certificates an amount of ₹ 61,11,000 (at the rate of ₹ 2 for each certificate) was remitted to Government Treasury whereas ₹ 1,10,85,500 (at the rate of minimum ₹ 3 for each Petrol vehicle and at the rate of ₹ 5 for each Diesel vehicle) should have been remitted as per office order dated 21 January 2013. As a result, there was a short levy of ₹ 49.75 lakh.

During exit conference the Department accepted our observation and state that matter is under investigation and recovery will be ensured if due. The Department did not furnish any specific reason for delayed compliance of order.

3.3.26 Stamp Duty not levied on vehicles registered with hypothecation agreements

The Department did not get hypothecated documents inspected from Stamp and Registration Department for ascertaining actual amount of stamp duty. Thus, the Government was deprived of revenue of ₹ 162.70 crore.

As per provisions of Section 73 and Schedule 1-B (6) of Indian Stamp Act 1899, the pawn, pledge or hypothecation of movable property, where such pawn, pledge or hypothecation has been made by way of security for the repayment of money advanced by way of loan or an existing or future debt; 0.5 per cent of the amount secured subject to a maximum of 10 thousand towards stamp duty, shall be levied, if such loan or debt is repayable on demand or more than three months from the date of the instrument, evidencing the agreement. Further, every instrument has to be properly stamped as per the provisions of the Act. Also, every public officer shall at all reasonable time, permit any officer whose duty is to see that proper duty is paid, or any other person authorised in writing by the Collector to inspect for such purpose. Further, the Chief Secretary vide letter dated 9 June 2010 addressed to all Principal Secretaries, Commissioners, and District Magistrates emphasising that every Public Servant shall submit photo copy of all unregistered documents to Assistant Commissioner, Stamp for inspection of chargeability of stamp in prescribed format with all details, before the 10th day of every month.

We examined the data base and files of vehicles of all sampled RTOs/ARTOs and observed that 12,41,085 vehicles involving cost amounting to ₹ 43,564.38 crore were hypothecated to banks during the period April 2011 to March 2016 on which stamp duty was not levied. The Department neither got the hypothecated documents inspected nor submitted them to Stamp and Registration Department with a view to ascertain actual amount of stamp duty. As the amount of loan secured was not available in the vehicles registration files/data, audit adopted 80 per cent minimum which is normally allowed by the bank of the cost of the vehicles amounting to ₹ 34,851.51 crore as the total loan amount. As a result, the Government remained deprived of revenue of ₹ 162.70 crore (Appendix-XVIII).

During exit conference the Department accepted our observation and assured these directions would be issued to Regional Officer for inspection of hypothecated documents for levying stamp duty in future. Stamp and Registration Department has also circulated instructions to their Field Offices for levy of stamp duty on hypothecated vehicles.

3.3.27 Departmental manual not in existence

For the effective and efficient working of any Department, a manual prescribing duties and responsibilities of staff, procedures to be followed and details of different registers/returns to be maintained is essential.

We observed that no Departmental manual exists in the Department. The Department constituted a committee in August 2008 for preparation of a Departmental manual but even after a lapse of seven years from the date of

constitution of the committee; not a single meeting was held till March 2016. The absence of a laid down system of duties, responsibilities, procedures and internal control would result in the Department not being aware of weaknesses in areas of its functioning and inhibit its ability to take timely remedial action.

During exit conference the Department accepted our observation and stated that the meeting of the committee for preparation of Department manual is proposed to be held.

However the fact remains that even after a lapse of seven years, the Department had not made any concerted efforts for the preparation of Departmental manual.

Government may consider preparing and adopting a Departmental manual at the earliest.

3.3.28 Internal Audit

Compliance by the Department against the cases raised by the IAW is very low resulting in pendency of paras and amount year after year.

Internal Audit of an organisation is a vital component for effective internal control in an organisation and is generally defined as the control of all controls. It enables the organisation to assure itself that the prescribed systems are functioning reasonably well.

Internal Audit Wing (IAW) is controlled by Finance Controller. One Assistant Audit Officer and three Auditors have been posted against the sanctioned post of One Assistant Audit Officer and six Auditors in IAW.

The details of Internal Audit planning such as number of units planned for audit, number of units audited and shortfall are shown in **Table 3.5**.

Table 3.5

Audit planning by internal audit wing

Year	Total number of units available for IA	Number of units planned for IA	Number of units audited during the year	Short fall	Percentage of shortfall
2011-12	101	36	22	14	38.88
2012-13	101	40	19	21	52.50
2013-14	101	31	22	09	29.03
2014-15	101	31	27	04	12.90
2015-16	103	36	30	06	16.77

Source: Information provided by the Department.

This shows that the audit planning of the IAW is not realistic as shortfall in the number of units audited ranged between 12.90 *per cent* and 52.50 *per cent* during the year from 2011-12 to 2015-16.

The Internal Audit conducted by the IAW, number, amount of objection raised and settled during the year is shown in **Table 3.6**.

Table 3.6
Details of outstanding paras and amount

Year	(₹ in lakh)							
	Opening balance		Addition during the year		Clearance during the year		Closing balance	
	No. of cases	Amount involved	No. of cases	Amount involved	No. of cases	Amount involved	No. of cases	Amount involved
2011-12	4,582	2,283.00	204	81	0	0	4,786	2,364.00
2012-13	4,786	2,364.00	137	73	12	13	4,911	2,424.00
2013-14	4,911	2,424.00	198	54	19	21	5,090	2,457.00
2014-15	5,090	2,457.00	276	115	8	2	5,358	2,570.00
2015-16	5,358	2,570.00	157	58	10	26	5,505	2,602.00

Source: Information provided by the Department.

It is evident from the above table that on one hand the compliance made by the Department against the cases raised by the IAW is very low, whereas on the other hand pendency of paras and amount are increasing year to year.

During exit conference the Department accepted our observation stated that Department also realises the necessity of a strong IAW.

3.3.29 Inspection by Departmental officers

The inspection of field offices was not done as per norms fixed.

Inspection is an important part of the internal control for ensuring proper and effective functioning of a Department and for timely detection of loopholes and to stop their recurrences.

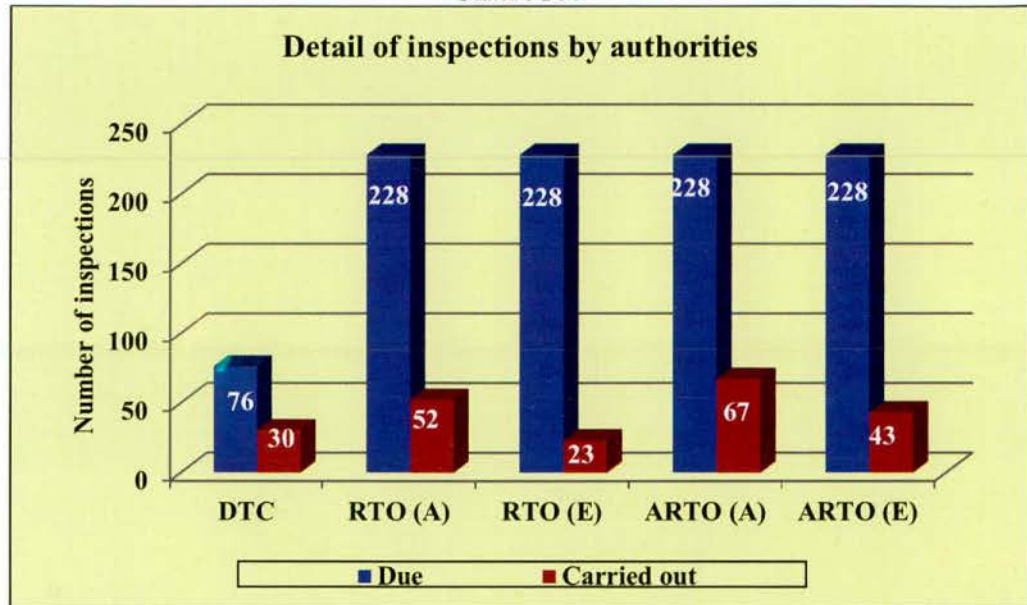
The Transport Commissioner of Uttar Pradesh vide instructions dated 2 May 2014 fixed the periodicity of inspection to be conducted by the DTC, RTO(A), RTO(E), ARTO(A) and ARTO(E) of their own and subordinate offices. The periodicity ranged between one month and six months of their own and subordinate offices. The details of inspection carried out are shown in **Table 3.7.**

Table 3.7
Details of inspection carried out of offices by higher authorities

Sl. No.	Name of officer	Number of Inspection			
		Due	Carried out	Shortfall	Percentage of shortfall
1.	Dy. Transport Commissioner	76	30	46	60.53
2.	Regional Transport Officer (Admn.)	228	52	176	77.19
3.	Regional Transport Officer (Enforcement)	228	23	205	89.91
4.	Asstt. Regional Transport Officer (Admn.)	228	67	161	70.61
5.	Asstt. Regional Transport Officer (Enforcement)	228	43	185	81.14
	Total	988	215	773	78.24

Source: Information provided by the Department.

Chart 3.4



It may be seen from the above table that shortfall in inspections ranged from 60.53 to 89.91 *per cent* at different levels during these years. The maximum shortfall was recorded at the level of Asstt. Regional Transport Officer (E). We found that no norms have been fixed for inspection by TC and Addl. TC at any level. This could have an adverse impact on monitoring cases of short levy of tax, additional tax and fees.

During exit conference the Department stated that the monthly meetings are being held by the Transport Commissioner and Addl. Transport commissioner has conducted inspection once in January 2016. Further, they did not give any reply on our observation regarding shortfall in inspection by DTC, ARTO(A)/ARTO(E), RTO(A)/RTO(E).

3.3.30 Follow-up of recommendation of Audit Report 2009-10

Neither PAC discussed the 11 paragraphs and nor any action was initiated by the Department.

The State Public Account Committee discussed 17 out of 28 sub-paragraphs pertaining to the Audit Report for the year 2009-10.

During exit conference the Department stated that the reply on pending paras will be collected and submitted.

3.3.31 Human resource management

Acute shortage of ancillary staff against the sanctioned strength led to excess workload and adversely effected collection/recovery of revenue.

Human resource management is very important for efficient implementation and monitoring of the Act/Rules and effective working of internal control of the Department/Organisation.

Sanctioned strength and men-in-position of sampled districts as furnished by the TC and RTOs/ARTOs offices are shown in **Table 3.8**.

Table-3.8

Human resource management

Sl. No.	Name of unit	Administrative wing			Enforcement squad		
		ARTO(A)	RI	Others	No. of Enforcement squad/ ARTO(E)	Super-visor	Constable
1.	Sanctioned Strength	19	43	767	37	47	285
2.	Men-in-position	19	18	578	36	13	175
3.	Shortage	0	25	189	1	34	110
4.	Shortage in per cent	0	58.13	24.64	2.70	72.34	38.59

Source: Information provided by the Department

The above table shows that there was acute shortage of ancillary staff in the RTOs/ARTOs Offices. Further, we observed that:

- Regional Inspectors (RIs) assist the Assistant Regional Transport Officers in all technical matters relating to road transport. They are responsible for checking the fitness of vehicles and granting/renewal of certificate of fitness. There were 18 RIs against the sanctioned strength of 43. Shortage in this cadre led to excess workloads which could adversely affect their performances.
- Against 37 Enforcement squads that were sanctioned, 36 were functioning similarly against 47 post of supervisor and 285 post of constable sanctioned, 13 supervisor against 47 and 175 constables were posted. These shortages of manpower could adversely affect the recovery/ collection of taxes and compounding fees as shown in **Table 3.9**.

Table-3.9

Details of recovery ranged against target fixed

Year	Number of RTOs/ARTOs	Percentage of recovery ranged against target fixed
2011-12	13	13.35 to 97.07
2012-13	15	39.11 to 96.97
2013-14	16	29.24 to 98.37
2014-15	18	13.87 to 98.82
2015-16	18	19.26 to 94.31

Source: Information provided by the Department

During exit conference the Department accepted our observation and stated that the filling of vacant post is under process.

Government may consider to strengthen their Internal Audit wing and to achieve the targets fixed for inspection of field offices by the Departmental authorities. Human resources management needs to be strengthened by deployment of staff to these vacant positions.

3.3.32 Conclusions

We observed that:

Department/Enforcement wing could not detect the vehicles plying without payment of tax and penalty, renewal of fitness, without permit, without renewal of permit, overload vehicles, vehicles plying without PUC. The Government remained deprived of revenue amounting to ₹ 596.77 crore. Department failed to provide the information regarding vehicles plying with or without PUC and to equip the Enforcement wing with the necessary apparatus for checking of pollution of vehicles. Internal control mechanism of the Department was deficient and internal control tools such as internal audit and inspection were not working efficiently. There were shortage of ancillary staff/Enforcement squads staff and absence of Departmental manual for internal control and realisation of revenue.

3.3.33 Summary of recommendations

We recommend that Government may consider:

- **periodic review of registered other than transport vehicles (private vehicles) to identify vehicles whose validity of registration has expired.**
- **taking immediate steps to verify the fitness for all vehicles which are due, to avoid loss of revenue and in the interest of public safety.**
- **instituting a mechanism for periodic review of DCB register to monitor collection of revenue from defaulter vehicles/vehicles plying under UPSRTC and ensure strict adherence to provisions of Acts/Rules.**
- **in case of negligence and/or connivance the Department should initiate disciplinary proceedings against the errant officer.**
- **deploying of adequate traffic personnel along with required equipment to ensure the implementation of pollution standards.**
- **preparing and adopting a Departmental manual at the earliest.**
- **strengthening their Internal Audit wing and to achieve the targets fixed for inspection of field offices by the Departmental authorities. Human resources management needs to be strengthened by deployment of staff to these vacant positions.**

3.4 Audit observations

Our scrutiny of records in the offices of the Transport Department showed that in some cases of compounding fee, application fee, tax, additional tax, permit fee, fitness fee, registration fee and penalty was not levied as mentioned in the succeeding paragraphs in this chapter. These cases are illustrative and are based on a test check carried out by us. We point out most of the observations each year, but not only do the irregularities persist; these remain undetected till we conduct an audit. There is need for the Government to improve the internal control system so that recurrence of such lapses in future can be avoided.

3.5 Irregularities in permit

3.5.1 Authorisation of National Permit not renewed

Composite and authorisation fees amounting to ₹ 8.23 lakh was not realised from 47 goods vehicles found plying on roads without renewal of authorisation of national permit.

Section 81 of MV Act provides that a permit is valid for five years. However, as per Rule 87 (3) of CMV Rules, authorisation for the National Permit is for one year. As per order of Transport Commissioner (February 2000) the authorities concerned shall issue notice to the permit holder within 15 days of expiry of authorisation calling his explanation as to why the permit should not be cancelled in case of his not renewing authorisation and cancel the permit in case no explanation being received within the prescribed time. Composite fee of ₹ 16,500 per annum for authorisation along with application fee amounting to ₹ 1,000 was to be deposited in the Government account for authorisation of national permit.

We examined the vehicle files, permit register, receipt books and cash-book of three RTOs (Basti, Lucknow and Varanasi) out of 13 RTOs between May 2015 and August 2015 and found that during the period from July 2014 to December 2015, 47 out of 206 goods vehicles covered under national permit were plying on roads without renewal of authorisation of national permit even after expiry of validity period. As a result, composite renewal fee and application fee amounting to ₹ 8.23 lakh were not realised.

All this information such as date of expiry of authorisation, tax paid and other details of vehicles with National Permit was available in VAHAN Software which is designed for keeping vehicles details such as registration certificates, permit and taxes etc. These data were required to analyse at State level by an officer who shall not below the rank of Deputy Transport Commissioner and at RTO level, by an ex-officio Secretary of the Regional Transport Authority as per rule 55(7), 56(7) of UPMV Rules 1998. However the enforcement wing of the Department neither traced these vehicles as provided under section 192 of MV Act nor did the Department issue notices to these permit holders for cancellation of permits. The physical check of records and scrutiny of digital data was absent. Thus there was absence of mechanism for monitoring of the subsequent authorization during currency of national permits in those RTOs/ARTOs.

We reported the matter to the Department and the Government (May 2015 to August 2015). During exit conference the Department accepted our observation and stated that notices have been issued to concerned vehicle owners and in 18 cases amount of ₹ 3.05 lakh has been recovered.

3.5.2 Permit fee from school buses not realised

In sub regions of three RTOs/ARTO 177 school vehicles were plying without permit. As a result, permit fees and application fees of ₹ 7.60 lakh was not realised.

Under the provisions of the UPMVT Act, as amended in 2000 in respect of Notification number 27/2000 of Government of India, no Educational Institute shall use vehicles for transportation of students without proper permit. Further, Rule 125 of the UPMVT Rules, 1998 (as amended on 31 December, 2010) prescribes ₹ 3,750 for issue of new permit, its renewal and countersignature and ₹ 1,000 for application fees.

We examined (between May 2015 and January 2016) the vehicles files, permit register and vehicles database of two RTOs (Basti and Lucknow) and ARTO Jaunpur and found that during the period June 2014 to December 2015, 177 out of 281 vehicles of educational institutions were plying in sub regions without permit and compromising on the safety and security of their wards. As a result, permit fees and application fees of ₹ 7.60 lakh were not realised.

We reported the matter to the Department and the Government (July 2015 to February 2016). During exit conference the Department accepted our observation and stated that notices have been issued to concerned vehicle owners and in 142 cases amount of ₹ 5.63 lakh has been recovered.

3.6 Additional tax on JnNURM buses not levied

Additional tax of ₹ 9.92 crore was not levied on 84 JnNURM buses under City Transport Services Limited which were found plying outside the municipal corporation area.

No transport vehicle of State Transport Undertaking shall be used in any public place in Uttar Pradesh unless additional tax prescribed under sub-section (1) of Section 6 of UPMVT Act 1997 (as amended on 28 October 2009) has been paid. Motor vehicles of State transport undertaking operating within the limits of Municipal Corporation or Municipality shall be exempted from the payment of additional tax.

We examined (October 2015) the route and tax files returns and challan submitted by the Uttar Pradesh State Road Transport Corporation (UPSRTC) to transport offices of RTOs Meerut out of seven²³ RTOs and found that 84 JnNURM buses out of 120 JnNURM buses under City Transport Services Limited were found plying outside the municipal corporation area from February 2009 to September 2015 and were liable for payment of additional tax of ₹ 9.92 crore. The transport officers did not initiate any action i.e. issue notice to deposit the additional tax, detain the vehicle in police custody by

²³ Agra, Allahabad, Kanpur Nagar, Lucknow, Mathura, Meerut and Varanasi.

enforcement wing of the Department or issued RCs for not depositing additional tax on these vehicles. As a result, additional tax of ₹ 9.92 crore was not levied.

We reported the matter to the Government and the Department (February 2016). During exit conference the Department stated that the vehicles were plying within the municipal corporation area. The reply of the Department is not tenable on the ground that the vehicles were plying outside of the municipal corporation area as per list provided by municipal corporation Meerut.

3.7 Fitness certificate of vehicles

3.7.1 Fitness certificate of transport vehicles not renewed

There is no system in the Department to check whether there is a valid fitness certificate while accepting payment of tax due. 6,304 vehicles plied without valid fitness certificates and were liable for levy of fitness fee of ₹ 35.50 lakh and imposition of penalty of ₹ 2.52 crore.

Under Section 56 read with 84 and 86 of MV Act, and Rule 62 of CMV Rules, 1989 made thereunder, a transport vehicle shall not be deemed to be validly registered unless it carries a certificate of fitness. A fitness certificate granted in respect of a newly registered transport vehicle is valid for two years and is required to be renewed every year and in case of failure his permit is likely to be cancelled or suspended for a certain period. Payment of the prescribed test fee of ₹ 100, ₹ 200, ₹ 300 and ₹ 400 for three wheelers, light, medium and heavy vehicle respectively is required to be made. In addition to this, renewal fee of ₹ 100 for issuing certificate of fitness is also leviable for all category of vehicles. In case of default, an additional amount equal to the prescribed fee is also leviable. Plying a vehicle without certificate of fitness is compoundable under Section 192 of the MV Act, 1988 at the rate of ₹ 4,000 vide notification no. 1452/30-4-10-172/89 dated 25 August 2010.

We examined (between April 2015 and January 2016) the tax register, vehicles files, vehicles database, receipt books and cash-book of 17 out of 45 RTOs/ARTOs and found that 6,304 out of 12,510 vehicles plied between March 2008 and December 2015 without valid fitness certificate although the tax due was realised. In VAHAN software information regarding expiry of fitness was available but Department failed to identify such cases. Specific feature in software to prevent vehicle owners to pay tax where fitness had expired was not available. The Department neither initiated action for cancelling the permit of these vehicles whose fitness certificate had become overdue nor levied any fine on defaulting vehicle owners as per provisions of the MV Act besides endangering the lives of the passengers. It was the responsibility of ARTO (Administration) to identify and stop these vehicles with the help of enforcement wing but they failed to identify such vehicles during their checking. Plying of such vehicles compromised with public safety. These vehicles were liable for levy of fitness fee of ₹ 35.50 lakh and imposition of penalty of ₹ 2.52 crore (**Appendix-XIX**).

We reported the matter to the Department and Government (May 2015 to February 2016). During exit conference the Department accepted our observation and stated that notices have been issued to concerned vehicle owners and in 2,486 cases amount of ₹ 14.01 lakh has been recovered.

3.7.2 Private vehicle plying without certificate of fitness

Without valid fitness certificate 1,805 private vehicles plied between June 2014 and December 2015 were liable for levy of fitness fee of ₹ 9.03 lakh and imposition of penalty of ₹ 72.20 lakh.

As per Transport Commissioner's office order dated 12 December 2005 omni buses are classified as transport vehicles. All vehicles having more than six seats excluding driver will be known as transport vehicle unless concerned vehicles registered as private vehicles. Now fitness is compulsory for each vehicle having more than six seats but upto nine seats excluding driver. These vehicles are classified as light vehicles. Under Section 56 read with 84 and 86 of MV Act, and Rule 62 of CMV Rules, 1989 made thereunder, a transport vehicle shall not be deemed to be validly registered unless it carries a certificate of fitness. A fitness certificate granted in respect of a newly registered transport vehicle is valid for two years and is required to be renewed every year and in case of failure his permit is likely to be cancelled or suspended for a certain period. Payment of the prescribed test fee of ₹ 200 is required to be made. In addition to this, renewal fee of ₹ 100 for issuing certificate of fitness is also leviable for all category of vehicles. In case of default, an additional amount equal to the prescribed fee is also leviable. Plying a vehicle without certificate of fitness is compoundable under Section 192 of the MV Act, 1988 at the rate of ₹ 4,000 vide notification no. 1452/30-4-10-172/89 dated 25 August 2010.

We examined (between May 2015 and January 2016) the tax register, vehicles files, vehicles database, receipt books and cash-book of six²⁴ out of 44 RTOs/ARTOs and found that 1,805 out of 3,144 vehicles plied between June 2014 and December 2015 without valid fitness certificate although the tax due was realised. The Department neither initiated action for issuing notices to these vehicle owners whose fitness certificate had become overdue nor levied any fine on defaulting vehicle owners as per provisions of the MV Act besides endangering the lives of the passengers. Commissioner, Transport Department also accepted that plying of such vehicles compromised with public safety. These vehicles were liable for levy of fitness fee of ₹ 9.03 lakh and imposition of penalty of ₹ 72.20 lakh.

We reported the matter to the Department and the Government (between July 2015 and February 2016). During exit conference the Department accepted our observation and stated that notices have been issued to concerned vehicle owners and in 320 cases amount of ₹ 1.60 lakh has been recovered.

²⁴ Ambedkar Nagar, Jaunpur, Kannauj, Pratapgarh, Basti and Lucknow.

3.8 Registration of other than transport vehicles not renewed

Registration of 1,272 other than transport vehicles whose registration had expired were not renewed. As a result, green tax, re-registration fee, penalty, fitness fee and certificate fee amounting to ₹ 10.64 lakh was not realised.

Under Section 39 of the MV Act, every vehicle is required to be registered. Section 41 (7) of the Act *ibid* provides that registration of other than transport vehicle is valid for the period of 15 years and registration can be renewed for subsequent period of five years. Fitness is also required to be checked and issue certificate for the same at the time of re-registration of vehicle for which ₹ 200 as fitness fee ₹ 100 for issue of certificate is leviable. Re-registration fee for other than transport light motor vehicle is ₹ 200 and in case of delay ₹ 100 is also leviable as penalty under Section 177 of the Act. As per Section 192 of the MV Act, if vehicle is used in contravention of the provisions of the Section 39 shall be punishable for the first offence with a fine which may extent to five thousand rupees but shall not be less than two thousand rupees. As per Notification No. 1587/30-4-2014-8(79)/2013, Lucknow dated 27 January 2015, at the time of re-registration of a motor vehicle, other than a transport vehicle, Green Tax has been fixed at the rate of 10 percent of onetime tax paid at the time of registration.

We examined (May 2014 to March 2015) the vehicles files, vehicles database, receipt books and cash-book of four²⁵ out of 44 RTOs/ ARTOs and found that out of 1,799 other than transport light motor vehicles 1,272 vehicles were registered during July 1998 to December 2000 for the period of 15 years. The registration of the said vehicles lapsed during July 2013 to December 2015, but none of these vehicles were re-registered. As a result, green tax, re-registration fee, penalty, fitness fee and certificate fee amounting to ₹ 10.64 lakh was not realised.

We reported the matter to the Government and the Department (June 2014 to May 2015). During exit conference the Department accepted our observation and stated that notices have been issued to concerned vehicle owners and in 155 cases amount of ₹ 1.03 lakh has been recovered.

3.9 Penalty under Carriage by Road Act not levied

The Department did not impose penalty amounting to ₹ 1.42 crore under Carriage by Road Act on 591 vehicles which were seized for overloading.

Section 5 (3) of Carriage by Road Act, 2007 stipulates that if the registering authority or any other authority so authorised under the MV Act, has received proof of such violation of provision of sub-section (8) of Section 4, it shall be competent to impose the penalty prescribed under section 194 of the MV Act, on the common carrier, notwithstanding the fact that such penalty has already been imposed on and realised from the driver or the owner of the goods vehicle or the consignor, as the case may be.

²⁵ Deoria, Jaunpur, Basti and Lucknow.

Section 18 (1) of Carriage by Road Act, 2007 regarding failure to register of common carrier provides that if any one contravenes the provisions of section 3, section 13 or notification issued under section 14 shall be punishable for the first offence with fine which may extent to four thousand rupees, and for the second or subsequent offence with fine which may extend to seven thousand five hundred rupees.

We examined (April 2015 to February 2016) the prosecution books, crime and seizure register and concern files in the offices of 23 out of 45 RTOs/ ARTOs and found that 591 out of 5,711 cases of different categories of vehicles were seized for overloading during the period from October 2013 to December 2015. The Department levied penalty of ₹ 1.19 crore under Section 194 of the MV Act, and released the vehicles. In all the 591 case the Department did not initiate any action under Section 5(3) of the Carriage by Road Act 2007 to levy penalty of ₹ 1.19 crore. Further penalty amounting to ₹ 23.64 lakh under Section 18 (1) of the Act for not registering the vehicles as common carrier, was also leviable in these cases. As a result, penalty amounting to ₹ 1.42 crore was not levied (Appendix-XX).

We reported the matter to the Department and the Government (May 2015 to February 2016). During exit conference the Department stated that compounding fees has been recovered by the enforcement officer under MV Act. Department did not reply for not taking action under CBR Act.

3.10 Tax/ additional tax from surrendered vehicles not realised

The taxation officers did not realise the tax/ additional tax amounting to ₹ 38.95 lakh from 214 out of 763 vehicles which were surrendered for the period beyond three calendar months.

Rule 22 of the UPMVT Rules, 1998 (modified in October 2009) provides that when the owner of a transport vehicle withdraws his motor vehicle from use for one month or more, the certificate of registration, tax certificate, additional tax certificate, fitness certificate and permit, if any, must be surrendered to the Taxation Officer. The Taxation Officer shall not accept the intimation of not using of any vehicle for more than three calendar months, within a calendar year, however, the period beyond three calendar months may be accepted by the Regional Transport Officer of the region concerned, if the owner makes an application with requisite fee to the Taxation Officer. If any such vehicle remains surrendered for more than three calendar months during a year without extension of acceptance of surrender by RTO, it shall be deemed to be revoked and the owner shall be liable to pay tax and additional tax, as the case may be. Further, subject to the provision of sub- rule (4), the owner of a surrendered vehicle in respect of which intimation of not using has already been accepted, shall be liable to pay tax and additional tax for the period beyond three calendar months during any calendar year, whether the possession of the surrendered documents have been taken from the taxation officer or not.

We examined (between May 2015 and January 2016) the surrender register, vehicles files, passenger tax register and goods tax register of 10 out of 44 RTOs/ ARTOs and found that 214 out of 763 vehicles were surrendered for

periods beyond three calendar months in a year during the period from June 2014 to June 2015. Though extension of acceptance of surrender beyond three months was not granted by concerned RTO, the taxation officers did not initiate any action to realise the tax/ additional tax due thereon of ₹ 38.95 lakh **(Appendix- XXI)**.

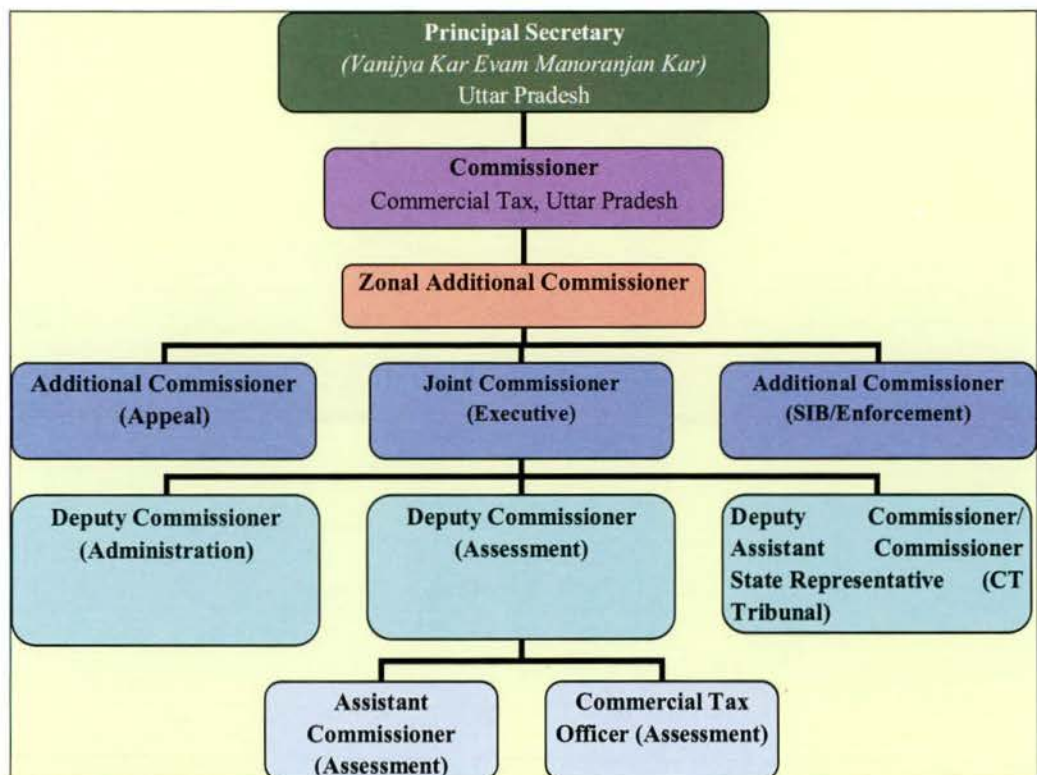
We reported the matter to the Government and the Department (June 2015 to February 2016). During exit conference the Department accepted our observation and stated that notices have been issued to concerned vehicle owners and in 20 cases amount of ₹ 4.09 lakh has been recovered.

CHAPTER-IV TAX ON SALES, TRADE ETC.

4.1 Tax administration

Sales Tax/Value Added Tax laws and rules framed thereunder are administered at the Government level by the Principal Secretary (*Vanijya Kar Evam Manoranjan Kar*) Uttar Pradesh. The Commissioner, Commercial Tax (CCT), Uttar Pradesh is the head of the Commercial Tax Department who is assisted by 100 Additional Commissioners, 157 Joint Commissioners (JCs), 494 Deputy Commissioners (DCs), 964 Assistant Commissioners (ACs) and 1,275 Commercial Tax Officers (CTOs). They are assisted by allied staff for administering the relevant Tax laws and rules.

Chart 4.1 Organisational setup



4.2 Internal audit

Internal controls are intended to provide reasonable assurance of proper enforcement of laws, rules and departmental instructions. The internal controls also help in creation of reliable financial as well as management information systems for prompt and efficient services and for adequate safeguards against evasion of taxes and duties. It is, therefore, the responsibility of the Department to ensure that a proper internal control structure is instituted, reviewed and updated from time to time to keep it effective.

4.2.1 Position of internal audit of units

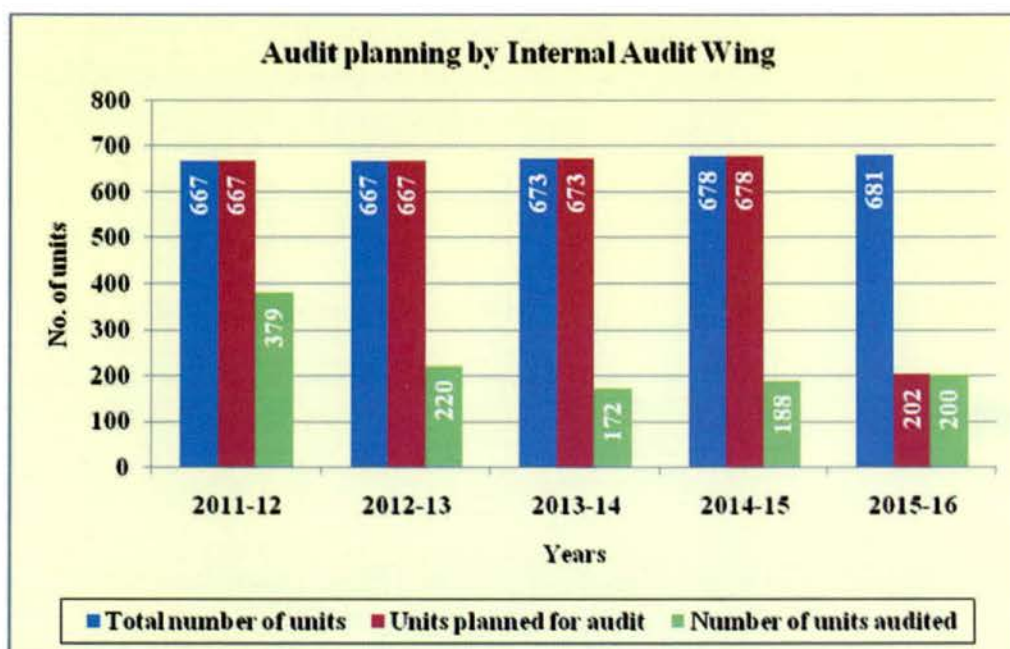
Internal audit of units conducted by internal audit wing of the Department during 2011-12 to 2015-16 are shown in **Table 4.1**.

Table 4.1
Position of internal audit of units

Year	Total number of units	Units planned for audit	Number of units audited	Percentage of shortfall
2011-12	667	667	379	43
2012-13	667	667	220	67
2013-14	673	673	172	74
2014-15	678	678	188	72
2015-16	681	202	200	01

Source: Data furnished by the Commissioner Commercial Tax

Chart 4.2



This shows that audit planning of the internal audit wing for audit of units is not realistic as shortfall ranged from one to 74 per cent during the year 2011-12 to 2015-16.

4.2.2 Shortage of manpower in internal audit wing

Entire posts of Assistant Audit Officers were lying vacant and there was heavy shortfall in the strength of Sr. Auditors/Auditors ranging from 56 to 75 per cent. No efforts were made by the Department to fill the posts.

The internal audit wing functions under the administrative control of the CCT. In internal audit wing no Assistant Audit Officer was posted, only 23 Senior Auditors/Auditors were posted against the sanctioned post of 13 Assistant Audit Officers and 91 Senior Auditors/Auditors as detailed in **Table 4.2**.

Table 4.2
Shortage of manpower in internal audit wing

Year	Sanctioned strength		Men in position		Post vacant		Percentage of short fall	
	Assistant Audit Officer	Sr. Auditor/Auditor	Assistant Audit Officer	Sr. Auditor/Auditor	Assistant Audit Officer	Sr. Auditor/Auditor	Assistant Audit Officer	Sr. Auditor/Auditor
2011-12	13	91	0	34	13	57	100	63
2012-13	13	91	0	24	13	67	100	74
2013-14	13	91	0	31	13	60	100	66
2014-15	13	91	0	28	13	63	100	69
2015-16	13	91	0	23	13	68	100	75

Source: Data furnished by the Commissioner Commercial Tax.

The above table shows that the entire posts of Assistant Audit Officers were lying vacant and there was a heavy shortfall in the strength of Sr. Auditors/Auditors ranging from 63 to 75 per cent. No efforts had been made by the Department to fill the post lying vacant in the internal audit wing.

4.2.3 Position of outstanding paras and recovery thereof

The detail of objections raised by internal audit wing, their compliance and recovery position are given in Table 4.3.

Table 4.3
Position of outstanding paras and recovery thereof

Year	Opening balance		Addition during the year		Cases finalised during the year and recovery thereof		Closing balance	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
	(₹ in lakh)							
2011-12	9,082	7,423.46	1,546	1,373.28	344	171.39	10,284	8,625.35
2012-13	10,284	8,625.35	1,155	2,763.98	130	15.11	11,309	11,374.22
2013-14	11,309	11,374.22	552	897.44	278	182.57	11,583	12,089.09
2014-15	11,583	12,089.09	529	749.65	510	147.91	11,602	12,690.83
2015-16	11,602	12,690.83	587	223.66	316	108.59	11,873	12,805.90

Source: Data furnished by the Commissioner Commercial Tax.

Chart 4.3



The above table shows that during this period heavy shortage of staff affected the performance of internal audit wing as the number of cases and amount significantly decreased.

4.3 Results of audit

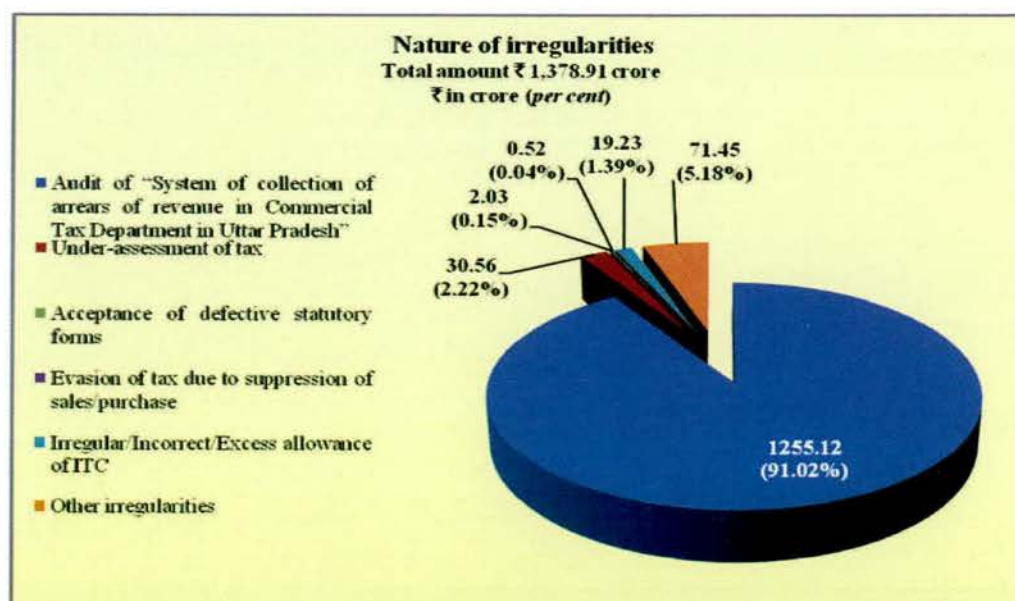
In 2015-16, the Department realised revenue of ₹ 47,692.40 crore. We planned audit of 167 annual units, 73 biennial units and 37 triennial units out of the total 1,536 units of Commercial Tax Department during 2015-16 and test checked all the above planned units which revealed under-assessment of tax and other irregularities involving ₹ 1,378.91 crore in 1,557 cases, which fall under the following categories as given in Table 4.4.

Table 4.4
Results of audit

(₹ in crore)			
Sl. No.	Categories	Number of cases	Amount
1	Audit of "System of collection of arrears of revenue in Commercial Tax Department in Uttar Pradesh"	1	1,255.12
2	Under-assessment of tax	433	30.56
3	Acceptance of defective statutory forms	52	2.03
4	Evasion of tax due to suppression of sales/purchase	21	0.52
5	Irregular/Incorrect/Excess allowance of ITC	229	19.23
6	Other irregularities	821	71.45
Total		1,557	1,378.91

Source: Information available in the Audit office.

Chart 4.4



During the course of the year, the Department accepted underassessment and other deficiencies of ₹ 860.41 crore in 522 cases, of which 242 cases involving ₹ 856.03 crore were pointed out in 2015-16 and rest in earlier years. An amount of ₹ 1.17 crore was realised in 193 cases of which 12 cases

involving ₹ 47.44 lakh was pointed out in 2015-16 and rest pertains to earlier years.

Audit of “System of collection of arrears of revenue in Commercial Tax Department in Uttar Pradesh” involving ₹ 1,255.12 crore and a few illustrative cases of compliance deficiency involving ₹ 20.07 crore are discussed in following paragraphs.

4.4 Audit of "System of collection of arrears of revenue in Commercial Tax Department in Uttar Pradesh"

4.4.1 Introduction

Commercial Tax is the major source of revenue contributing about 58 per cent of the total tax revenue of the State. The Uttar Pradesh Value Added Tax (UPVAT) Act provides that as soon as an assessment is done by the Assessing Authority (AA), he shall send the dealer a notice of demand under Rule 46 (3) of UPVAT Rules. The dealer shall pay the tax so assessed within 30 days from receipt of the notice. If the dealer fails to deposit the tax, it can be recovered as arrears of land revenue under the provisions of Uttar Pradesh *Zamindari Abolition and Land Reform Act, 1950* (UPZA & LR Act). The Department does not have any separate Act regarding recovery of arrears of revenue. If the amount of the arrears is not paid, the Revenue Recovery Certificate (RRC) is issued after 45 days of receiving of demand notice under Section 33 (12) of UPVAT Act. The AAs have been empowered to act as a recovery officer of their concerned sectors and entrusted with the work of recovery under UPZA and LR Act. The arrears can be recovered from bank balance and sale proceeds obtained after auctioning the attached property. In cases where the defaulters do not own any property in the State but have property in some other State, the concerned assessing authority is required to address the revenue authority of the other State for collecting the arrears as per the provisions of the Revenue Recovery (RR) Act, 1890. For this, the RRC is required to be forwarded to the Collectors of the districts of the States in which the defaulters possess properties.

4.4.2 Audit objectives

Audit was attempted with a view to ascertain whether:

- the provisions of Act and Rules are effectively complied with to ensure the timely collection of arrears;
- whether the system to collect the arrears of tax was effective and efficient; and;
- adequate internal control and monitoring mechanism existed for prompt realisation of arrears of revenue.

4.4.3 Audit scope and methodology

Audit of “System of collection of arrears of revenue in Commercial Tax Department in Uttar Pradesh” was conducted between December 2015 and May 2016 covering the period from 2011-12 to 2015-16. Out of 20 zones of Commercial Tax Department, five zones were selected for audit on the basis of higher revenue arrears after categorising them in high, medium and low risk

areas. There were 106 sectors in five selected zones involving revenue arrear of ₹ 13,780.15 crore out of total revenue arrear of ₹ 26,347.13 crore as on March 2015. Fifty-three sectors¹ with revenue arrear of ₹ 4,059.16 crore out of the total 106 sectors falling under above selected five zones were selected for detailed audit and collection of information.

An entry conference was held with the Government and the Department on 03 February 2016 in which Officer on Special Duty represented the Government and Additional Commissioner Commercial Tax represented the Department. They were apprised of the scope and methodology of Audit. An exit conference was held on 09 September 2016 with the Government/Department in which audit findings were discussed with the Officer on Special Duty, Government of Uttar Pradesh and Additional Commissioner, Commercial Tax Department. The response of the Government/Department has been incorporated in the relevant paragraphs.

4.4.4 Acknowledgement

The Indian Audit and Accounts Department acknowledges the co-operation of Commercial Tax Department for providing necessary information and records for audit.

4.4.5 Position of arrears

4.4.5.1 Detail of arrear and recovery thereof

The amount of arrear increased from ₹ 16,665.41 crore as on 1 April 2011 to ₹ 27,188.58 crore as on 31 March 2016, thus registering an increase of 63.14 per cent.

The positions of opening balance, addition, clearance and closing balance of arrears of revenue during the period 2011-12 to 2015-16 are depicted in the **Table 4.5.**

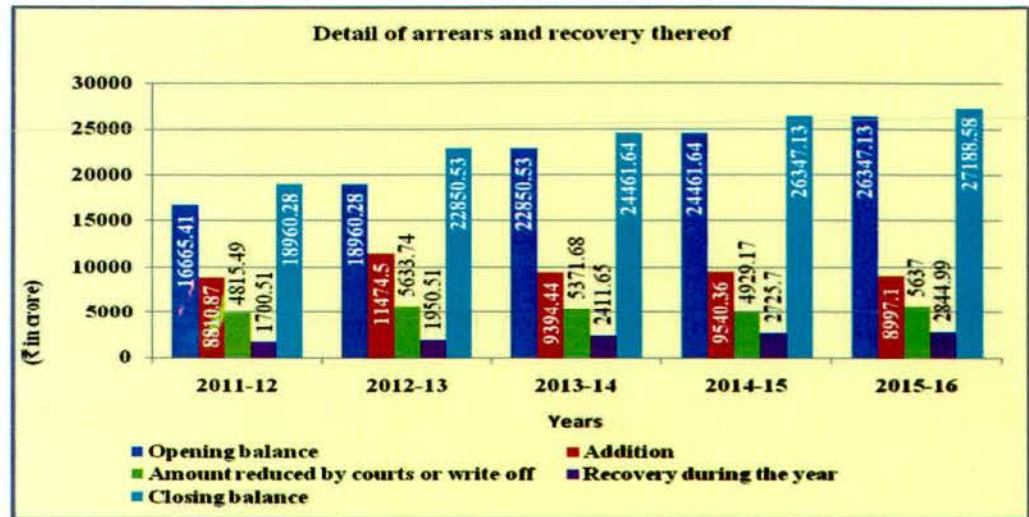
Table 4.5
Detail of arrear and recovery thereof

(₹ in crore)					
Year	Opening balance	Addition	Amount reduced by courts or write off	Recovery during the year	Closing balance
2011-12	16,665.41	8,810.87	4,815.49	1,700.51	18,960.28
2012-13	18,960.28	11,474.50	5,633.74	1,950.51	22,850.53
2013-14	22,850.53	9,394.44	5,371.68	2,411.65	24,461.64
2014-15	24,461.64	9,540.36	4,929.17	2,725.70	26,347.13
2015-16	26,347.13	8,997.10	5,637.00	2,844.99	27,188.58
Total	48,217.27	26,387.08	11,633.36		

Source: Data furnished by the Commissioner Commercial Tax.

¹ Sec. 1, 3, 5, 8, 11, 12 & 14 Allahabad, Sec. 1 & 3 Basti, Sec. 1 Deoria, Sec. 1 Fatehpur, JC (CC), Sec. 1, 2 & 3 Gautam Buddha Nagar, Sec. 1, 2, 3, 4, 6, 9, 11 & 12 Ghaziabad, JC (CC), Sec. 1, 2, 4, 9 & 12 Gorakhpur, Sec. 3 Hapur, Sec. 1 & 2 Kusunagar, Sec. 1, 2, 3, 4, 7, 8, 9, 11 & 12 Lucknow, Sec. 2, 3, 4, 10, 13 & 14 Noida, Sec. 1 & 2 Pratapgarh, Sec. 2 Sant Kabir Nagar, Sec. 1 & 2 Siddharthnagar and Sec. 2 Raebareli.

Chart 4.5



It may be seen from the **Table 4.5** that at the beginning of the year 2011-12 there was an arrear of ₹ 16,665.41 crore. During the year 2011-12 to 2015-16 there was an addition of ₹ 48,217.27 crore, ₹ 26,387.08 crore was reduced by courts or written off and the recovery during the same period was ₹ 11,633.36 crore. The arrears increased by ₹ 8,228.30 crore² at the end of 2015-16, when compared with the arrears at the end of 2011-12. Out of ₹ 27,188.58 crore, demand for ₹ 4,270.19 crore had been certified for recovery as arrears of land revenue and recovery certificates for ₹ 1,195.28 crore have been sent to other States. Recoveries for ₹ 4,122.26 crore had been stayed by the courts/appellate authority and Government while recoveries for ₹ 587.59 crore were outstanding for Government/semi Government Department. For recovery of ₹ 1,514.74 crore the Department stated that it was likely to be written off on the basis of reports of joint committee constituted with one departmental officer and one officer from revenue department. From transporters ₹ 41.37 crore was outstanding on account of tax payable for transportation of goods without proper documents. For remaining amount of ₹ 15,457.15 crore, specific action was underway in the Department. During exit conference the Government/Department accepted our observation and stated that efforts are being made to recover the revenue arrears.

4.4.5.2 Age wise position of arrear

The age-wise details of arrears of revenue furnished by the Department as on 31 March 2016 are as shown in the **Table 4.6**.

² Difference between the closing balance of 2015-16 (₹ 27,188.58) and closing balance of 2011-12 (₹ 18,960.28)

Table 4.6
Age wise position of arrear

(₹ in crore)			
Periodicity of arrears	No. of cases	Amount	Percentage of arrears
10 years and above old	1,31,720	2,264.01	31.22
Five years and above but less than 10 years old	74,664	1,398.76	19.28
One year and above but less than five years old	88,796	2,165.54	29.86
Less than one year old	40,420	1,424.28	19.64
Total	3,35,600	7,252.59³	100

Source: Data furnished by the Commissioner Commercial Tax.

It may be seen from the table that 51 *per cent* of the arrear was pending for recovery for more than five years.

Audit findings

4.4.6 Absence of separate recovery cell

Absence of separate recovery cell in the Department for dealing with the mounting arrears, led to abnormal delay in initiating action for recovery.

The AAs are responsible for effecting recovery of arrears in respect of the UP VAT Act, 2008. Joint Commissioner at regional level and Additional Commissioner at zonal level are responsible for monitoring the recoveries under the overall control of CCT. There are 20 Tax Recovery Officers posted in 20 districts out of 75 districts of Uttar Pradesh to co-ordinate with the sectors, monitor the work of collection *amin* and speedy recovery of arrears. In remaining districts recovery of arrears is done by District Magistrate. There is no separate recovery cell to deal with the arrears. Absence of specific policy/machinery led to abnormal delay in initiating action for recovery in the remaining districts. Although there was an increase in the arrears during the coverage period but there was severe shortage of manpower ranging between 8 to 100 *per cent* directly involved in the collection of arrears of revenue.

It was evident that affecting the recoveries through the AAs alongwith their duties of revenue collection, administrative work, assessment of tax, survey work and allied work entrusted to them from time to time had proved ineffective and resulted in accumulation of arrears. Heavy shortage of staff ranging between 8 to 100 *per cent* in all the cadres of officials directly involved in recovery of arrears affected the collection of arrears of revenue.

During exit conference the Government/Department accepted our observation and stated that necessary steps will be taken to nominate nodal officer in 55 districts where tax is collected by the revenue authorities.

The Government may consider to post Tax Recovery Officers in every district and putting in place a dedicated recovery machinery for focusing on recovery of arrears.

³ Reasons were sought far from the department for variance between the closing balance of the arrear for the year 2015-16 and total arrear provided in age wise arrear position. The reasons for variation were not made available by the Department despite our requests (October 2016).

4.4.7 Delay in initiating recovery proceeding

4.4.7.1 Deficiencies in initiating follow up action for recovery of arrears

Recovery proceedings were delayed in 979 cases involving an arrear of ₹ 217.51 crore as notices of demand were either not served or served after inordinate delay.

According to the provisions of the Rule 46 of UPVAT Rules, a dealer is required to deposit the amount of tax assessed by the AA under section 25 or section 26 or section 28 if he has paid the tax short, within 30 days from the date of receipt of notice of demand, failing which the amount is to be recovered as arrears of land revenue. CCT vide circular dated 30 May 2011 had instructed that if the amount remains unpaid, RRCs are to be initiated within 45 days from the date of expiry of the period of notice.

We examined R-3⁴ register of sampled sectors for the period 2011-12 to 2015-16 and observed that revenue recovery proceedings in 979 out of 79,761 cases involving an arrear of ₹ 217.51 crore were pending for recovery and were delayed due to not serving or delay in serving the notices of demand which ranged between two days to two years six months after assessment. Details are mentioned in the **Table 4.7**.

Table 4.7
Delay/failure in serving of notices of demand

Period of delay/not served	No. of notices of demand	(₹ in lakh)
		Amount
One year and above	15	66.91
Six month and above but less than one year	103	1,554.76
Less than six months	854	20,094.40
Not served to the dealers	7	35.25
Total	979	21,751.32

Source: Information available on the basis of R-3 register.

Delayed or not serving of notices of demand resulted in delay in starting of recovery proceedings which ultimately led to revenue arrear remaining unrecovered till date.

During exit conference the Government/Department accepted our observation and stated that instruction has been issued in August 2016 for timely serving of notices of demand.

4.4.7.2 Delay in issue of RRCs

Recovery proceedings were delayed due to belated issue of RRCs in 1,021 cases involving an arrear of ₹ 234.79 crore.

We examined R-3 register of sampled sectors for the period 2011-12 to 2015-16 and observed that in 1,021 out of 79,761 cases pending for recovery which involved an arrears of ₹ 234.79 crore, RRCs were issued with delay ranging from one day to two years 11 months. Details are mentioned in the **Table 4.8**.

⁴ Tax demand register.

Table 4.8
Delay in issue of RRCs

(₹ in lakh)		
Period of delay	No. of RRCs	Amount
Two years and above	20	133.16
One year and above but less than two years	23	119.04
Less than one year	978	23,227.18
Total	1,021	23,479.38

Source: Information available on the basis of R-3 register.

Due to laxity in issue of RRCs, recovery proceedings started belatedly which ultimately led to revenue arrear remaining unrecovered till date.

During exit conference the Government/Department accepted our observation and stated that instruction has been issued in August 2016 for timely issuance of RRCs.

The Government may consider evolving a system for issuing RRCs timely.

4.4.7.3 RRCs not issued for recovery of arrears

RRCs for ₹ 84.90 lakh were not issued for recovery of arrears even after seven months to 15 years from serving the notices of demand had passed.

We examined arrear records of sampled sectors and observed that in four sectors⁵ four dealers had not paid assessed dues of ₹ 84.90 lakh for the period 1998-99 to 2010-11. Assessment of these dealers were finalised between March 2001 and April 2015. RRCs were not issued for recovery of arrears even though seven months to 15 years had passed after serving the notices of demand to the dealers. This resulted in delay in recovery of ₹ 84.90 lakh.



During exit conference the Government/Department accepted our observation and stated that direction for timely issuance of RRCs has been issued in August 2016.

4.4.7.4 Date and rate of interest not mentioned in RRCs

Amount of interest could not be quantified as columns of rate of interest and date from which interest was due were not filled in 26 RRCs involving an arrear of ₹ 321.44 crore.

We examined arrear records of sampled sectors and observed in eight sectors⁶ that in cases of 20 dealers, 26 RRCs were issued for recovery of arrear of

⁵ Sec.14 Allahabad, JC (CC) Gautam Buddh Nagar, Sec. 1 Gorakhpur and Sec. 2 Raebareli.

⁶ Sec. 1 Allahabad, Sec. 2 & 3 Gautam Buddh Nagar, Sec. 6 Ghaziabad, Sec. 1 Kusinagar, Sec. 12 Lucknow and Sec. 3 & 4 Noida.

₹ 321.44 crore. Important columns of RRCs such as rate of interest and date from which interest was due were not filled in. Though it was prescribed in the Act, these were not mapped in the software. There was no provision in the software to generate rate automatically. The columns of rate of interest and date from which interest, was due were filled manually by the ledger keepers. We also observed in sector 2 and 3, G. B. Nagar that 2,193 RRCs were issued during 2015-16 for recovery of revenue arrear but in none of the RRCs column, the rate of interest and the date from which interest due was mentioned manually though rates have been prescribed in the Act. In the absence of above details amount of interest could not be quantified.

During exit conference the Government/Department accepted our observation and stated that instruction has been issued in August 2016 for mentioning date and rate of interest in RRCs.

4.4.7.5 Incorrect date and rate of interest mentioned in RRCs

Demanding interest at the rate of 15 per cent instead of 12 per cent in the RRCs led to incorrect demand of interest from dealers and incorrect accumulation of arrear.

We examined arrear records of sampled sectors and in seven sectors⁷ observed that 15 RRCs were issued for recovery of arrear of ₹ 189.86 crore demanding interest at the rate of 15 per cent instead of 12 per cent and in one case interest was demanded from 1 October 2008 instead of 10 February 2014. No reason was given for showing incorrect rate of interest and date in the prescribed columns. Thus incorrect rate of interest and date mentioned in the prescribed columns of RRCs led to incorrect demand of interest from dealers and incorrect accumulation of arrears (Appendix-XXII).

During exit conference the Government/Department accepted our observation and stated that in all the cases revised RRCs have been issued.

4.4.7.6 Short charging of interest due to erroneous RRCs

There was short charging of interest of ₹ 88.62 lakh in case of 10 dealers due to erroneous issue of recovery certificate.

Under Section 33(2) of UPVAT Act every dealer liable to pay tax is required to deposit the amount of tax into the Government treasury before the expiry of due date failing which simple interest at the rate of one and quarter per cent per month shall become due and be payable on unpaid amount with effect from the day immediately following the last date prescribed till the date of payment.

We examined assessment orders and files of sampled sectors and in nine sectors⁸ observed that in the case of 10 dealers the AAs while finalising the assessment between April 2013 and June 2015 for the year 2008-09 to 2013-14 levied tax on admitted/concealed sales and raised demand for tax of ₹ 2.01 crore. RRCs were issued demanding interest from the date of receipt of

⁷ Sec. 3 Ghaziabad, Sec. 3 Hapur, Sec. 12 Lucknow, Sec. 2, 3 & 14 Noida and Sec. 2 Raebareli.

⁸ Sec. 3, 5, 8 & 14 Allahabad, Sec. 1 Basti, Sec. 2 Ghaziabad, JC (CC) & Sec. 1 Gorakhpur and Sec. 2 Raebareli.

of demand instead of from the due date upto the date of deposit of tax. This resulted in short charging of interest of ₹ 88.62 lakh (**Appendix-XXIII**).

During exit conference the Government/Department accepted our observation and stated that in all the cases revised RRCs have been issued.

4.4.7.7 Reconciliation of R-3 and R-27 register

Instruction of CCT regarding reconciliation of R-3 and R-27 register were not followed which resulted in discrepancy between the figures of R-3 and R-27 register.

CCT vide letter dated 30 May 2011 had instructed that in every sector noter and drafter-I and ledger keeper will reconcile the R-3 register⁹ and R-27 register¹⁰ in the second week of every month and if any discrepancy in the figures is found it should be rectified immediately.

We examined R-3 and R-27 register of sampled sectors and in six sectors¹¹ observed that in 15 RRCs related to 14 dealers there were differences in figures shown in R-3 and R-27 register. In respect of 12 RRCs arrear of ₹ 1.14 crore was shown as disposed off in R-3 register whereas in R-27 register it was shown as outstanding.

Similarly in respect of three RRCs arrear of ₹ 9.47 lakh was shown as outstanding in R-3 register whereas in R-27 register it was shown as disposed off. This shows that instruction of the CCT was not followed by the officials of the sectors. The AAs also had not monitored the same which resulted in discrepancy between the figures of R-3 and R-27 register thereby affecting the recovery proceedings (**Appendix-XXIV**).

During exit conference the Government/Department accepted our observation and stated that instruction has been issued in August 2016 for reconciliation of R-3 and R-27 register.

4.4.8 Failure in pursuance of RRCs sent to other districts

Failure in pursuance of RRCs sent to other districts resulted in dues of ₹ 79 crore remaining unrecovered in case of 99 RRCs.

In cases where the defaulters do not own any property in the jurisdiction of the sector but have property in the jurisdiction of some other sector or district, the concerned assessing authority is required to address the revenue authority of that sector or district for collecting the arrears according to the provisions of the Revenue Recovery Act 1890. For this, the RRCs are required to be forwarded to the Collectors of the districts in which the defaulters possess properties.

⁹ After finalising the assessment if any amount remains due from the dealer it is noted in the R-3 register. RRCs issued for recovery of arrears is also mentioned in it. Any amount deposited by the dealer against the demand is also mentioned in the prescribed columns of R-3 register.

¹⁰ All the RRCs issued for recovery of revenue arrear are noted in the register and the date on which it is handed over to *sangrah amin* for recovery is also mentioned. RRCs taken back from the *sangrah amins* are also noted in this register.

¹¹ Sec. 1,8,12 & 14 Allahabad, Sec. 1 G.B. Nagar and Sec. 1 Lucknow

We examined arrear records of sampled sectors and in 14 sectors¹² observed that 99 out of 15,632 RRCs test checked pertaining to 50 dealers, were forwarded by the AAs to the revenue authorities of other districts within the State for recovery of arrear of ₹ 79 crore as arrears of land revenue between 2011-12 and 2015-16. The cases were not pursued further by the AAs with the concerned authorities though one month to three year three months had passed after sending the RRCs to other districts. Failure in pursuance of RRCs by the AAs resulted in ₹ 79 crore remaining unrecovered.

During exit conference the Government/Department accepted our observation and stated that efforts are being made to recover the revenue arrears.

4.4.9 Failure in pursuance of RRCs sent to other States

Failure in pursuance of RRCs sent to other States resulted in dues of ₹ 233.60 crore remaining unrecovered in case of 604 RRCs.

In case where the defaulters do not own any property in the State but have property in some other State, the concerned AA is required to address the revenue authority of that State for collecting the arrears according to the provisions of the RR Act. For this, the RRCs are required to be forwarded to the Collectors of districts of the States in which the defaulters possess properties. Further, the CCT had nominated various DCs as nodal officers to monitor the RRCs transmitted to the other States.

We examined arrear records of sampled sectors and in 18 sectors¹³ observed that 604 out of 27,381 RRCs test checked pertaining to 413 dealers, were forwarded by the Department to the revenue authorities of the other States for recovery of arrear of ₹ 233.60 crore as arrear of land revenue between 2011-12 and 2015-16. But even in the offices where the nodal officers are appointed there was nothing on record regarding pursuance of such cases. Thus, cases were not followed up though two months to four year eight months had passed after sending the RRCs to other States. Failure in pursuance of RRCs by the AAs resulted in ₹ 233.60 crore remaining unrecovered.

During exit conference the Government/Department accepted our observation and stated that efforts are being made to recover the revenue arrears.

The Government may consider evolving a system for regular coordination with their counterparts in other districts/States to whom RRCs have been issued so that arrears can be realised.

¹² Sec. 3 Gautam Buddh Nagar, Sec. 1, 2, 3, 6, 9 & 11 Ghaziabad, Sec. 1 Kusiagar, Sec. 1 & 12 Lucknow, Sec. 3 & 10 Noida, Sec. 2 Raebareli and Sec. 1 Siddharthnagar.

¹³ Sec. 1 Fatehpur, Sec. 1 & 3 Gautam Buddh Nagar, Sec. 1, 2, 3, 9 & 11 Ghaziabad, Sec. 1, 2 & 12 Lucknow, Sec. 2, 3, 4, 10, 13 & 14 Noida and Sec. 2 Raebareli.

4.4.10 Bank account not attached for recovery of arrears

Bank account of five defaulting dealers were not attached which resulted in arrear of ₹ 420.22 crore remaining unrecovered.

The AAs have been empowered to act as a recovery officer of their concerned sectors and have been entrusted the work of recovery under UPZA and LR Act. If the dealer fails to deposit the due tax, order for attachment of the bank account and property of the defaulter is required to be issued. The arrears can be recovered from bank balance and sale proceeds obtained after auctioning the attached property.

We examined arrear records of sampled sectors and in four sectors observed that five dealers were in arrear of assessed tax of ₹ 420.22 crore for the period 2005-06 to 2010-11. RRCs for recovery of arrears were issued between July 2009 and September 2014, but dealers had not deposited the tax of ₹ 420.22 crore. After issuing the RRCs, one year six months to six year had passed, but no further action for attachment of bank account of these dealers was taken by the AAs for recovery of arrear. This resulted in arrear of ₹ 420.22 crore remaining unrecovered. Details are mentioned in the **Table 4.9**.

Table 4.9
Bank account not attached for recovery of arrears

(₹ in lakh)					
Sl. No.	Name of the sector	Name of the dealer	Period of dues	Amount due	RRC no. and date of issue
1.	JC (CC) Gorakhpur	U.P. Project Corporation Limited	2008-09	5.52	21/27.09.2012
2.	Sec. 3 Lucknow	Rama Agencies	2010-11	5.00	16718/18.09.2014
3.	Sec. 11 Lucknow	Pragarti Marbles	2008-09	175.61	570/23.10.2013
		R.S. Enterprises	2009-10	14.91	315/31.07.13
4.	Sec. 12 Lucknow	Commissioner Food and Civil Supply	2005-06 to 2007-08	41,821.00	91/06.07.2009
Total				42,022.04	

Source: Information available on the basis of dealers files.

During exit conference the Government/Department accepted our observation and stated that in three cases bank account of the dealer has been seized, in one case ₹ 5.52 lakh has been recovered and in one case the dealer-department went in departmental appeal and the recovery has been stopped by the appellate authority.

4.4.11 Lack of follow up of action in cases pending with Board for Industrial and Financial Reconstruction (BIFR)

The arrear of ₹ 6.82 crore remained unrecovered due to not lodging the claim with BIFR.

As per Sick Industrial Companies (Special Provision) Act, 1985 where a reference for declaration as sick unit is filed and proceeding thereon are pending before Board for Industrial and Financial Reconstruction (BIFR) , no

suit for recovery or enforcement of any dues against the company shall lie or be proceeded further, except with the consent of the Board. Where a company has been declared sick by the Board, the Department has to ensure inclusion of all the arrears in the statement of liabilities of the company furnished to the Board.

We examined arrear records of sampled sectors and in Sector 6 Ghaziabad observed that a dealer engaged in manufacturing and selling of CR coil and sheets was declared sick unit by BIFR in December 2006. The company was in arrear of assessed dues of ₹ 4.44 crore for the year 2006-07 and ₹ 2.38 crore for the year 2009-10. RRCs were issued for recovery of arrear of ₹ 4.44 crore and ₹ 2.38 crore in March 2009 and September 2013 respectively. Information regarding submission of claim of ₹ 6.82 crore before BIFR was not available in the records. It shows that claim for recovery of arrear was not submitted before BIFR and resulted in arrear of ₹ 6.82 crore remaining unrecovered.

During exit conference the Government/Department accepted our observation and stated that instruction to AA have been issued for submission of claim before Operating Agency.

4.4.12 Inaction in lodging/pursuing claims with the Official Liquidator (OL)

Belated filing of claims and no pursuance with the OL resulted in dues of ₹ 61.43 crore remaining unrecovered.

The official liquidators are officers appointed by the Central Government under Section 448 of the Companies Act. The primary function of the OL is to administer the assets of companies under liquidation, sale of the assets and realisation of all debts of the companies in liquidation for the purpose of distributing the same among various creditors and other shareholders of the companies and to finally dissolve such companies after the affairs are completely concluded. According to Section 530(i)(a) of the Companies Act, 1956, there shall be paid in priority to all other debts, all revenue taxes etc., due from the company to the Central or a State Government or to a local authority at the relevant date and having become due and payable within the twelve months next before that date.

We examined arrear records of sampled sectors and in two sectors¹⁴ observed that three dealers were in arrear of ₹ 61.43 crore for the period 1981-82 to 2007-08. Hon'ble High Court Allahabad had appointed OL in these cases between August 1998 and July 2011. The Department lodged its claim before the OL after a delay of three year one month to four years five months. Thus, inordinate delay on the part of the Department resulted in arrear of ₹ 61.43 crore remaining unrecovered as mentioned in the **Table 4.10**.

¹⁴ Sec. 12 Lucknow and Sec. 2 Raebareli.

Table 4.10

Inaction in lodging/pursuing claims with OL

(₹ in crore)					
Sl. No.	Name of the dealer	Period	Date of appointment of OL	Date on which claim lodged before OL	Amount of arrear
1.	M/s Uptron India Limited	1981-82 to 2007-08	15.07.2011	24.11.2015	49.18
2.	M/s U. P. Tyre Tube Limited	1989-90 to 1994-95	19.01.2000	31.03.2003	1.48
3.	M/s Rawal Paper Mills Limited	1984-85 to 1997-98	10.08.1998	24.02.2003	10.77
	Total				61.43

Source: Information available on the basis of dealers files.

In case of M/s U.P. Tyre Tube Limited and M/s Rawal Paper Mills Limited property of the company was disposed off by the OL and the payment was made to secured creditors and employees and no amount was paid to Commercial Tax Department.

During exit conference the Government/Department accepted our observation and stated that efforts are being made to recover the revenue arrear.

The Government may consider devising a system of regular liaison with the Board for Industrial and Financial Reconstruction and Official Liquidator who have attached the property of the defaulting dealers so that claims lodged with them are not lost sight of and recoveries affected.

4.4.13 Human Resource Management

Shortage in the cadres of collection supervisor, collection *amin* and *sangrah sevak* ranging between 8 to 100 per cent during 2011-12 to 2015-16 affected the collection of revenue arrears.

Availability of manpower is a key factor for smooth and efficient working of a Department. It was noticed that although there was an increase in the arrears during the coverage period but there was severe shortage of manpower. The manpower position of the Department engaged for collection of arrears against the sanctioned strength is shown in the **Table 4.11**.

Table 4.11

Shortage of manpower engaged in collection of arrears

Designation	Sanctioned strength	Men in position					Percentage of shortfall (Min-Max)
		2011-12	2012-13	2013-14	2014-15	2015-16	
Collection supervisor	95	0	0	0	0	0	100
Collection <i>amin</i>	380	382	349	287	284	271	08-29
<i>Sangrah Sewak</i>	558	395	389	379	374	290	29-48

Source: Data furnished by the Commercial Tax Department.

From the table it could be seen that there was heavy shortage in all cadres of officials directly involved in recovery of arrears which adversely affected the collection of arrears of revenue as illustrated in earlier paragraphs.

During exit conference the Government/Department accepted our observation and stated that efforts are being made to promote the *collection amins* against vacant post of collection supervisor and 95 new *collection amins* have been appointed recently.

The Government may consider deployment of manpower in accordance with sanctioned strength for effective recovery of arrears of revenue.

Internal Control

4.4.14 Review of arrear cases by Internal Audit Wing

Internal Audit is vital component of the Internal Control Mechanism and is generally defined as the control of all controls to enable an organisation to assure itself of proper enforcement of laws, rules and departmental instructions. The Internal Audit Wing (IAW) functions under the administrative control of CCT. The IAW is required to audit accounts, assessments, recovery, remittances etc. IAW is required to examine the adequacy of recovery actions taken by Department in regard to lodging of claims with the proper authorities, auctioning of the attached property of defaulting dealers etc.

We examined Internal Audit Reports of sampled sectors and found that in 30 sectors no audit was conducted during 2011-12 to 2015-16 and in 23 sectors where internal audit was conducted there was nothing on record to indicate that IAW conducted any review of cases of arrears of revenue. As such the efficiency in recovery of the arrears could not be ascertained at apex level and arrears continued to be outstanding without any effective monitoring.

During exit conference the Government/Department accepted our observation and stated that due to shortage of staff and training, work of internal audit was not being performed effectively.

4.4.15 Failure in achievement of targets

The CCT fixed targets for recovery of arrears through special drives and issued instruction from time to time in this regard. The specific target for recovery of arrear is fixed by increasing its percentage every year keeping in view previous year's recovery of arrears. It is monitored through monthly statement by the CCT.

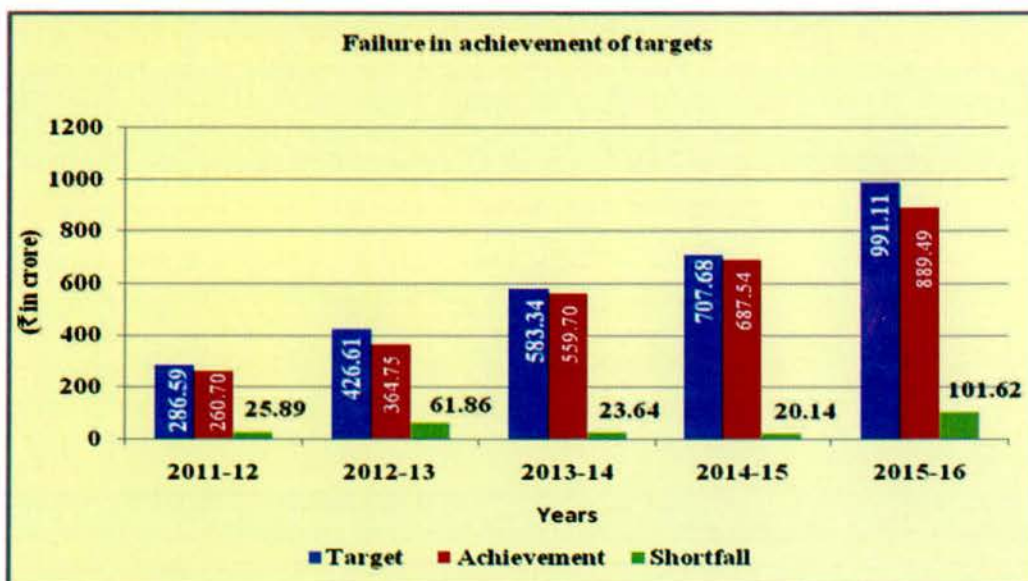
We examined arrear records of sampled sectors and observed that in 51 sectors there was shortfall in achievement of targets fixed for the recovery of arrear dues during the year 2011-12 to 2015-16 which ranged between 2.85 and 14.50 *per cent*. Only ₹ 2,762.18 crore could be recovered against the target of ₹ 2,995.33 crore. Only in two sectors targets of recovery were achieved. Details are mentioned in the **Table 4.12**.

Table 4.12
Failure in achievement of targets

(₹ in crore)				
Year	Target	Achievement	Shortfall	Percentage of shortfall
2011-12	286.59	260.70	25.89	9.03
2012-13	426.61	364.75	61.86	14.50
2013-14	583.34	559.70	23.64	4.05
2014-15	707.68	687.54	20.14	2.85
2015-16	991.11	889.49	101.62	10.25
Total	2,995.33	2,762.18	233.15	

Source: Data furnished by the Commercial Tax Department.

Chart 4.6



It is evident from the above chart that the targets were not achieved by the sectors for the year 2011-12 to 2015-16.

During exit conference the Government/Department accepted our observation and stated that efforts are made to recover the revenue arrears constantly and speedily.

4.4.16 Conclusion

During Audit we observed that:

No policy or road map was set up for dealing with the arrears in 55 districts. RRCs/notices of demand were either not issued or issued late by the AAs which resulted in delay in starting of recovery proceedings involving an arrear of ₹ 452.30 crore. We also saw that the RRCs involving an arrear of ₹ 312.60 crore issued to other districts/States were not pursued. Claims lodged with the BIFR and OL involving an arrear of ₹ 68.25 crore were not pursued by assessing authorities for the last three to nine years. The Department stated (June 2016) an amount of ₹ 1,514.74 crore out of ₹ 27,188.58 crore (as on March 2016) would be written off. There was heavy shortage in all the cadres of officials directly involved in recovery of arrears. This resulted in huge arrears of taxes aggravated to ₹ 27,188.58 crore. These aspects reflect

weakness in the system which necessitates strong machinery for collection of arrears.

4.4.17 Summary of recommendations

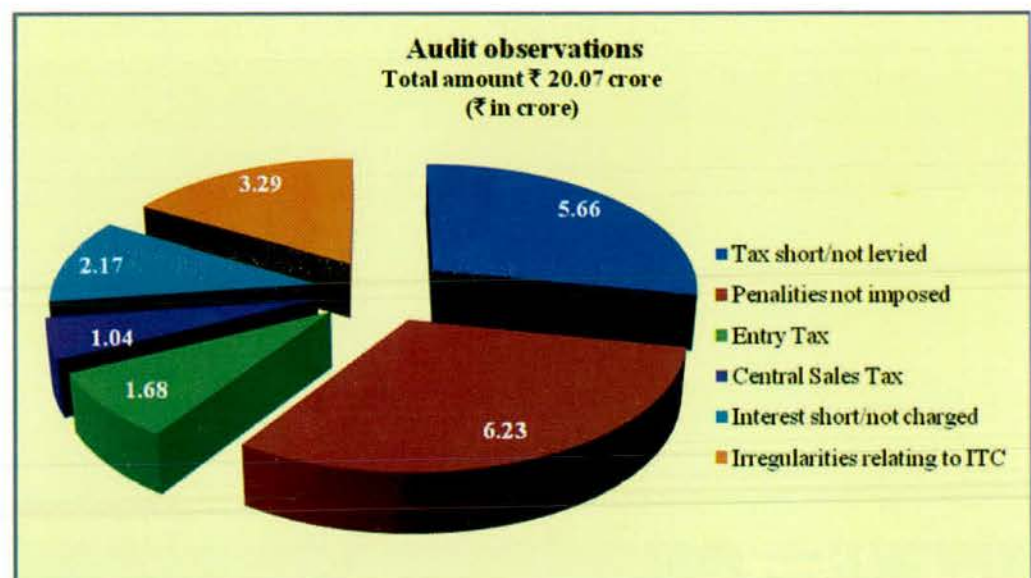
The Government may consider:

- posting of Tax Recovery Officers in every district and putting in place a dedicated recovery machinery for focusing on recovery of arrears.
- evolving a system for issuing RRCs timely.
- evolving a system for regular coordination with their counterparts in other districts/States to whom RRCs have been issued so that arrears can be realised.
- devising a system of regular liaison with the Board for Industrial and Financial Reconstruction and Official Liquidator who have attached the property of the defaulting dealers so that claims lodged with them are not lost sight of and recoveries affected.
- deployment of manpower in accordance with sanctioned strength for effective recovery of arrears of revenue.

4.5 Audit observations

Our scrutiny of the 30,368 out of 60,339 assessment orders relating to 277 Commercial Tax Offices showed several cases of not adhering to the provisions of the Acts/Rules, tax short/not levied, penalty/interest, irregular exemption, incorrect application of rate of tax, etc. as mentioned in the succeeding paragraphs in this chapter. These cases are illustrative and are based on our test check. Such omissions on the part of Assessing Authorities (AAs) have been pointed out by us each year, but not only do the irregularities persist; they remain undetected by the Department till an audit is conducted.

Chart 4.7



4.6 Tax short/not levied

The Assessing Authorities while finalising the assessments, did not apply correct rate of tax given in the schedule of rates, in some cases lower rate of tax was applied due to misclassification of goods, short levy of composition money and in some cases no tax was levied, thus tax of ₹ 5.66 crore including penalty of ₹ 14.02 lakh in the cases of 69 out of 5,535 dealers in respect of 50 CTOs for the period 2008-09 to 2012-13 was not levied as mentioned in the following paragraphs:

4.6.1 Tax short/not levied due to erroneous rate of tax

4.6.1.1 Application of incorrect rate of tax

Assessing Authorities accepted the tax on sale of goods worth ₹ 44.33 crore as submitted by the dealers in their returns instead of rates mentioned in the schedule. Thus, tax amounting to ₹ 2.72 crore was short/not levied.

Under Section 4(1) of Uttar Pradesh Value Added Tax (UPVAT) Act, 2008, goods mentioned in schedule I are tax free, goods mentioned in schedule II are taxable at the rate of four *per cent*, goods mentioned in schedule III are taxable at the rate of one *per cent* and those mentioned under schedule IV are taxable at the rate notified by the Government from time to time. Goods not mentioned in any of the above schedules are covered under schedule V and are taxable at the rate of 12.5 *per cent* with effect from 1 January 2008. In addition to the above under Section 3-A of UPVAT Act 2008 additional tax is also leviable as notified by the Government from time to time.

We examined (between April 2015 and February 2016) assessment orders and files in 30 Commercial Tax Offices (CTOs)¹⁵ and observed that in the case of 35 out of 3,280 dealers test checked, the AAs while finalising the assessments for the year 2007-08 (1.1.2008 to 31.3.2008) to 2012-13 between January 2012 and March 2015 accepted the tax on sale of goods worth ₹ 44.33 crore as submitted by the dealers in their returns instead of rates mentioned in the schedule. Thus tax amounting to ₹ 2.72 crore was short/not levied **(Appendix-XXV)**.

We reported the matter to the Department and Government (between May 2015 and April 2016). During exit conference the Government/Department accepted our observation and stated that tax amounting to ₹ 5.09 lakh has been levied in three cases. For the remaining cases Department stated that action is under process (September 2016).

¹⁵ DC Sec 16 Agra, DC Sec 4, 8 & 12 Allahabad, DC Sec 1 Banda, DC Sec 1 Deoria, DC Sec 6 & 11 Ghaziabad, DC Sec 5 Jaunpur, DC Sec 5, 12 & 24, AC Sec 9 Kanpur, DC Sec 1, 5 & 11 Lucknow, DC Sec 2, CTO Sec 8 Meerut, DC Sec Sardhana Meerut, CTO Sec 1 & 2 DC Sec 4 & 12 JC (CC) Noida, DC Sec 1 Raebareli, DC Sec 1 Rampur, DC Sec 2 Saharanpur, DC Sec 3 Shahjahanpur, DC Sec 1 Chandauli, Varansi, JC (CC) Zone-II Varansi at Robertsganj, Sonbhadra.

4.6.1.2 Misclassification of goods

Assessing Authorities accepted the classification declared by the dealers and applied incorrect rate of tax on sale of goods of ₹ 5.44 crore instead of classifying goods correctly and levying tax at the rates mentioned in the schedule. This resulted in short/not levy of tax of ₹ 63.26 lakh.

We examined (between May 2015 and January 2016) assessment orders and files in eight CTOs¹⁶ and observed that in the case of 13 out of 933 dealers test checked, the AAs while finalising the assessment for the year 2008-09 to 2011-12 between May 2012 and March 2015, accepted the classification declared by the dealers and applied incorrect rate of tax on sale of goods of ₹ 5.44 crore instead of classifying goods correctly and levying tax at the rates mentioned in the schedule. This resulted in short/not levying of tax amounting to ₹ 63.26 lakh (**Appendix-XXVI**).

We reported the matter to the Department and the Government (between June 2015 and March 2016). During exit conference the Government/Department accepted our observation and stated that tax amounting to ₹ 51,000 has been levied in one case for the remaining cases Department stated that action is under process (September 2016).

4.6.1.3 Turnover escaping assessment

The turnover of ₹ 15.28 crore was not disclosed by the dealers in their returns though available in their assessment files. The AAs while finalising the assessment disregarded this turnover which resulted in short levy of tax of ₹ 81.57 lakh.

Under Section 28 of UPVAT Act, the AAs are required to finalise the assessment after examining the books, accounts and documents kept by the dealer in relation to his business and other relevant records.

We examined (between April 2015 and December 2015) trading and profit/loss account, annual balance sheet, current and previous year's assessment orders etc. in 13 CTOs¹⁷ and observed that in the case of 15 out of 1,394 dealers test checked, the turnover of ₹ 15.28 crore was not disclosed by the dealers in their returns submitted to AAs for the year 2009-10 to 2012-13. The details of turnover were available in the respective assessment files of the dealers. The AAs while finalising the assessments of these dealers between May 2013 and March 2015 did not properly examine the books, accounts and documents and other relevant records which resulted in disregarding their turnover of ₹ 15.28 crore and consequently tax of ₹ 81.57 lakh was short levied (**Appendix-XXVII**).

¹⁶ DC Sec 10 Ghaziabad, DC Sec 5, 8 and 14 Kanpur, AC Sec 9 Kanpur, DC Sec 20 Lucknow, DC Sec 10 Meerut and DC Sec 1 Noida.

¹⁷ DC Sec 13 Agra, JC(CC), DC Sec. 4 & 12, AC Sec. 5 Allahabad, JC(CC) Bareilly, JC(CC)-II Ghaziabad, DC Sec. 2 Gorakhpur, DC Sec. 8 Kanpur, DC Sec. 4 & 10 Lucknow, DC Sec. 2 Meerut and CTO Sec 1 Noida.

We reported the matter to the Department and the Government (between May 2015 and January 2016). During exit conference the Government/Department accepted our observation and stated that tax amounting to ₹ 1.17 lakh has been levied in two cases, out of which ₹ 17,000 have been recovered. For the remaining cases Department stated that action is under process (September 2016).

4.6.1.4 Short levy of composition money under UPVAT

The AAs accepted composition money at the rate of two per cent instead of six per cent on payment of ₹ 14.99 crore which resulted in short levy of composition money of ₹ 56.11 lakh.

Under the provision of Section 6 of UPVAT Act, any dealer may opt to pay composition money in lieu of tax payable by him. As per compounding scheme introduced by the Government vide Notification No.1278 dated 9 June 2009 for civil and electrical contractors, if any contractor transfers imported goods upto five per cent of the value of work executed during the financial year the composition money was to be computed at the rate of two per cent upto 30.12.2010 and at the rate of four per cent from 31.12.2010. If the contractor transferred more than five per cent imported goods the composition money was to be computed at the rate of six per cent.

We examined assessment orders, consumption chart of imported goods and files in two sectors and observed that two civil contractors out of 276 dealers test checked, used imported material valued at ₹ 1.85 crore in execution of works contract during the year 2009-10, 2010-11 and 2012-13 which was more than five per cent of the contractual value of ₹ 14.99 crore. Since the imported goods used in execution of work contract were more than five per cent of the contractual value in financial year hence the composition money of ₹ 89.95 lakh at the rate of six per cent was leviable. However, the AAs while finalising the assessment between March 2013 and July 2014, levied composition money of ₹ 33.84 lakh (at the rate of two per cent on ₹ 13.07 crore and at the rate of four per cent on ₹ 1.93 crore). This resulted in short levy of composition money of ₹ 56.11 lakh as detailed in the Table 4.13.

Table 4.13
Short levy of composition money under UPVAT

(₹ in lakh)										
Sl. No	Name of the unit	No. of dealers	Assessment year (month and year of assessment)	Taxable contractual value for the financial year	Imported material consumed/percentage of taxable contractual value for the financial year	Rate of tax leviable (per cent)	Amount of tax leviable	Rate of tax levied (per cent)	Amount of tax levied	Tax short levied
1	DC Sec-2 G.B.Nagar	1	2012-13 (June 2014)	192.58	87.85/45.62	6	11.55	4	7.7	3.85
2	DC Sec-3 G.B.Nagar	1	2009-10 (March 2013)	774.29	70.03/9.04	6	46.46	2	15.49	30.97
			2010-11 (July 2014)	532.37	26.80/5.03	6	31.94	2	10.65	21.29
Total		2		1,499.24	184.68		89.95		33.84	56.11

Source: Information available on the basis of assessment files.

We reported the matter to the Department and the Government (May 2015). During exit conference the Government/Department accepted our observation and stated that action is under process in all the cases (September 2016).

4.6.1.5 Short levy of tax due to calculation mistake

The AAs committed mistake in calculation of tax on taxable turnover of ₹ 43.63 crore which resulted in short levy of tax amounting to ₹ 74.89 lakh.

Under Section 28 of UPVAT Act, 2008 and Section 9(4) of UP Tax on Entry of Goods into Local Areas Act, 2007 it is the duty of the AAs while scrutinising the returns/records filed by the dealer and passing the assessment orders to see that all the taxes are correctly levied and all the calculations are made accurately.

We examined (between June 2015 and November 2015) assessment orders and files in four CTOs and observed that in the case of five out of 365 dealers test checked, the Assessing Authorities (AAs) while finalising the assessments between June 2014 and March 2015 for the period 2008-09 to 2012-13, committed a mistake in calculation of tax on taxable turnover of ₹ 43.63 crore which resulted in short levy of tax amounting to ₹ 74.89 lakh. The details are mentioned in the **Table 4.14**.

Table 4.14

Short levy of tax due to calculation mistake

(₹ in lakh)								
Sl. No.	Name of the units	No of dealers	Assessment year (month and year of assessment)	Taxable turnover	Rate of tax leviable/levied (per cent)	Tax leviable	Tax levied	Tax short levied
1	DC Sec 3 Buland Shahr	1	2011-12 (March 2015)	2,433.38	13.5 & 14.5	351.88	341.88	10.00
2	JC(CC) Jhansi	1	2008-09 (December 2014)	166.86	2	3.34	2.34	1.00
3	DC Sec 10 Lucknow	1	2011-12 (June 2014)	148.67	13.5	20.07	7.43	12.64
		1	2012-13 (November 2014)	517.85	4, 5, 13.5, 14 & 15.5	53.59	41.01	12.58
4	DC Sec 6 Noida	1	2011-12 (February 2015)	1,096.30	4, 5, 13.5 & 15.5	82.52	43.85	38.67
Total		5		4,363.06		511.40	436.51	74.89

Source: Information available on the basis of assessment files.

We reported the matter to the Department and the Government (between July 2015 and January 2016). During exit conference the Government/Department accepted our observation and stated that tax amounting to ₹ 35.22 lakh has been levied in three cases, out of which ₹ 22.58 lakh has been recovered. For the remaining cases Department stated that action is under process (September 2016).

4.6.2 Irregular authorisation to purchase furnace oil at concessional rate for manufacturing of tax free goods

The AA while finalising the assessment allowed concession of ₹ 4.49 lakh on the purchase of furnace oil amounting to ₹ 28.04 lakh against form 'D' which was inadmissible as it was used in manufacturing of tax free goods worth ₹ 30.65 crore which resulted in short-levy of tax of ₹ 4.49 lakh and penalty at the rate of 50 per cent of value of furnace oil, amounting to ₹ 14.02 lakh was also not imposed.

As per entry no. 7(b) of the Schedule IV issued under the provisions of Section 4(1) (c) of UPVAT Act 2008, tax on furnace oil is leviable at the rate of 21 per cent from 30 September 2008 and as per entry no. 7(a) of the Schedule IV manufacturers of any taxable goods other than non-VAT goods are entitled to purchase furnace oil at the concessional rate of tax at five per cent from 30 September 2008, against Form D, vide Government Notification no-2758 dated 29.09.2008.

Further under the provision of Section 54 (1) (11) (i) of UPVAT Act, if the AA is satisfied that any dealer issues or furnishes a false or wrong certificate or form of declaration prescribed under the Act, by reason of which a tax on sale or purchase, ceases to be leviable, he may direct that such dealer shall, pay by way of penalty, a sum equal to 50 per cent of value of goods.

We examined (July 2015) assessment orders and files in the office of DC Sec 4 Allahabad and observed that one out of 65 dealers test checked, claimed concession of ₹ 4.49 lakh on the purchase of furnace oil against form 'D'. The dealer was manufacturer of tax free goods like milk, curd and *mattha* alongwith other taxable commodities. The sale of tax free commodities was ₹ 30.65 crore (93.43 per cent out of total sale of ₹ 32.81 crore). The dealer purchased furnace oil worth ₹ 30.01 lakh at concessional rate. He was not eligible for concessional rate on purchase of furnace oil of ₹ 28.04 lakh (93.43 per cent of total purchase worth ₹ 30.01 lakh). The AA while finalising the assessment during January 2015 irregularly allowed concession against manufacturing of tax free goods which resulted in short levy of tax of ₹ 4.49 lakh. Further, penalty of ₹ 14.02 lakh, i.e. 50 per cent of the value of goods was also not imposed.

We reported the matter to the Department and the Government (August 2015). During exit conference the Government/Department accepted our observation and stated that action is under process (September 2016).

4.7 Penalties not imposed

Penal provisions are made to discourage the malafied practices of the dealers. The AAs while finalising the assessments, disregarded the offences committed by the dealers i.e. transactions out of accounts books, delayed deposit of tax, transactions against the provisions of the UPVAT Act and Rules made thereunder etc. Though there are clear cut provisions for imposition of penalties in the Act, the AAs concerned did not impose penalty amounting to ₹ 6.23 crore in respect of 50 CTOs in the cases of 74 out of 5,639 dealers for

the period 2007-08 (VAT) to 2013-14 as mentioned in the following paragraphs:

4.7.1 Concealment of turnover

The Assessing Authorities did not impose penalty of ₹ 1.02 crore on concealed turnover of ₹ 5.24 crore.

Under Section 54(1) (2) of UPVAT Act, where a dealer has concealed particulars of his turnover or has deliberately furnished inaccurate particulars of such turnover; or submits a false tax return under this Act or evades payments of tax which he is liable to pay under this Act, the AA may direct that such dealer shall, in addition to the tax, if any, payable by him, pay by way of penalty, a sum three times of amount of tax concealed or avoided.

We examined (between April 2014 and February 2016) final assessment order of dealers, accepted tax deposited by dealers and order of Commercial Tax Appellate Authorities in 19 CTOs¹⁸ and observed that 23 out of 2,491 dealers test checked, concealed purchases and sales turnover of ₹ 5.24 crore during the year 2008-09 to 2013-14. As the dealers concealed their turnover they were liable to pay penalty a sum equal to three times of the tax concealed. The AAs while finalising the assessments between October 2011 and March 2015 levied tax of ₹ 33.90 lakh on this concealed turnover. Though in nine¹⁹ cases the Appellate Authorities had confirmed (between June 2013 and October 2015) that the dealers had concealed the turnover/evaded payment of liable tax or the dealers had themselves accepted the same and deposited the tax due on the concealed turnover, the AAs concerned neither imposed the penalty of ₹ 1.02 crore nor recorded any reason for not imposing the penalty.

We reported the matter to the Department and the Government (between May 2014 and March 2016). During exit conference the Government/Department accepted our observation and stated that penalty of ₹ 56.97 lakh has been imposed in 12 cases. For the remaining cases Department stated that action is under process (September 2016).

4.7.2.1 Delayed deposit of tax

The AAs while finalising the assessments did not impose penalty of ₹ 1.45 crore on delayed deposit of admitted tax of ₹ 7.24 crore.

Under Section 54 (1) (1) of UPVAT Act, if the AA is satisfied that any dealer or other person has, without reasonable cause, failed to deposit the tax due for any tax period within prescribed or extended time, he may direct the dealer to pay by way of penalty in addition to tax, if any payable by him, a sum equal to 20 per cent of the tax due.

¹⁸ AC Sec. 3, DC Sec. 18 Agra, DC Sec. 3 Allahabad, DC Sec. 2 Ambedkar Nagar, DC Sec. 5 Faizabad, JC(CC) Firozabad, DC Sec. 9 & 15, AC Sec 17 Ghaziabad, DC Sec. 23 & 27 Kanpur, DC Sec. 4, 6 & 10 Lucknow, DC Sec. 6 Meerut, DC Sec. 8 Moradabad, JC(CC), DC Sec. 12 Noida, and DC Sec. 5 Saharanpur.

¹⁹ AC Sec 3 Agra (2 cases), DC Sec 5 Faizabad, JC(CC) Firozabad, DC Sec 15 Ghaziabad, DC Sec 23 Kanpur, DC Sec 4 Lucknow, DC Sec 6 Lucknow & DC Sec 8 Moradabad.

We examined (between August 2014 and March 2016) assessment orders and files in 21 CTOs²⁰ and observed that 30 out of 1,572 dealers test checked, had not deposited their admitted tax of ₹ 7.24 crore for the period 2007-08(VAT) to 2012-13 in time. The delay ranged between five days to 1,388 days. As the tax was deposited late for which they were liable to pay the penalty a sum equal to 20 *per cent* of the tax due in addition to the tax levied, the AAs while finalising the assessments between January 2012 and March 2015 neither imposed penalty of ₹ 1.45 crore nor recorded any reason for not imposing the penalty (**Appendix-XXVIII**).

We reported the matter to the Department and the Government (between September 2014 and March 2016). During exit conference the Government/Department accepted our observation and stated that penalty of ₹ 27.99 lakh has been imposed in 13 cases. For the remaining cases Department stated that action is under process (September 2016).

4.7.2.2 Delayed deposit of works contract tax

The AAs had not imposed penalty of ₹ 2.98 crore on dealers for not depositing the tax of ₹ 1.49 crore within prescribed time, deducted at source while making payment to the contractors.

Under Section 34(8) read with 34(1) of UPVAT Act, 2008 a person responsible for making payment to a contractor, for discharge of any liability on account of valuable consideration payable for the transfer of property in goods in pursuance of works contract, shall deduct an amount equal to four *per cent* of such sum, payable under the Act, on account of such works contract. In case of failure to deduct the amount or deposit the amount so deducted into the Government treasury before the expiry of 20th day of the month following the month in which the deduction was made, the AAs may direct that such person shall pay by way of penalty a sum not exceeding twice the amount so deducted.

We examined (between May 2014 and January 2016) assessment orders and files in 11 CTOs²¹ and observed that 14 out of 1,540 dealers test checked, deducted the tax of ₹ 1.45 crore at source while making the payment to contractors during the year 2009-10 to 2012-13 but did not deposit the same into Government treasury within the time prescribed. The delay ranged from three days to 387 days. In one case tax of ₹ 4.05 lakh was not deducted. The AAs while finalising the assessment between January 2013 and March 2015, neither imposed the penalty of ₹ 2.98 crore nor recorded any reason for not imposing the penalty.

We reported the matter to the Department and the Government (between June 2014 and March 2016). During exit conference the Government/Department

²⁰ AC Sec 15 Agra, JC(CC) Allahabad, DC Sec Bharthana, DC Sec 1 Ghazipur, JC(CC)-II, DC Sec 3, 6 & 13 Ghaziabad, DC Sec 4 Hardoi, DC Sec 5 Jaunpur, JC(CC) Jhansi, JC(CC)-I Kanpur, DC Sec 4 Lucknow, DC Sec Koshikalan Mathura, DC Sec 2 Mathura, JC(CC) Moradabad, DC Sec 1, 5 & 6 Noida, DC Sec 5 Saharanpur and JC (CC)-II Varanasi (at Sonbhadra).

²¹ DC Sec 3, AC Sec 2 & 3 Allahabad, AC Sec 1 Banda, AC Sec 4 Buland shahr, DC Sec 27 Kanpur, AC Sec 4 & 11 DC Sec 20 Lucknow, DC Sec 10 Meerut and DC Sec 12 Noida.

accepted our observation and stated that penalty of ₹ 48.52 lakh has been imposed in six cases out of which ₹ 91,000 have been recovered. For the remaining cases Department stated that action is under process (September 2016).

4.7.3 False purchase

The Assessing Authorities while finalising the assessment reversed the ITC for receipt of tax invoices of ₹ 1.57 crore without making actual purchase of goods but did not impose the penalty of ₹ 78.37 lakh.

Under Section 54(1) 11(iv) of the UPVAT Act, if the Assessing Authority is satisfied that any dealer or other person, as the case may be, receives a tax invoice or sale-invoice without actual purchase of goods, he may direct that such dealer or person shall, pay by way of penalty, a sum equal to fifty *per cent* of value of goods.

We examined (between September 2014 and February 2016) assessment orders and files in five CTOs and observed that six out of 757 dealers test checked had during the year 2008-09 to 2012-13 received tax invoice amounting to ₹ 1.57 crore and claimed ITC without making actual purchases. As the dealers claimed ITC without making actual purchases for which they were liable to pay penalty of a sum equal to fifty *per cent* of value of goods. However, the AAs while finalising the assessment between April 2012 and March 2015 reversed the ITC but did not impose the penalty of ₹ 78.37 lakh as shown in the **Table 4.15**.

Table 4.15
False purchase

(₹ in lakh)					
Sl. No.	Name of the unit	Number of dealer	Assessment year (month & year of assessment)	Amount covered by Receiving of Sale/Tax invoice without actual purchase	Penalty leviable
1	DC Sec 18 Agra	1	2012-13 (June 2014)	96.83	48.41
2	DC Sec 1 Barabanki	1	2011-12 (March 2015)	29.98	14.99
3	DC Sec 16 Ghaziabad	1	2009-10 (April 2013)	12.39	6.20
4	AC Sec 6 Noida	1	2008-09 (April 2012)	3.01	1.51
		1	2008-09 (June 2012)	2.35	1.18
5	DC Sec 4 Saharanpur	1	2008-09 (March 2012)	12.15	6.08
Total		6		156.71	78.37

Source: Information available on the basis of assessment files.

We reported the matter to the Department and the Government (between September 2014 and March 2016). During exit conference the Government/Department accepted our observation and stated that action is under process in all the cases (September 2016).

4.8 Entry tax

The AAs while finalising the assessments, did not apply correct rate of entry tax given in the schedule of rates, in some cases no entry tax was levied and in some other cases irregular rebate was allowed thus entry tax of ₹ 1.68 crore in

respect of 14 CTOs in the cases of 23 out of 1,465 dealers for the period 2009-10 to 2012-13 was not levied as mentioned in the following paragraphs:

4.8.1 Entry tax short/not levied

The Assessing Authorities while finalising the assessment levied entry tax amounting to ₹ 5.82 lakh instead of ₹ 1.34 crore on purchase of goods worth ₹ 33.90 crore from outside the local area. This resulted in short/ not levy of entry tax of ₹ 1.29 crore.

Under Section 4 of the UP Tax on Entry of Goods into Local Areas Act, 2007 entry tax on value of goods is leviable as per schedule of rates notified by the Government from time to time. As per notification No. 422 dated 31 March 2011 entry tax on iron and steel was leviable at the rate of five *per cent* w.e.f. 1 April 2011 and a rebate to the extent of the amount of tax payable by a dealer on sale or purchase under UPVAT Act was allowed.

We examined (between April 2015 and February 2016) assessment orders and files in 13 CTOs²² and observed that 22 out of 1418 dealers test checked, purchased goods valued at ₹ 33.90 crore from outside the local area during the period 2009-10 to 2012-13 on which entry tax of ₹ 1.34 crore was leviable. The AAs while finalising the assessment between November 2011 and March 2015 levied entry tax amounting to ₹ 5.82 lakh in the cases of five dealers only. Thus entry tax of ₹ 1.29 crore was not/short levied (**Appendix-XXIX**).

We reported the matter to the Department and the Government (between May 2015 and April 2016). During exit conference the Government/Department accepted our observation and stated that action is under process in all the cases (September 2016).

4.8.2 Irregular rebate in entry tax

The AA allowed benefit of inadmissible rebate amounting to ₹ 39.38 lakh on purchase of goods from outside the local area valued at ₹ 271.53 crore.

Under Section 4 of the UP Tax on Entry of Goods into Local Areas Act, 2007 entry tax on value of goods is leviable as per schedule of rates notified by the Government from time to time. As per notification No. 422 dated 31 March 2011 entry tax on iron and steel was leviable at the rate of five *per cent* w.e.f. 1 April 2011 and a rebate to the extent of the amount of tax payable by a dealer on sale or purchase under UPVAT Act was allowed.

We examined (November 2015) assessment orders and files in the office of JC(CC)-II CT Ghaziabad and observed that during the period 2011-12 a dealer out of 47 dealers test checked, declared net entry tax leviable goods worth ₹ 261.69 crore after showing a loss of ₹ 9.85 crore, instead of the entry tax leviable goods of ₹ 271.53 crore. In determining entry tax, rebate of ₹ 39.38 lakh (four *per cent* of ₹ 9.85 crore) was allowed to dealer. The AA while

²² DC Sec 1 Ghazipur, DC Sec 2 & 3 G.B. Nagar, DC Sec 6 Ghaziabad, DC Sec 2 & 8 Kanpur, JC (CC)-II, DC Sec 11 Lucknow, JC(CC) Meerut, JC(CC), DC Sec 10 & 14 Noida and DC Sec 2 Saharanpur.

finalising the assessment in May 2014 did not consider this fact which resulted in excess rebate of entry tax of ₹ 39.38 lakh.

We reported the matter to the Department and the Government (December 2015). During exit conference the Government/Department accepted our observation and stated that action is under process (September 2016).

4.9. Central Sales Tax (CST)

4.9.1 Irregular concession against declaration forms

The Assessing Authorities while finalising the assessment irregularly allowed concession amounting to ₹ 17.21 lakh against form 'C' on interstate sale of goods worth ₹ 1.71 crore.

Under Rule 12(1) of CST (Registration & Turnover) Rules, 1957, a single declaration in Form 'C' may cover all transactions of sale, which takes place in a quarter of a financial year between the same two dealers.

We examined (July 2015) assessment orders and files in the office of JC(CC) Bareilly and observed that one out of 49 dealers test checked, made inter-State sale of goods worth ₹ 1.71 crore during year 2011-12 at concessional rate against four form 'C'. These covered transactions for more than one quarter of a financial year and as per the provisions of the Rule, the transactions covered beyond one quarter of a financial year and claimed for concession in same Form 'C' were not eligible for concession. In contravention of the rules, the AA while finalising assessment during April 2015 levied CST at concessional rate on the transactions of ₹ 56.46 lakh covered beyond one quarter. Thus concession of ₹ 17.21 lakh was irregularly allowed.

We reported the matter to the Department and the Government in August 2015. During exit conference the Government/Department accepted our observation and stated that action is under process (September 2016).

4.9.2 Irregular purchase of capital goods at concessional rate

The AA irregularly authorised the contractors to purchase capital goods under CRC, which resulted in undue benefit to the dealer and penalty of ₹ 59.75 lakh was also not imposed.

As per Section 8(3)(b) of the CST Act, 1956 a registered dealer may purchase any goods from outside the State at concessional rate of tax against declaration in form 'C' for the purpose of re-sale, use in manufacturing or processing of goods for sale or in telecommunication network or in mining or in generation or distribution of electricity. If such goods are not covered by Registration Certificate under the CST Act or the goods purchased from outside the State at concessional rate of tax are used for the purpose other than that for which the registration certificate is granted, the dealer is liable to be prosecuted under Section 10 of CST Act. However, if the Assessing Authority deems it fit, he in lieu of prosecution may impose penalty up to one and a half

times of the tax payable on the sale of such goods under Section 10A of CST Act.

As per decision dated 12 March 2008 of Commissioner, Commercial Tax under Section 59 of UPVAT Act, contractors come under category of traders and not manufacturer, therefore the benefit of purchasing capital goods against form 'C' will not be given to them because the capital goods so purchased is neither being resold nor used in manufacturing or processing of goods for sale.

We examined (April 2015) assessment orders and files in the Office of DC Sector 3 G.B.Nagar and observed that a contractor out of 158 dealers test checked, purchased capital goods valued at ₹ 2.96 crore during the year 2008-09 to 2011-12 at concessional rate of tax against declaration in form 'C' and paid CST (Central Sales Tax) at concessional rate. Further we found that the contractors neither resold these goods nor used them in manufacturing of goods for sale etc. as prescribed U/s 8(3)(b) of the CST Act. The AA while finalising the assessment in October 2014 did not notice irregular use of form 'C' by the dealer and failed to impose penalty of ₹ 59.75 lakh.

We reported the matter to the Department and the Government (May 2015). During exit conference the Government/Department accepted our observation and stated that penalty of ₹ 59.75 lakh has been imposed (September 2016).

4.9.3 Misuse of declaration forms

The dealers purchased goods valued at ₹ 1.59 crore at concessional rate of tax against declaration in form 'C' which were not covered by their certificates of registration. This fact was not scrutinised at the time of assessment. Thus penalty of ₹ 26.82 lakh was not imposed.

Under Section 8 of the Central Sales Tax (CST) Act, 1956 a registered dealer may purchase any goods from outside the State at concessional rate of tax against declaration in form 'C'. If such goods are not covered by Registration Certificate (RC) under the CST Act or the goods purchased from outside the state at concessional rate of tax are used for the purpose other than that for which the registration certificate is granted, the dealer is liable to be prosecuted under Section 10 of CST Act. However, if the Assessing Authority deems it fit, he in lieu of prosecution may impose a penalty up to one and a half times of the tax payable on the sale of such goods under Section 10A of CST Act.

We examined (between April 2014 and October 2015) assessment orders and files in five CTOs and observed that seven out of 408 dealers test checked, purchased goods valued at ₹ 1.59 crore during the year 2009-10 to 2012-13 at concessional rate of tax against declaration in form 'C'. These goods were not covered by their certificates of registration for which they were liable to pay penalty one and half times of the tax payable on the sale of such goods, in lieu of prosecution. The AAs while finalising the assessments between May 2013 and March 2015 did not scrutinise the Registration Certificate and utilisation details of form 'C' and consequently penalty of ₹ 26.82 lakh was not imposed as shown in **Table 4.16**.

Table 4.16
Misuse of declaration forms

(₹ in lakh)									
Sl. No.	Name of the unit	No of dealers	Assessment year (month and year of assessment)	Name of commodity not covered by registration certificate	Amount of purchase	Rate of Tax (per cent)	Rate of penalty (per cent)	Penalty leviable	
1	DC Sec 4 Allahabad	1	2012-13 (June 2014)	Air Conditioner	41.66	13.5	20.25	8.44	
2	DC Sec 14 Allahabad	1	2009-10 (May 2013)	D G Set	2.65	12.5	18.75	0.50	
					7.60	13.5	20.25	1.54	
3	DC Sec 13 Ghaziabad	1	2011-12 (January 2015)	Rubber, Rubber scrap	22.20	5	7.5	1.66	
				Wood furniture	5.45	13.5	20.25	1.10	
				Plywood, Thinner	6.18	5	7.5	0.46	
4	JC (CC)-II Lucknow	1	2011-12 (July 2014)	Flow meter	20.09	13.5	20.25	4.07	
5	DC Sec 8 Kanpur	1	2010-11 (July 2013)	Cement	15.51	15.5	23.25	3.61	
				Roof sheet	17.33	5	7.5	1.30	
				2011-12 (February 2015)	Cement	1.55	15.5	23.25	0.36
					Cooled chiller	10.30	13.5	20.25	2.09
				2011-12 (July 2014)	Air Conditioner	8.36	13.5	20.25	1.69
Total		7			158.88			26.82	

Source: Information available on the basis of audit findings.

We reported the matter to the Department and the Government (between June 2014 and March 2016). During exit conference the Government/Department accepted our observation and in compliance DC Sec 13 Ghaziabad imposed penalty of ₹ 1.66 lakh and ₹ 0.96 lakh respectively in two cases. For the remaining cases Department stated that action is under process (September 2016).

4.10 Interest short/not charged

The dealers had deposited the admitted tax of ₹ 6.91 crore with delay, on which interest of ₹ 2.17 crore was chargeable, but it was not charged at the time of assessment.

Under Section 8(1) of UPTT Act and Section 33(2) of the UPVAT Act 2008 read along with Section 13 of Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007 every dealer liable to pay tax is required to deposit the amount of tax into the Government treasury before the expiry of due date failing which simple interest at the rate of two *per cent per men sum* upto 11 August 2004 thereafter 14 *per cent per annum* upto 31 December 2007 and at the rate of one and quarter *per cent per month* from 1 January 2008 shall become due and be payable on unpaid amount with effect from the day immediately following the last date prescribed till the date of payment.

We examined (between April 2015 and January 2016) assessment orders and files in eight CTOs²³ and observed that eight out of 643 dealers test checked, had deposited the admitted tax of ₹ 6.91 crore during the year 2006-07 to 2012-13 with delay ranging from 90 days to 3,080 days without interest. The belated payment of admitted tax attracted interest of ₹ 2.17 crore upto the date

²³ DC Sec 14 Allahabad, JC (CC)-II, DC Sec 15 Ghaziabad, DC Sec 3 G.B.Nagar, JC (CC) Jhansi, JC (CC) II Kanpur, DC Sec 12 Lucknow and DC Sec Sikandrabad.

of deposit of tax. The AAs while finalising the assessment between December 2013 and March 2015 did not charge interest of ₹ 2.17 crore (Appendix-XXX).

We reported the matter to the Department and the Government (between May 2015 and February 2016). During exit conference the Government/Department accepted our observation and stated that interest of ₹ 82.70 lakh has been charged in three cases of which ₹ 15.60 lakh has been recovered. For remaining cases Department stated that action is under process (September 2016).

4.11 Irregularities relating to Input Tax Credit (ITC)



Our scrutiny of records of the Department revealed several cases of irregularities regarding ITC claims like irregular/inadmissible ITC claims, excess claims, ITC not reversed, penalties not imposed and interest not charged thereon etc. amounting to ₹ 3.29 crore in respect of 35 CTOs in 45

cases out of 4,041 dealers for the period 2009-10 to 2012-13. A few cases are mentioned in the following paragraphs.

4.11.1 ITC not/short reversed on exempted sale

The dealers had not reversed the ITC claim of ₹ 12.18 lakh in respect of purchase of those goods whose sale was exempt from tax. The same was not reversed by the AAs with interest amounting to ₹ 2.69 lakh at the time of assessment.

Under section 13(7) read with Section 7 of the UPVAT Act, no credit of any amount of input tax shall be claimed by a dealer and no facility of ITC shall be allowed to the dealer in respect of purchase of such goods where sale of such goods by the dealer is exempt from payment of tax or such goods are to be used or consumed in manufacturing or packing of any goods and sale of such manufactured or packed goods by the dealer is exempt from payment of tax. If the ITC is claimed by the dealer, it will be reversible with interest at the rate of 15 per cent per annum.

We examined assessment orders and files in the office of DC Sec 7 Kanpur and observed that a dealer out of 152 dealers test checked, had wrongly availed ITC of ₹ 12.18 lakh during the year 2010-11 to 2012-13 on purchase of those goods whose sale valuing ₹ 5.34 crore was exempt from payment of tax. The AA while finalising the assessments between June 2012 and February 2015 neither reversed this inadmissible ITC nor raised demand of interest. Thus, ITC ₹ 12.18 lakh was not reversed and interest of ₹ 2.69 lakh was also not charged. The details are mentioned in the **Table 4.17**.

Table 4.17
ITC not/short reversed on exempted sale

(₹ in lakh)							
Sl. No.	Name of the unit	No of dealers	Assessment year (month and year of assessment)	Total Sale	Exempted Sale	RITC not done/short done by AAs	Interest Chargeable
1	DC Sec 7 Kanpur	1	2010-11 (June 2012)	349.67	204.90	5.51	0.94
			2011-12 (October 2013)	862.84	140.39	2.04	0.47
			2012-13 (February 2015)	923.45	188.77	4.63	1.28
Total		1		2135.96	534.06	12.18	2.69

Source: Information available on the basis of assessment files.

We reported the matter to the Department and the Government in July 2015. During exit conference the Government/Department accepted our observation and stated that action is under process (September 2016).

4.11.2 False/fraudulent claim of ITC

On cross verification, ITC of ₹ 30.89 lakh claimed by the dealers was found false. Though it was reversed by the AAs but no penal action was taken against the dealers.

Under Section 13 of UPVAT Act, 2008 read with Rule 24 of UPVAT Rules, 2008, tax paid on purchase of goods from registered dealers against tax invoice or deposited cash on purchase of goods from the unregistered dealers, ITC is allowed to the extent of the tax paid or payable by the dealer on such sale or purchase. Under the provisions of Section 54(1) (19) of the VAT Act, if the AA is satisfied that any dealer or any other person, as the case may be, falsely or fraudulently claims an amount as ITC, he may direct that such dealer or person shall, in addition to the tax, if any, payable by him, pay by way of penalty, a sum equal to five times of amount of ITC.

We examined (between November 2014 and January 2016) assessment orders and files in 11 CTOs²⁴ and observed that in the case of 13 out of 1,206 dealers test checked, the AAs cross verified the ITC claim of the dealers and found that the dealers had falsely/fraudulently claimed ITC amounting to ₹ 30.89 lakh during the year 2009-10 to 2011-12. Since the dealers had claimed ITC falsely/fraudulently, they were liable to pay penalty of a sum equal to five times of amount of ITC. Though the AAs while finalising the assessment between March 2013 and March 2015 reversed the ITC but did not impose the penalty amounting to ₹ 1.54 crore (**Appendix-XXXI**).

We reported the matter to the Department and the Government (between January 2015 and February 2016). During exit conference the Government/Department accepted our observation and stated that penalty of ₹ 18.58 lakh has been imposed in three cases. For remaining cases Department stated that action is under process (September 2016).

²⁴ DC Sec 4 & 8 Allahabad, JC(CC)-II, DC Sec 10 Ghaziabad, DC Sec 2 Gonda, AC Sec 1 Hapur, DC Sec 3 AC Sec 4 Kanpur, DC Sec Koshikalan, Mathura, DC Sec 5 Mathura and DC Sec 6 Meerut.

4.11.3 Irregular adjustment of ITC and interest not charged

The AAs while finalising the assessment reversed the inadmissible ITC and adjusted it with the balance ITC of the dealers instead of raising demand of ₹ 30.23 lakh with interest.

Under section 14(2) of UPVAT Act 2008, if any dealer notices *suo moto* that he had claimed the ITC which is not according to the provisions of the Act and Rules, he shall reverse it at the time of submitting the next tax return after noticing such event. The dealer is liable to deposit the amount of reversed ITC alongwith simple interest at a rate of 15 per cent per annum in the treasury.

We examined (November 2015) assessment orders and files in JC(CC)-II Ghaziabad and observed that three out of 47 dealers test checked, had claimed ITC of ₹ 30.23 lakh during the year 2010-11 to 2011-12 which was not in accordance with the provisions of the Act. The AAs while finalising the assessments between March 2014 and March 2015 reversed this inadmissible ITC and adjusted it with the balance ITC of the dealer without charging interest payable on it, whereas as per provisions of the Act dealers were liable to deposit the amount of reversed ITC alongwith simple interest. This resulted in irregular adjustment of ITC of ₹ 30.23 lakh and consequently interest of ₹ 14.24 lakh was not charged as shown in the **Table 4.18**.

Table 4.18
Irregular adjustment of ITC and interest not charged

							(₹ in lakh)
Sl. No.	Name of the unit	Number of dealers	Assessment year (month and year of assessment)	Amount of RITC adjusted with ITC	Period	Days	Interest leviable
1.	JC(CC)-II Ghaziabad	1	2011-12 (September 2014)	2.72	01.04.12 to 02.09.14	885	0.99
				12.58	01.10.11 to 02.09.14	1,068	5.52
		1	2010-11 (March 2014)	5.81	01.10.10 to 20.03.14	1267	3.02
				5.21	01.10.11 to 31.03.15	1,278	2.74
		1	2011-12 (February 2015)	3.91	01.10.11 to 01.02.15	1,220	1.97
Total		3		30.23			14.24

Source: Information available on the basis of assessment files.

We reported the matter to the Department and the Government (December 2015). During exit conference the Government/Department accepted our observation and stated that interest of ₹ 5.76 lakh has been charged in one case. In this case amount of reverse input tax credit (RITC) was not deposited. In the case of one dealer the Department stated that interest on ₹ 11.34 lakh had been charged earlier. We do not agree with the reply of the Department as RITC of ₹ 12.58 lakh and ₹ 2.72 lakh was done by AA at the time of assessment on which interest was chargeable. In the case of another dealer the Department stated that reverse ITC was deposited in the same year hence

interest was not chargeable. We do not agree with the reply of the Department as RITC of ₹ 3.91 lakh was done by AA at the time of assessment on which interest was chargeable. (September 2016).

4.11.4 Inadmissible ITC

The dealers had wrongly claimed ITC of ₹ 56.51 lakh which was not reversed with interest at the time of assessment. This resulted in ITC of ₹ 56.51 lakh short/not reversed and interest of ₹ 20.64 lakh was also not charged.

Under Section 13 of UPVAT Act, 2008 ITC to the extent of tax paid or payable by a registered dealer on purchase of taxable goods from within the State is allowed at the rates prescribed under Schedule I to V of the Act. Further under Section 14(2) of the Act if any dealer has wrongly claimed ITC in respect of any goods, benefit of ITC to the extent it is not admissible, shall stand reversed alongwith simple interest at the rate of 15 per cent per annum.

We examined (between March 2015 and January 2016) assessment orders and files in 13 CTOs²⁵ and observed that 15 out of 1,570 dealers test checked, had wrongly claimed ITC of ₹ 56.51 lakh during the year 2009-10 to 2012-13 which was not admissible to them. The AAs while finalising the assessment between December 2012 and March 2015 were required to reverse this inadmissible ITC and direct the dealers to pay such amount of reverse input tax credit along with simple interest, which was not reversed. This resulted in short/not reversal of ITC of ₹ 56.51 lakh and interest of ₹ 20.64 lakh was not charged (Appendix-XXXII).

We reported the matter to the Department and the Government (between April 2015 and February 2016). During exit conference the Government/Department accepted our observation and stated that ITC amounting ₹ 14.91 lakh has been reversed in two cases. In the instance cases interest was not charged by the Department. For the remaining cases Department stated that action is under process (September 2016).

4.11.5 ITC on goods sold on lower price than purchase price not reversed

The AAs had not reversed the ITC of ₹ 9.03 lakh claimed by the dealers in respect of those goods which were sold at the price lower than purchase price by the dealers.

Under Section 13(1) (f) of UPVAT Act where goods purchased are resold or goods manufactured or processed by using or utilising such goods are sold, at the price which is lower than purchase price of such goods in case of resale or cost price in case of manufacture, the amount of input tax credit shall be claimed and be allowed to the extent of tax payable on the sale value of goods or manufactured goods. If the dealer claims full amount of ITC, the ITC in

²⁵ DC Sec 8 Allahabad, DC Sec 2 Auriya, DC Sec Bharthana, DC Sec 3 G.B.Nagar, DC Sec 1 Hapur, DC Sec 2 Hardoi, JC(CC)-I, II DC Sec 10, 16 & 28 Kanpur, DC Sec. 2 Meerut and DC Sec. 5 Noida.

excess of tax payable on the sale value of goods will be reversible with simple interest at the rate of 15 per cent per annum.

We examined (between May 2015 and February 2016) assessment orders and files in four CTOs and observed that six out of 582 dealers test checked, had purchased goods worth ₹ 23.70 crore during 2011-12 and claimed ITC of ₹ 1.70 crore and sold it for ₹ 22.49 crore. The dealers availed ITC on the purchase price of the goods instead of to the extent of ₹ 1.61 crore, tax payable on sale value of goods. The AAs while finalising the assessment between March 2014 and March 2015 neither reversed this inadmissible ITC nor created demand with simple interest. Thus, ITC ₹ 9.03 lakh was not reversed and consequently interest of ₹ 4.30 lakh was also not charged as detailed in the **Table 4.19**.

Table 4.19
ITC on Goods sold on lower price than purchase price not reversed

(₹ in lakh)							
Sl. No.	Name of the unit	Number of dealers	Assessment year (month and year of assessment)	ITC claimed by the dealer	Tax on Sale	Amount of RITC not done by AAs	Interest leviable
1	DC Sec 1 Kanpur	1	2011-12 (February 2015)	18.53	15.85	2.68	1.37
2	DC Sec 8 Kanpur	1	2011-12 (March 2014)	6.26	4.74	1.52	0.57
		1	2011-12 (January 2015)	61.79	60.20	1.59	0.79
		1	2011-12 (March 2015)	2.30	0.55	1.75	0.90
3	DC Sec 27 Kanpur	1	2011-12 (February 2015)	1.43	0.97	0.46	0.23
4	DC Sec 1 Lucknow	1	2011-12 (July 2014)	79.67	78.64	1.03	0.44
Total		6		169.98	160.95	9.03	4.30

Source: Information available on the basis of assessment files.

We reported the matter to the Department and the Government (December 2015). During exit conference the Government/Department stated that action is under process in all the cases (September 2016).

4.11.6 Incorrect claim of ITC on goods purchased which were taxable at lower rates than claimed by dealers

The AAs had not reversed the ITC of ₹ 16.57 lakh claimed by the dealers in respect of those goods which were taxable at lower rates than claimed by the dealers.

Under Section 13 of UPVAT Act, 2008 read with rule 24 of UP VAT Rules, 2008, ITC to the extent provided under the relevant clauses of the said Act and Rules, is allowed on tax paid or payable by a registered dealer on purchase of taxable goods from within the State subject to certain conditions and restrictions for resale or use in manufacture of goods intended to resale. Rate

of tax applicable to each commodity is prescribed under Schedule I to V of the Act. Under Section 14(2) of the Act if any dealer has wrongly claimed ITC in respect of any goods, benefit of ITC to the extent it is not admissible, shall stand reversed alongwith simple interest at the rate of 15 *per cent* per annum.

We examined (between April 2015 and January 2016) assessment orders and files in six CTOs²⁶ and observed that seven out of 681 dealers test checked, had wrongly claimed ITC of ₹ 16.57 lakh on purchases of ₹ 2.71 crore at the rate of 13.5 to 15.5 *per cent* during the year 2010-11 to 2012-13. These items are mentioned in Schedule II of UPVAT Act and list of Section 14 of CST Act and rate of tax applicable is four to five *per cent*. The AAs while finalising the assessments between January 2014 and March 2015 did not notice this fact and without any cross verification and through examination that dealers were claiming ITC at the rate of 13.5 to 15.5 *per cent* on the goods taxable at the rate of four to five *per cent* allowed the excess inadmissible ITC to the dealers. This incorrect claim attracts reversal of ITC and interest of ₹ 24.72 lakh (ITC ₹ 16.57 lakh and interest ₹ 8.15 lakh) **(Appendix-XXXIII)**.

We reported the matter to the Department and the Government (between May 2015 and March 2016). During exit conference the Government/Department accepted our observation and stated that ITC amounting ₹ 6.09 lakh has been reversed in one case. In the said case interest was not charged by the Department. For the remaining cases Department stated that action is under process (September 2016).

²⁶ DC Sec 2 Ambedkarnagar, DC Sec 2 G.B.Nagar, DC Sec. 12, 14 & 29 Kanpur and DC Sec. 4 Lucknow.



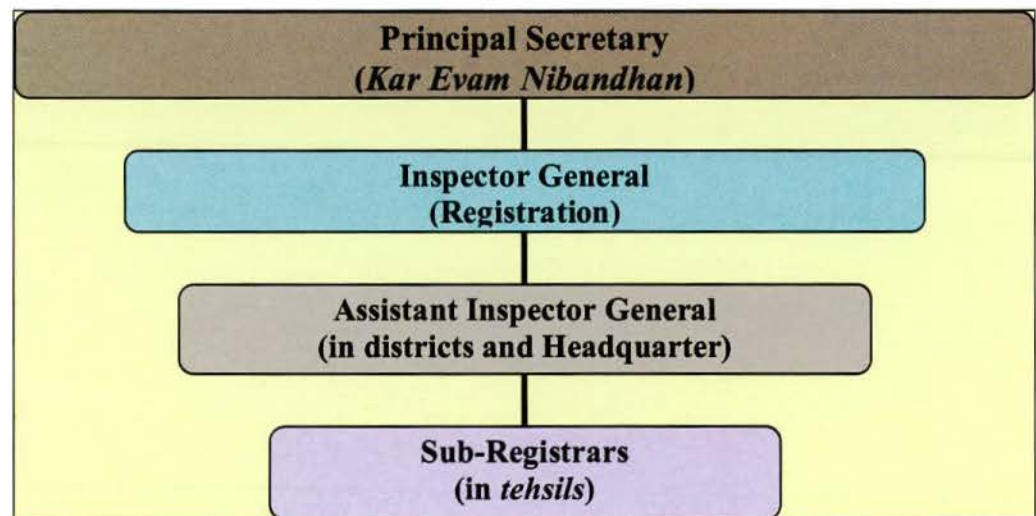
CHAPTER-V STAMPS AND REGISTRATION FEES

5.1 Tax administration

Receipts from stamp duty and registration fees are regulated under the Indian Stamp Act 1899, (IS Act), Indian Registration Act, 1908, (IR Act) and the rules framed thereunder as applicable in Uttar Pradesh. Stamp duty and registration fees are leviable on the execution of instruments at the prescribed rates fixed under the above Acts. Valuation of properties are decided as per circle rates fixed by the Collector of the District under the provisions of Uttar Pradesh Stamp (Valuation of Property) Rules, 1997.

The determination of policy, monitoring and control at the Government level is done by the Principal Secretary, *Kar Evam Nibandhan*. The Inspector General (Registration) (IGR) is the head of the Stamps and Registration Department (Department) who is empowered with the task of superintendence and administration of registration work. He is assisted by 96 Assistant Inspector Generals (AIGs) at the district level and 354 Sub-Registrars (SRs) at the *tehsil* level respectively.

Chart 5.1 Organisational Chart



5.2 Internal audit

Internal Audit of an organisation is a vital component of the internal control mechanism and is generally defined as the control of all controls. It enables the organisation to assure itself that the prescribed systems are functioning reasonably well.

There is a Technical Audit Cell, which conducts internal audit under the overall supervision of Inspector General (R). Two Additional Inspector General's (R) and eight Assistant Inspector General (R) have been posted for Technical Audit.

The details of Internal Audit (IA) planning such as number of units planned for audit, number of units audited and short fall are shown in **Table 5.1**.

Table 5.1

Audit planning by internal audit wing

Year	Total number of units available	Number of units planned	Number of units audited during the year	Short fall	Percentage of short fall
2011-12	496	250	243	07	2.80
2012-13	503	280	267	13	4.64
2013-14	504	309	307	02	0.65
2014-15	504	317	317	00	0.00
2015-16	504	414	407	07	1.69

Source: Information provided by the Department.

Chart 5.2



This showed that Department generally managed to achieve its target regarding auditing those units which it had planned.

5.3 Results of audit

In 2015-16, the Department realised revenue of ₹ 12,403.72 crore. We planned audit of 134 annual units and six biennial units out of the total 324 units of Stamps and Registration Department during 2015-16 and test checked all the above planned units which showed short levy of stamp duty and registration fee etc. and other irregularities amounting to ₹ 31.49 crore in 472 cases, which fall under the following categories as mentioned in Table 5.2.

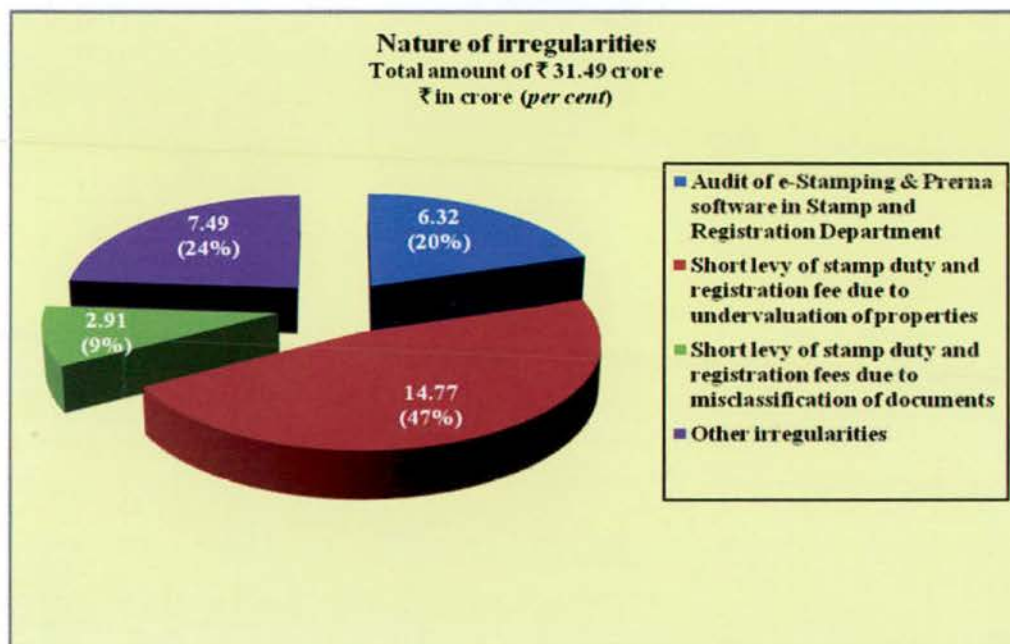
Table 5.2

Results of Audit

Sl. No.	Categories	(₹ in crore)	
		Number of cases	Amount
1.	Audit of "E-Stamping and PRERNA software in Stamp and Registration Department"	1	6.32
2.	Short levy of stamp duty and registration fee due to undervaluation of properties	352	14.77
3.	Short levy of stamp duty and registration fees due to misclassification of documents	66	2.91
4.	Other irregularities	53	7.49
Total		472	31.49

Source: Information available in the Audit office.

Chart 5.3



During the course of the year, the Department had accepted underassessment and other deficiencies of ₹ 14.01 crore in 190 cases of which 163 cases involving ₹ 13.91 crore were pointed out in 2015-16 and rest in earlier years. An amount of ₹ 10.51 lakh was realised in 31 cases of which four cases involving ₹ 53,000 was pointed out in 2015-16 and rest pertained to earlier years.

Audit of “E-Stamping and *PRERNA* software in Stamp and Registration Department” involving ₹ 6.32 crore and a few illustrative cases of compliance deficiency involving ₹ 7.60 crore are discussed in following paragraphs.

5.4 Audit of E-Stamping and *PRERNA* software in Stamp and Registration Department

5.4.1 Introduction

PRERNA (Property Evaluation and Registration Application) Software was introduced by the Department on 01 August 2006 for computerisation of registration process with the objectives of on the spot registration, better monitoring of revenue collection, standardisation of the language of deed document, increased transparency in the system, electronic valuation of property, electronic storage of deeds, proper valuation of the properties and minimising the revenue leakage, automatic issue of reminders for mutations and single window service. It was designed by National Informatics Centre (NIC) for the Government of Uttar Pradesh. Government vide order dated 26 September 2013 sanctioned ₹ 1.50 crore to NIC for development of online software which is under process.

Government notified Uttar Pradesh E-Stamping Rules 2013 vide notification dated 21 February 2013, for implementation of e-Stamping system in Uttar Pradesh. In May 2013 Government appointed M/s Stock Holding Corporation of India Ltd. (SHCIL) as a Central Records Keeping Agency (CRKA) for a

period of five years to implement the computerisation of stamp duty administration system in the State. SHCIL acts as a vendor of e-Stamp and deposited the stamp duty so collected into Government Account. SHCIL was paid a fixed percentage of commission from the State Government on the amount of stamp duty so collected and deposited.

The issue of e-Stamps in the State was started by SHCIL from 13 July 2013. The e-Stamping system was introduced in 169 SROs in 2013. In remaining 185 SROs, it was introduced from 1 January 2016.

5.4.2 Audit objectives

Audit was conducted with a view to ascertain whether:

- *PRERNA* software and e-Stamping system were implemented in timely and efficient manner.
- compliance with the provisions of Act., Rules and orders issued by the Government/Department in respect of *PRERNA* and e-Stamping were being done.
- compliance with IT standards were being done.

5.4.3 Audit scope and methodology

The audit was conducted (October 2015 to March 2016) covering the period from 2011-12 to 2015-16. Out of 15 districts¹, where all the 91 SROs were equipped with both *PRERNA* and e-Stamping, we selected 23 SROs² of nine districts³ for audit based on the revenue collection of SROs in which 14 out of 17 SROs were identified as high risk⁴, four out of 10 SROs were identified as medium risk and five out of 64 SROs were identified as low risk. Random Statistical Sampling was used to arrive at the sample.

We examined the files and outputs generated by the software in its various modules. Besides, we also collected information from the offices of Inspector General of Registration (IGR), Assistant Inspectors General of Registration (AIGs) and SHCIL. The objectives of the audit were discussed in the entry conference held on 19 January 2016 with the Principal Secretary, *Kar ewam Nibandhan*. We held an exit conference with the Government and Department on 28 July 2016 in which the audit findings were discussed with the Principal Secretary. All the recommendations discussed in exit conference were accepted by the Department. The views of the Government/Department have been incorporated in the report.

¹Allabad, Bagpat, Barabanki, Bulandshahar, G.B.Nagar, Ghaziabad, Hardoi, Jaunpur, Lakhimpurkheri, Lucknow, Mathura, Meerut, Raebareli, Sitapur and Unnao

² SR-Meja, Allahabad, SR-Sadar, Barabanki, SR-Siyana, Bulandshahar, SR-I, II, Greater Noida and Dadri, G.B.Nagar, SR-II, III, IV, V and Modinagar, Ghaziabad, SR-II, III, IV, V, Mohanlalganj and Baxi-ka-talab, Lucknow, SR-Sadar-I, Chaata, and Mahawan Mathura, SR-III Meerut, SR-Sadar and Raebareli

³ Allahabad, Barabanki, Buland shahar, G.B.Nagar, Ghaziabad, Lucknow, Mathura, Meerut and Rae bareli.

⁴ High risk: (80 Percent coverage) where the revenue collection of the SRO was above ₹ 100 crore annually. Medium risk: (40 percent coverage) where the revenue collection of SRO ranged between ₹ 50 to 100 core. Low risk: (8 percentage coverage) where the revenue collection of the SRO was below ₹ 50 crore.

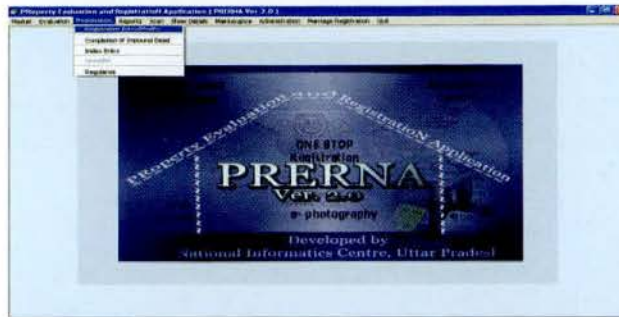
5.4.4 Acknowledgement

Indian Audit and Accounts Department acknowledges the co-operation of the Stamp and Registration Department in providing necessary information and records for audit.

Audit findings

PRERNA

5.4.5 Planning and Software Development



PRERNA was introduced in the Department in 2006 for computerisation of registration process. However, *PRERNA* was implemented in all the SROs only after a period of 9 years. Our findings on the planning and development

of the software are mentioned in the following paragraphs.

5.4.5.1 Unplanned and delayed implementation of the scheme

Department implemented *PRERNA* without fixing any time schedule.

The computerised registration process through *PRERNA* software in Stamp and Registration Department was introduced in June 2006.

We found that the Department implemented the scheme in SROs without fixing a time schedule of its implementation. This software was implemented in 169 out of 354 SROs in the state in three phases. In the first phase (2006) 106 SROs, in the second phase (2009) 43 SROs and in the third phase (2012) 20 SROs were equipped with *PRERNA*. The software has been implemented in all the SROs as on 1 January 2016 with an expenditure of ₹ 26.12 crore. It took nine years for implementation of the scheme in all the SROs of the state.

5.4.5.2 Absence of Software Requirement Specification (SRS) and delayed execution of Software Development Agreement (SDA)

Department did not prepare SRS and executed SDA after six years for development of *PRERNA* software.

The preparation of SRS and execution of SDA with the software designing agency is the primary requirement for development of software.

We found that SRS was not prepared by the Department for development of *PRERNA* software and SDA was executed with the NIC after six years of the introduction of *PRERNA* software.

During exit conference Government directed the Department to remove these lapses in the latest version of the software.

5.4.5.3 Absence of lateral connectivity between the SROs

SROs were not connected with each other.

Under *PRERNA*, there was no lateral connectivity across the SROs. Each SRO in the State had an independent server. The monthly backups were taken in each SRO and sent to NIC. Hence, information relating to the total number of documents registered, amount of stamp duty and registration fee collected and other recoveries made throughout the State in a day was not available in the system. Besides this, due to absence of interlinking, documents registered in one SRO could not be traced in other SROs. Thus, the objective of better monitoring of revenue collection could not be achieved by the Department.

During exit conference the Department accepted our observation and stated that due to unavailability of internet connection in every SRO, lateral connectivity between the SROs could not be established. The lateral connectivity would be established in the on-line system proposed to be introduced.

5.4.5.4 Unfruitful expenditure due to cancellation of agreement mid-way

Unfruitful expenditure of ₹ 1.44 crore was incurred by the Department due to cancellation of agreement mid-way.

The Department, in a follow-up action of Public Private Partnership's guidelines of Uttar Pradesh entered into an agreement with Wipro limited in September 2009 which was appointed as consultant for departmental computerisation on web basis. Against the total agreement cost of ₹ 2.40 crore, the Department made the following payments:

Instalment No.	Mile stone	Percentage of total agreement cost	Amount paid (₹ in lakh)
1	Mobilisation advance	10	23.97
2	Approval of Business Process Document (BPD) and Business Process Re-engineering (BPR)	20	47.95
3	Approval of High Level System Requirement Specification (HLSRS), submission of Expression Of Interest (EOI), Request For Proposal (RFP), Service level Agreement (SLA) and all other documentation	30	71.92

However on the instructions of the IT and Electronics Department, the Department decided to do the computerisation work at departmental level and cancelled the consultancy agreement with Wipro limited in January 2011. Thus, mid-way cancellation of agreement resulted in unfruitful expenditure of ₹ 1.44 crore.

During exit conference the Department stated that it was decided to do the computerisation work at departmental level. Hence, agreement with Wipro

Ltd. was cancelled. The fact remains that cancellation of agreement mid-way resulted in unfruitful expenditure of ₹ 1.44 crore.

5.4.6 Business rules not mapped in the software



One of the objectives of software was electronic and proper valuation of property. To achieve this, the relevant Act and Rules had to be integrated in the software. Instances of business rules not mapped into the software are brought out in the following

paragraphs:

5.4.6.1 No provision to input important data

PRERNA has no provision for uploading khasra numbers of agricultural land in master data.

The rate list approved by the collector of a district for valuation of properties provided rates for agricultural and residential lands. In the rate list, higher rates were provided for agricultural lands situated in *khasra* numbers which were next to road or close to habitation.

We observed that valuation of agricultural land was made through software but lands situated next to road and close to habitation were not valued at higher rates as was applicable. We observed that the software had no provision for uploading *khasra* numbers of land in master data though these *khasra* numbers were part of the rate list. The software failed in automatic valuation of land situated in such *khasra* numbers. Hence objective of electronic valuation of property could not be achieved by the Department.

During exit conference the Department stated that online presentation of document could not be made possible due to unavailability of internet connection. However, in the online software being developed by NIC arrangement for online presentation of document and uploading of *Khasra* numbers would be made.

5.4.6.2. Valuation of lease deeds

The provision for valuation of lease deeds with a term not exceeding 30 years was not mapped in software.

Under the provisions of Article 35 of schedule 1-B of IS Act, stamp duty on lease, where the lease purports to be for a term not exceeding 30 years, stamp duty is chargeable as for conveyance for a consideration equal to

three/four/five/six times the amount or value of the average annual rent reserved depending on the period of the lease.

We observed that the provision for valuation of lease deeds with a term not exceeding 30 years was not mapped in the software. 386 lease deeds were test checked and all of them were valued manually.

During exit conference the Government assured to remove the lapses in latest version of the software.

5.4.6.3 Valuation of commercial buildings

The provision for valuation of commercial buildings was not mapped in software.

As per Rule 5(c) (ii) of the U.P. stamp (valuation of property) Rules, 1997 the minimum value of commercial building for the purpose of payment of stamp duty shall be three hundred times the minimum monthly rent of the building calculated by multiplying the constructed area of each floor of the building with the minimum rent fixed by the collector of the district. The rule was applicable before 1 December 2015. From 1 December 2015 onwards the valuation was done on the basis of per square meter rate of land and constructed area of commercial building fixed by the collector of the district in rate-list.

We observed that the provision for valuation of commercial buildings was not mapped in the software until November 2015. All the 286 deeds of conveyance relating to commercial buildings test checked were valued manually.

During exit conference the Department stated that the new valuation of commercial buildings based on rate list applicable from 01 December 2015 has been mapped in the software.

5.4.6.4 Adjustment of stamp duty paid on agreement

The provision for adjustment of stamp duty paid on agreement was not mapped in software.

Article 5 of schedule 1-B of IS Act 1899 provides for stamp duty payable on agreement relating to the sale of an immovable property where possession is not admitted to have been delivered. It also provides that when conveyance in pursuance of such agreement is executed the duty paid under this clause shall be adjusted towards the total duty payable on the conveyance.

We observed that the provision for adjustment of stamp duty paid on agreement was not mapped in the software. The provision for linking of agreement deed with the deed of conveyance was also not mapped in the software. In all the 211 deeds of conveyance test checked, stamp duty was adjusted manually.

During exit conference the Department accepted our contention and assured to remove the lapses in latest version of the software.

5.4.6.5 Linking of correction deeds

The provision for linking of correction deed with its original deed was not mapped in software.

Article 34 A of schedule 1-B of IS Act, 1899 provides for correction of purely clerical error in an instrument chargeable with duty and in respect of which the proper duty had been paid.

We observed that linking of correction deed with its original deed was not mapped in the software. All the 352 correction deeds test checked were not linked with their original deeds.

During exit conference the Department stated that provision for cross entry of corrections made in original deed through correction deed was being made.

5.4.6.6 Valuation of residential lands without mentioning *chauhaddi*

The deeds of conveyance relating to residential land were registered in SROs without entering *chauhaddi* into database.

Section 27 of the Indian Stamp Act, 1899 provides that the consideration (if any) and all other facts and circumstances affecting the chargeability of any instrument with duty, or the amount of the duty with which it is chargeable, shall be fully and truly set forth therein. The rate list approved by the collector of the district for valuation of properties provides higher rates for land situated next to road.

We examined the data relating to deeds of conveyance and 2150 deeds of conveyance relating to residential lands in sampled SROs and observed that in 294 cases *chauhaddi* (boundaries) of the sold property was not shown in the report Index-2 generated through *PRERNA*, though the boundaries were mentioned in the deed of conveyance. Since the valuation of the property also depended on its boundaries, this indicated that the valuation of property in these cases was not done automatically by *PRERNA* software.

During exit conference the Department stated that provision for entering *Chauhaddi* of residential land compulsorily in *PRERNA* software was being made.

5.4.6.7 Absence of certificate regarding feeding of rate-list into master data and its locking.

SROs did not provide certificate regarding feeding of rate list into master data and its locking.

Inspector General of Registration directed vide order dated 25 July 2006 all the DIGs/AIGs Registration that after feeding of rate-list into master data, a certificate, collectively signed by ADM (FR), DIG/AIG Registration, District Informatics Officer and SR, was to be provided to the effect that there was no difference between the rate fed in master data with that of collector's rate-list and that the master data has been locked in their presence.

We examined the records of sampled SROs and found that certificate regarding feeding of rate-list into master data and its locking was not furnished. In the absence of second level verification of the rate-list, errors in the master data and in the valuations referring to such data cannot be ruled out.

During exit conference the Department accepted our contention and assured to remove the lapses in latest version of the software.

5.4.6.8 Valuation of deeds of conveyance executed before application of new circle rates

The provision for valuation of deeds of conveyance executed before application of new circle rates was not mapped in software.

Section 17 of the IS Act, 1899 provides that all instruments chargeable with duty and executed by any person in India, shall be stamped before or at the time of execution. Article 23 of Registration Act, 1908 provides that no document other than a will shall be accepted for registration unless presented for that purpose to the proper officer within four months from the date of its execution.

We examined the data relating to deeds of conveyance in *PRERNA* and 503 deeds of conveyance executed before the date of application of new circle rates in sampled SROs and observed that the properties in these deeds were required to be valued at old rates applicable at the time of execution of deeds. The provision for automatic valuation of these deeds of conveyance was not mapped in the software since old rates were not kept in the database and could not be referred to in such cases. All these deeds were valued manually.

During exit conference the Department accepted our contention and assured to remove the lapses in latest version of the software.

5.4.6.9 Exemption of stamp duty to ex-servicemen

The provision for exemption from payment of stamp duty to ex-servicemen was not mapped in software.

The State Government vide notification dated 17 May 2013 exempted ex-servicemen from payment of stamp duty on conveyance of residential plot in their favour having an area of not more than 200 square meters.

We observed that the provision for exemption of stamp duty to ex-servicemen was not mapped in the software. All the 292 deeds of conveyance in favour of ex-servicemen test checked were manually exempted from payment of stamp duty.

During exit conference the Department accepted our contention and assured to remove the lapses in latest version of the software.

5.4.7 Implementation

PRERNA was introduced in the Department for achievement of nine objectives. Audit of sampled units showed that out of these, three objectives

i.e. on the spot registration, electronic storage of deeds and single window service have been fully achieved. The objectives of increased transparency in the system, electronic valuation of property and proper valuation of properties have been achieved partially. The rest of the objectives of better monitoring of revenue collection, standardisation of language of deed document and automatic issue of reminders for mutation could not be achieved by the Department. Our findings on implementation of *PRERNA* are mentioned in the following paragraphs.

5.4.7.1 Deficiencies in the software

5.4.7.1.1 MIS reports not designed in *PRERNA*

***PRERNA* had no provision for generation of reports through the software.**

One of the objectives of the software was better monitoring of revenue collection. However, the software did not have provisions for generating MIS reports like SRO and district wise monthly income report for monitoring of revenue collection. The periodical revenue reports for submission to higher authorities had to be done manually by the SROs.

During exit conference the Department accepted our contention and assured to generate reports through the software.

5.4.7.1.2 Lack of provision for online appointment and document presentation

***PRERNA* has no provision for online presentation of documents.**

PRERNA did not have a provision for presentation of documents online for examination, valuation and determination of duty and fees by the Department. The executants and claimants had to be present before the SROs at every stage of the transaction. As a result, speedy completion of registration process without the presence of the parties in processes like verification of documents could not be achieved.

During exit conference the Department stated that online presentation of document could not be made possible due to unavailability of internet connection and that it would be included in the new online software.

5.4.8 Under-utilisation of software

5.4.8.1 Residential land valued at agriculture rate

Residential land of 1.92 lakh square meter was registered for ₹ 1.56 crore at agricultural rate which resulted in short levy of stamp duty and registration fees of ₹ 3.16 crore.

Under Article 23 of Schedule 1-B of the IS Act, 1899 (as amended in its application to Uttar Pradesh), stamp duty on a deed of conveyance is

chargeable either on the market value of the property or on the value of the consideration set forth therein, whichever is higher.

A *khasra* based search to get the details of lands sold in the *khasra* was available in *PRERNA*. However, this feature was not being used.

We examined 11,417 deeds of conveyance in sampled SROs and observed that 69 deeds of conveyance relating to 1.92 lakh square meter of residential land were registered at agriculture rates and stamp duty and registration fees of ₹ 1.56 crore was levied. Some lands in these *khasras* were valued at residential rates prior to or on the same day of registration of these lands. Hence, these lands should have also been valued at residential rates with stamp duty and registration fees of ₹ 4.72 crore. Under-utilisation of features of *PRERNA* thus resulted in short levy of stamp duty and registration fees of ₹ 3.16 crore (**Appendix-XXXIV**).

During the exit conference Principal Secretary demanded the detail of cases pointed out in objection regarding residential land valued at agricultural rate. This was provided to him by audit. The registration of residential land at agricultural rates needs investigation and recoveries affected.

5.4.8.2 Undervaluation of land

Land of 1.05 lakh square meter declared residential were registered for ₹ 0.25 crore at the agricultural rate instead of ₹ 1.97 crore at residential rate. This resulted in short levy of stamp duty and registration fees of ₹ 1.72 crore.

Section 143 of the Uttar Pradesh *Zamindari* Abolition and Land Reforms Act (UPZA&LR) provides that where a *bhumidhar* with transferable rights used his holding or part thereof for a purpose not connected with agriculture, horticulture or animal husbandry, the Assistant Collector in charge of the subdivision may, *suo moto* or on an application after making such enquiry as may be prescribed, make a declaration to that effect. If the land was declared residential under Section 143 of the above Act, the same should be valued at residential rate for the purpose of levy of stamp duty.

We examined 1,017 deeds of conveyance in sampled SROs and observed that 11 deeds of conveyance having 1.05 lakh square meter of land were registered at agricultural rates on which stamp duty and registration fees of ₹ 24.91 lakh was paid. These deeds related to *arazi* numbers which were declared residential by the orders under section 143 of UPZA & LR Act prior to the date of registration of these deeds. The *arazi* numbers which were declared residential under section 143 of UPZA & LR Act were registered as a deed in SROs and became a part of the database.

The concerned SROs failed to utilise search option provided in *PRERNA* software. Hence stamp duty and registration fees of ₹ 1.97 crore was leviable at residential rate on these deeds of conveyance. This resulted in short levy of stamp duty and registration fees of ₹ 1.72 crore (**Appendix-XXXV**).

During exit conference the Department stated that information was being collected from the concerned districts.

5.4.9 IT Security and internal control mechanism

5.4.9.1 Password policy and access control

The Department lacked well-defined and documented password policy and access control system.

The Department had no well-defined and documented password policy and access control system. A single user account was created and used by all users in a SRO.

During exit conference Government assured us of looking into all these aspects in the latest version of the software.

5.4.9.2 Internal control

The Department had no internal control mechanism to ensure proper application and enforcement of PRERNA.

The Department lacked internal control mechanism to ensure proper application and enforcement of PRERNA. No Technical Committee was formed by the Department to analyse the objectives achieved through the implementation of PRERNA. Internal audit of the software had not been undertaken by the Department.

During exit conference Government assured us of looking into all these aspects in the latest version of the software.

E-Stamping

5.4.10 Planning and software development

Uttar Pradesh E-Stamping Rules was introduced in the State for implementation of e-Stamping system. The e-Stamping system has been implemented in 52 percent of SROs after a lapse of three years. Our audit findings on planning and development have been mentioned in the following paragraphs.

5.4.10.1 Delayed implementation of the scheme

The necessary infrastructure required for implementation of e-Stamping was provided by the Government after a delay of three years in 185 SROs.

The Uttar Pradesh e-Stamping Rules was enforced in Uttar Pradesh in February 2013. The Government appointed SHCIL as CRKA for a period of five years w.e.f. 21 March 2013 in May 2013. As per Rule 17 of the Uttar Pradesh e-Stamping Rules, the Government was required to make arrangement for necessary infrastructure at the offices of Registering Officers, and their supervisory and controlling officers which included computers, printers, bar code scanners, internet connection, etc. as specified by the CRKA from time to time.

We found that the Government provided necessary infrastructure in 185 out of 354 SROs in the State after a delay of three years. Thus e-Stamping system could not be implemented in all the SROs of the State in time.

During exit conference the Department stated the e-Stamping system has been introduced in all the SROs of the State from 01 January 2016.

5.4.10.2 Government paid commission to SHCIL without verifying the details of training imparted by SHCIL

Government paid commission to SHCIL regularly though SHCIL did not impart training to personnel in SROs in violation of terms of agreement between Government of Uttar Pradesh (GOUP) and SHCIL.

As per the orders of Government of India, Ministry of Finance, Department of Economic Affairs (C&C Division) dated 28 December 2005 the State Government was required to make payment to SHCIL of 0.65 percent of the value of stamp duty collected through this mechanism for the services provided by SHCIL. The services to be provided by SHCIL included training the identified manpower/personnel in the SROs. Paragraph 9 of the agreement between GOUP and SHCIL also provided that SHCIL shall provide free of cost training for the first time at the premises of the offices of the Government. It shall also provide trainers to conduct the training for a minimum period of one week.

We observed that the Government paid commission to SHCIL regularly and also during the exit conference the Department stated that SHCIL imparted training at all SROs from time to time and also at the beginning of the programme. We however found that nothing on record to show if the training was actually conducted. In the absence of this, the effectiveness of the training also could not be verified by us.

5.4.11 Implementation of e-Stamping rules

Uttar Pradesh E-Stamping Rules was introduced in February 2013 in the State for implementation of e-Stamping system. Our findings on the implementation of E-Stamping Rules have been mentioned in following paragraphs.

5.4.11.1 Short-fall in inspection of Central Record Keeping Agency (CRKA)

ACS did not execute inspection of CRKA and ACCs to compare the e-Stamp income figures of the SROs with the remittance figures of CRKA.

Rule 33 of Uttar Pradesh e-Stamping Rules, 2013 provides schedule for inspection and audit of the CRKA and Authorised Collection Centres (ACCs). The inspecting authorities were required to inspect CRKA and ACCs as per frequency provided in the schedule and submit the report to the Commissioner of Stamps, Uttar Pradesh. As per schedule of inspection the Assistant Commissioner of Stamps (ACS) in the district was required to compare the

stamp income figures (from e-Stamps) of the SROs with the remittance figures of CRKA as received from the treasury of the district.

The Department did not project the requirement of SRO wise collection of stamp income in the software of SHCIL and hence such a report was not designed in the software. Details regarding position of issued, locked and unlocked e-Stamps in respect of a particular SRO could not be verified through the system.

We also observed that 10 out of 16 ACs examined did not execute any inspection out of 330 inspections scheduled. Six ACs executed only 51 out of 198 inspections due, during the years 2013-14 to 2015-16. Thus, e-Stamp income figures of SROs were not verified with the figures remitted by CRKA into treasury.

During exit conference the Department accepted our contention and assured to maintain proper records in future and to remove the lapses in latest version of the software.

5.4.11.2 Delayed locking of e-Stamp certificates by SROs

The e-Stamp certificates were locked with delay ranging between one and 255 days.

Rule 31 of the Uttar Pradesh e-Stamping Rules provides that the registering officer shall verify the correctness and authenticity of the e-Stamp certificate used in the instrument by accessing the relevant website of the CRKA and its unique identification number with the help of bar code scanner. The registering officer after such verification shall further proceed to register the instrument, and shall lock the e-Stamp certificate by using user ID code and password provided by the CRKA to prevent re-use of such certificate. The IGR vide letter dated 28 July 2014 directed SROs to lock the e-Stamps used without delay after registration of the document. The letter also stipulated that refunds may be issued only after status of locking was verified.

We examined e-Stamp certificates in sampled SROs and observed that in 20 SROs 203 out of 371 cases test checked, e-Stamp certificates were not locked on the date of registration of the document. These e-Stamp certificates were locked after delay. The delay ranged between one and 255 days. Thus, due to delayed locking of e-Stamp certificates, their re-use/misuse could not be ruled out (**Appendix-XXXVI**).

During exit conference the Department accepted our contention and assured to remove the lapses.

5.4.11.3 Variation in figures of e-Stamps provided by SHCIL and ACS

The Department did not reconcile figures of e-Stamps issued and locked with that of SHCIL.

We examined the figures of e-Stamps issued and locked in a district provided by SHCIL and 16 ACS⁵, and found that there was variation between both the figures. The figures of e-Stamps issued and locked were not reconciled by the Department with the figures of SHCIL.

During exit conference the Department accepted our contention and assured to remove the lapses.

5.4.12 Conclusion

As regards *PRERNA* software we conclude that:

The Department took nine years for implementing the scheme in all the SROs of the State. There were deficiencies in software like absence of Software Requirement Specification, delayed execution of Software Development Agreement, lateral connectivity between the SROs and provision for online appointment and document presentation. The provisions of Act/Rules with reference to lease, commercial buildings, adjustment of stamp duty, linking of correction deeds and exemption of stamp duty were not mapped in the software. Search utility in the software was not utilised by SROs. The Department did not have a well defined and documented password policy, access control system and internal control mechanism for proper application and enforcement of *PRERNA*.

As regards e-Stamping system we conclude that:

The Government provided necessary infrastructure in 185 SROs (52 percent) of the State for implementation of e-Stamping system after a delay of three years. The Department failed to observe provisions of the U.P. E-Stamping Rules like inspection of Central Record Keeping Agency, timely locking of e-Stamp certificates and SRO-wise details of revenue collected through e-Stamp.

5.4.13 Summary of recommendations

As regards *PRERNA* we recommend that the Government may:

- **consider mapping of the provisions of Act/Rules not mapped in the software.**
- **ensure full utilisation of features of the software by SROs to avoid short levy of stamp duty and registration fees on deeds.**
- **implement a well-defined and documented password policy, access control system and internal control mechanism.**

⁵ Allahabad, Barabanki, Bagpat, Bulandshahar, G. B. Nagar-1 & 2, Ghaziabad, Hardoi, Jaunpur, Lucknow, Lakhimpur Kheri, Mathura, Meerut, Raibareilly, Sitapur, Unnao

As regards e-Stamping system we recommended that the Government may:

- **strictly implement the provisions of U.P. e-Stamping Rules regarding inspection of CRKA and locking of e-Stamp certificates.**

5.5 Audit observations

Our scrutiny of records in the offices of the Sub Registrars showed cases of incorrect determination of value of property, undervaluation of lease deed, short levy of stamp duty and registration fees due to misclassification of documents as mentioned in the succeeding paragraphs in this chapter. These cases are illustrative and are based on a test check carried out by us. We point out such omissions each year, but not only do the irregularities persist; these remain undetected till we conduct an audit. There is need for the Government to improve the internal control system so that recurrence of such lapses in future can be avoided.

5.6 Residential land valued at agriculture rate

Residential land measuring 3.55 lakh square meter were wrongly registered for ₹ 40.64 crore at agricultural rate. Correct valuation at residential rate worked out to ₹ 149.15 crore which resulted in short levy of stamp duty and registration fees of ₹ 6.50 crore.

Under Article 23 of Schedule 1-B of the IS Act, 1899 (as amended in its application to Uttar Pradesh), stamp duty on a deed of conveyance is chargeable either on the market value of the property or on the value of the consideration set forth therein, whichever is higher. Further, Inspector General of Registration (IGR) vide guidelines issued in June 2003 clarified that a property in the same *arazi* number should not be split in more than one part for different purposes i.e. one for agriculture and the other for non-agriculture for the purpose of levy of stamp duty.

We examined (between April 2015 and March 2016) the Book 1, *Khand* and Registered documents of 58 Sub Registrar Offices (SROs) out of 140 SROs and observed that 145 out of 22,547 test checked deeds of conveyance relating to non-agriculture land measuring 3.55 lakh square meter were registered between January 2013 and February 2016 for ₹ 40.64 crore at agriculture rates and stamp duty and registration fees of ₹ 2.66 crore was levied. We observed that part of the same *arazi* was sold earlier or on same day at residential rates and thus the land in question should also have been valued at residential rates. The correct valuation at residential rate worked out to ₹ 149.15 crore. On this, stamp duty and registration fees of ₹ 9.16 crore was leviable whereas stamp duty and registration fees of ₹ 2.66 crore only was levied. Thus, incorrect valuation of property resulted in short levy of stamp duty and registration fees of ₹ 6.50 crore (**Appendix-XXXVII**).

We reported the matter to the Government and the Department (between April 2015 and May 2016). During exit conference the Department accepted our observation and referred the cases to Collector Stamps for correct valuation of property. The Collector Stamps confirmed and imposed short levy of stamp duty of ₹ 4.56 lakh in five cases out of which in four cases Department

recovered ₹ 0.53 lakh and in one case Recovery certificate have been issued by the Department. Action is pending in remaining 140 cases (August 2016).

5.7 Undervaluation of land

Land of 55,679 square meter declared residential, were registered for ₹ 4.84 crore at the agricultural rate instead of ₹ 19.56 crore at residential rate. This resulted in short levy of stamp duty and registration fees of ₹ 90.79 lakh.

Section 143 of the Uttar Pradesh *Zamindari* Abolition and Land Reforms Act, 1950 provides that where a *bhumidhar* with transferable rights used his holding or part thereof for a purpose not connected with agriculture, horticulture or animal husbandry, the Assistant Collector in charge of the subdivision may, *suo moto* or on an application after making such enquiry as may be prescribed, make a declaration to that effect. Further, the Chief Secretary vide his letter dated 11 June 2010 addressed to all the Commissioners and District Magistrates emphasised that if the land is used fully or partially for residential purposes, the concerned SDM should *suo moto* declare the whole land as *abadi* under Section 143 of UPZA&LR Act. If the land was declared non-agriculture under Section 143 of the above Act, the same should be valued at residential rate for the purpose of levy of stamp duty.

We examined (between April 2015 and February 2016) the Book 1 *Khand*, Sale Deeds and Circle rates list of four SROs and observed that out of 1,400 cases test checked, 16 deeds of conveyance having 55,679 square meter of land were registered during January 2014 to January 2016 for a consideration of ₹ 4.84 crore at agricultural rates on which stamp duty of ₹ 31.81 lakh and registration fees of ₹ 1.40 lakh was paid. It was noticed that these *Arazi* numbers were declared as non-agricultural by order under Section 143 of UPZA&LR Act, prior to the date of registration of these deeds. Hence the properties were required to be valued at ₹ 19.56 crore at residential rates and stamp duty of ₹ 1.22 crore and registration fees of ₹ 1.60 lakh was leviable at residential rate whereas stamp duty and registration fees of ₹ 33.21 lakh only was levied. The concerned SR did not consider these aspects while registering the documents. This resulted in short levy of stamp duty and registration fees of ₹ 90.79 lakh (Appendix-XXXVIII).

We reported the matter to the Government and the Department (between May 2015 and March 2016). During exit conference the Department accepted our observation and referred the cases to Collector Stamps for correct valuation of property. Action is pending in all the cases. (August 2016).

5.8 Sale deed misclassified as correction deed

Sale deed was misclassified as correction deed and accordingly stamp duty and registration fees of ₹ 200 was levied instead of ₹ 18.31 lakh. This resulted in short levy of stamp duty and registration fees of ₹ 18.31 lakh.

Article 34 A of Schedule 1-B of IS Act, provides for correction of purely clerical error in an instrument, chargeable with duty and in respect of which

the proper duty has been paid. Under the provision of IS Act, every instrument mentioned in the schedule shall attract stamp duty at the rates prescribed therein. An instrument is required to be classified on the basis of its recitals given in the document and not on the basis of its title.

We examined the correction deeds of office of SRO Maant, Mathura in August 2015, and observed that out of 81 instruments test checked one instrument was classified on the basis of their titles as correction deed and stamp duty was levied accordingly. Our scrutiny of the recitals of these documents showed that this was misclassified, as correction was made in the name of purchaser. Thus, this document was required to be treated as sale deed instead of correction deed and was to be valued at ₹ 3.64 crore on which stamp duty and registration fees of ₹ 18.31 lakh was chargeable against which stamp duty and registration fees of ₹ 200 only was levied. This resulted in short levy of stamp duty and registration fees of ₹ 18.31 lakh. The details are given in **Table 5.3**.

Table 5.3

Misclassification of documents

(₹ in lakh)												
Sl. No.	Nature of correction	Name of office	No. of instruments	Area of property (In Sq.m.)	Execution period of correction deed	Total value of property	Stamp duty leviable	Registration fees leviable	Stamp duty levied	Registration fees levied	Stamp duty short levied	Registration fees short levied
1.	Change in the Name of Purchaser	SR Maant, Mathura	1	6070	June 2015	364.20	18.21	0.10	0.001	0.001	18.21	0.10
Total		1	1	6070		364.20	18.21	0.10	0.001	0.001	18.21	0.10

Source: Information available on the basis of audit findings.

We reported the matter to the Government and the Department (between June 2014 and May 2015). During exit conference the Department accepted our observation and referred the case to Collector Stamps for correct valuation of property. Action is pending in the cases. (August 2016).



CHAPTER-VI OTHER TAX RECEIPTS

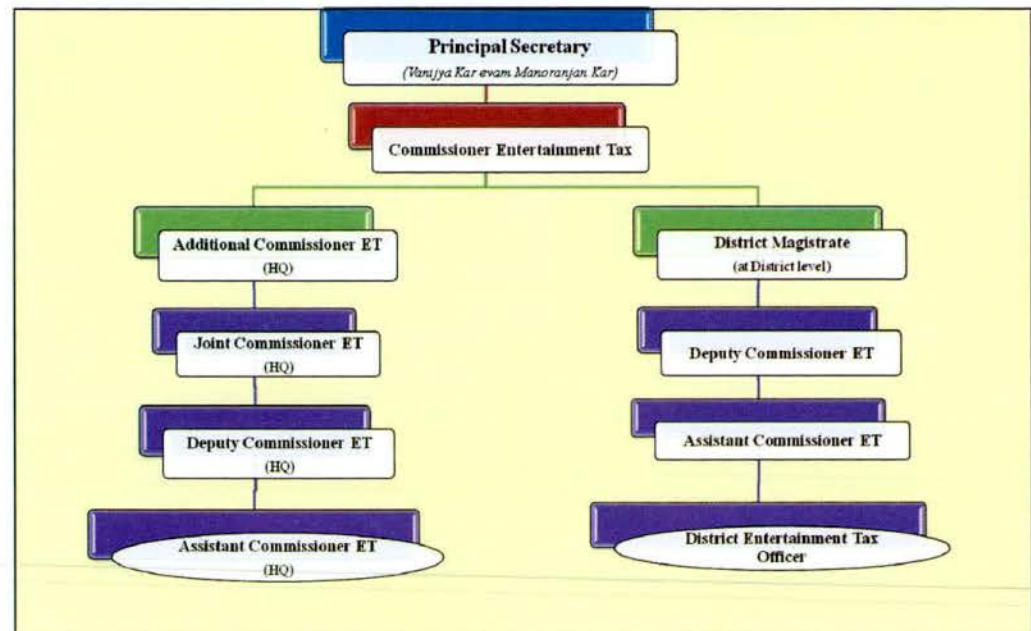
(A) ENTERTAINMENT TAX DEPARTMENT

6.1 Tax administration

Entertainment Tax is levied and collected under the provisions of the U.P. Entertainments and Betting Tax Act, 1979 and Rules framed thereunder. It is levied on all payments for admission to any entertainment at the rate specified from time to time.

The determination of policy, monitoring and control of Entertainment tax Department (Department) at the Government level is done by the Principal Secretary, *Vanijya Kar Evam Manoranjan Kar* Uttar Pradesh. The overall control and responsibility for levy and collection of entertainment tax rests with the Commissioner Entertainment Tax Uttar Pradesh, who is assisted by an Additional Commissioner, Joint Commissioner (1), Deputy Commissioners (3) and Assistant Commissioner (1). At district level, the District Magistrate is the controlling officer who exercises control over operation of entertainment, levy and collection of entertainment tax through three Deputy Commissioners Entertainment Tax, 13 Assistant Commissioners Entertainment Tax and 59 District Entertainment Tax Officers assisted by Entertainment Tax Inspectors in the State.

Chart 6.1 Organisational setup



6.2 Internal Audit Wing

Internal Audit Wing (IAW) of an organization is a vital component of the internal control mechanism and is generally defined as the control of all controls. It enables the organization to assure itself that the prescribed systems are functioning reasonably well and it is controlled by Finance Controller. Internal Audit Wing was established in the Department in 1974.

In IAW, one Finance Controller and two Sr. Auditors have been posted against the sanction post of one Finance Controller, one Sr. Auditor and one Auditor. The details of internal audit planning such as number of units planned for audit, number of units audited and shortfall are mentioned in **Table 6.1**:

Table 6.1

Audit planning by internal audit wing

Year	Total number of units available for IA	Number of units planned for IA	Number of units audited during the year	Shortfall	Percentage of shortfall
2011-12	73	35	32	3	8.57
2012-13	76	36	27	9	25.00
2013-14	76	32	20	12	37.50
2014-15	76	34	19	15	44.12
2015-16	76	36	23	13	36.11

Source: information provided by the Department

Despite having full staff strength the Audit planning of the IAW was not realistic and the shortfall in unit audited ranged from 8.57 to 44.12 *per cent* during the years. Due to insufficient audit coverage IAW could not achieve their objectives of enforcing better internal control and accountability.

The internal audit conducted by the IAW and number and amount of objection raised and settled during the year is mentioned in **Table 6.2**.

Table 6.2

Details of outstanding paras and amount

Year	(₹ in crore)							
	Opening balance		Addition during the year		Clearance during the year		Closing balance	
	No. of cases	Amount involved	No. of cases	Amount involved	No. of cases	Amount involved	No. of cases	Amount involved
2011-12	507	8.41	104	0.92	62	0.18	549	9.15
2012-13	549	9.15	104	0.50	61	0.58	592	9.07
2013-14	592	9.07	62	1.06	21	0.18	633	9.95
2014-15	633	9.95	63	11.87	289	0.65	407	21.16
2015-16	407	21.16	109	9.80	52	1.51	464	29.46

Source: Information provided by the Department.

It is clear from the above table that the compliance made by the Department against the cases raised by the IAW is very low in all the years except 2014-15.

6.3 Results of audit

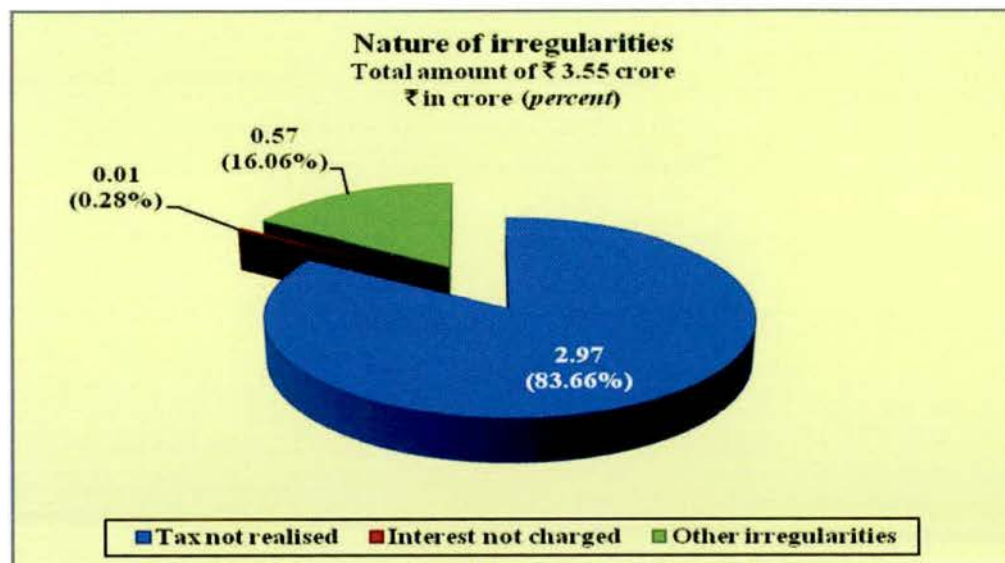
In 2015-16, the Department realised revenue of ₹ 622.23 crore. We planned six annual units, one biennial units and 10 triennial units out of the total 75 units of Entertainment Tax Department during 2015-16 and test checked 16 planned units which showed irregularities of tax, interest etc. amounting to ₹ 3.55 crore in 56 cases, which fall under the following categories as mentioned in **Table 6.3**.

Table 6.3
Results of audit

(₹ in crore)			
Sl. No.	Category	Number of cases	Amount
1.	Tax not realised	13	2.97
2.	Interest not charged	3	0.01
3.	Other irregularities	40	0.57
Total		56	3.55

Source: Information available in the Audit office.

Chart 6.2



During the course of the year 2015-16, the Department accepted our observation of ₹ 17.21 lakh in eight cases of which three cases involving ₹ 15.07 lakh were pointed out in 2015-16 and rest in earlier years. An amount of ₹ 9.47 lakh was realised in eight cases of which three cases involving ₹ 7.33 lakh was pointed out in 2015-16 and rest pertains to earlier years.

A few illustrative cases of compliance deficiency involving ₹ 15.07 lakh are discussed in the following paragraphs.

6.4 Audit observations

Our scrutiny of records of the Entertainment Tax Commissioner's office and 15 District Entertainment Tax Offices of the Entertainment Tax Department showed cases of short realisation of entertainment tax, which is mentioned in the succeeding paragraph of this chapter. There is need for the Government to improve the internal control system so that recurrence of such lapses in future can be avoided.

6.5 Short realisation of entertainment tax from cable operators

Entertainment tax of ₹ 24.83 lakh was due on cable operators but only ₹ 9.76 lakh was deposited and ₹ 15.07 lakh is still unrealised.

As per Rule 11 of Uttar Pradesh Cable Television Network (Exhibition) Rules, 1997, the proprietors of cable TV shall deposit the amount of entertainment

tax collected from their consumers into Government account within one week from the last day of every month.

We examined between November 2014 and March 2016 the Appendix-II register pertaining to details of collection, of three DETOs and observed that entertainment tax of ₹ 24.83 lakh was due from 27 cable operators out of total 285 between April 2010 and February 2016. Against this only ₹ 9.76 lakh was deposited by the cable operators. This resulted in short realisation of entertainment tax of ₹ 15.07 lakh. In all these cases, no effective steps were taken for the realisation of the balance dues of ₹ 15.07 lakh from the defaulters even after a lapse of one month to 55 months (**Appendix-XXXIX**).

We reported the matter to the Government/ Department (December 2014 to April 2016). During exit conference the Department accepted our observation and stated that ₹ 7.33 lakh was recovered from the three concerned districts and for the recovery of the remaining amount of ₹ 7.74 lakh action is under process (August 2016).

(B) STATE EXCISE

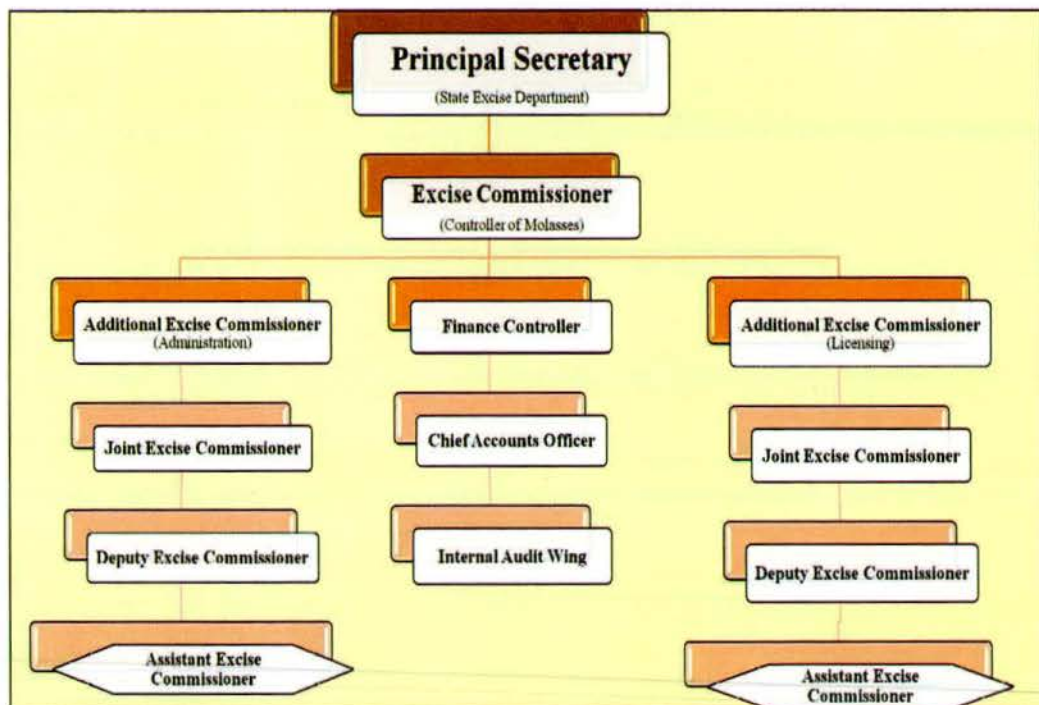
6.6 Tax administration

Excise duty on liquor for human consumption and license fee is levied under the UP Excise Act, 1910 and Rules made thereunder. Various kinds of liquor, such as country liquor and Indian Made Foreign liquor are manufactured from alcohol. Excise duty on production of alcohol and liquor in distilleries forms a major part of excise revenue. Apart from excise duty, license fee also forms part of excise revenue.

The Principal Secretary (State Excise) is the administrative head of State Excise Department (Department) at Government level. The Department is headed by the Excise Commissioner (EC). The Department has been divided in Agra, Gorakhpur, Lucknow, Meerut and Varanasi zones which are headed by the Joint Excise Commissioner. Besides, Excise Inspectors under the control of Assistant Excise Commissioner of the respective districts are deputed to oversee and regulate levy/ collection of excise duties and allied levies.

The organizational chart of the Department is as under:

Chart 6.3 Organisational setup



6.7 Internal audit

Internal Audit of an organisation is a vital component of the internal control mechanism and is generally defined as the control of all controls. It enables the organisation to assure itself that the prescribed systems are functioning reasonably well. The position of sanctioned strength and men-in-position is given in **Table 6.4**.

Table 6.4

Staff position of Internal Audit wing

Sl.No.	Designation	Sanctioned post	Men-in-position	Shortfall	Percentage of shortfall
1.	Finance Controller	1	1	0	0
2.	Sr. Finance and Account Officer	1	1	0	0
3.	Finance and Account Officer	1	1	0	0
4.	Assistant Account Officer	2	1	1	50.00
5.	Sr. Auditor	9	0	9	100.00
6.	Accountant	4	3	1	25.00
7.	Auditor	3	4	0	0
8.	Assistant Accountant	1	1	0	0

Source: Information provided by the Department

The details of Internal Audit (IA) planning such as number of units planned for audit, number of units audited and shortfall are shown in Table 6.5.

Table 6.5

Audit planning of Internal Audit wing

Year	Total no. of Units	No. of Units planned	No. of units Audited	Shortfall
2011-12	350	138	123	-15
2012-13	352	140	119	-21
2013-14	365	140	109	-31
2014-15	365	140	113	-27
2015-16	365	62	55	-07

Source: Information provided by the Department

The internal audit conducted by the IAW and number and amount of objection raised and settled during the year is shown in Table 6.6.

Table 6.6

Objection raised by Internal Audit Wing

Year	(₹ in lakh)							
	Opening balance		Addition during the year		Clearance during the year		Closing balance	
	No. of cases	Amount involved	No. of cases	Amount involved	No. of cases	Amount involved	No. of cases	Amount involved
2011-12	360	2,110.63	136	70.22	199	352.35	297	1,828.50
2012-13	297	1,828.50	140	58.75	244	266.75	193	1,620.50
2013-14	193	1,620.50	101	46.13	70	37.52	224	1,629.11
2014-15	224	1,629.11	108	101.73	55	41.77	277	1,689.07
2015-16	277	1,689.07	78	201.32	18	4.34	337	1,886.05

Source: Information provided by the Department.

Chart 6.4



This shows that the compliance made by the Department against the cases raised by the IAW is very low. The reason stated by the Department for downfall in clearance of both numbers and amounts was shortage of staff. The reply of the Department does not seem to be based on facts because during this period although the cases and amount were increasing but there was no corresponding increase in clearance.

We recommend that the IAW may be strengthened and a realistic annual audit plan be prepared. The Department should take appropriate steps for speedy recoveries in cases raised by the IAW.

6.8 Results of audit

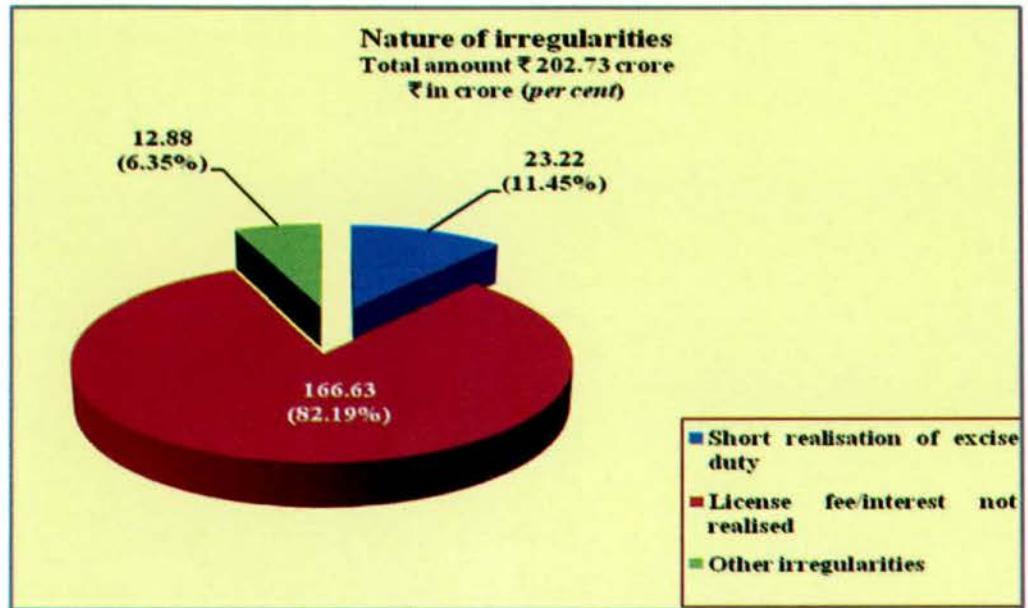
In 2015-16, the Department realised revenue of ₹ 14,083.54 crore. We planned 67 annual units, one biennial units and 18 triennial units out of the total 236 units of State Excise Department during 2015-16 and test checked 82 out of 86 planned units which showed short realisation of excise duty, license fee/interest and other irregularities involving ₹ 202.72 crore in 202 cases, which fall under the following categories as mentioned in **Table 6.7**.

Table 6.7
Results of Audit

Sl. No.	Categories	Number of cases	(₹ in crore)
			Amount
1.	Short realisation of excise duty	26	23.22
2.	License fee/interest not realised	95	166.62
3.	Other irregularities	81	12.88
Total		202	202.72

Source: Information available in the Audit office.

Chart 6.5



During the year, the Department accepted underassessment and other deficiencies of ₹ 37.45 crore in 10 cases of which four cases involving ₹ 37.43 crore were pointed out in 2015-16 and rest in earlier years. An amount of ₹ 1.68 lakh was realised in six cases pertaining to earlier years.

A few illustrative cases of compliance deficiency involving ₹ 46.77 crore are discussed in the following paragraphs.

6.9 Audit observations

Our scrutiny of records in the offices of the State Excise Department showed failure to forfeit Basic License Fee and security deposits, and Sale of beer without beer bar license as mentioned in the succeeding paragraph in this chapter. These cases are illustrative and are based on a test check carried out by us. We point out such omissions each year, but not only do the irregularities persist; these remain undetected till we conduct audit. There is need for the Government to improve the internal control system so that recurrence of such lapses in future can be avoided.

6.10 Failure to cancel the selection of shops and forfeiture of Basic License Fee and security deposit

The licensees did not deposit the entire amount of security deposit within prescribed time limit. For this failure action for cancellation of settlement and forfeiture of deposited basic license fee and security money amounting to ₹ 37.43 crore, was not initiated as envisaged in the rules.

Rule 12 of the Uttar Pradesh Excise (Settlement of Licenses of Retail Sale of Country Liquor) Rules 2002 provides that amount of Basic License Fee (BLF) shall be deposited in full within three working days, half of the security amount within 10 working days and rest of the amount within 20 working days of receipt of the intimation of the selection of shop. In case of default, the

selection of shop would be cancelled and amount of BLF and security deposits, if any, would be forfeited in favour of the Government and the shops would be resettled forthwith.

We examined G-12 (details of settled shops) and Settlement files of Country Liquors of two District Excise Offices, Mainpuri and Unnao, between August 2015 and February 2016 and found that during the year 2014-15 and 2015-16 though the licenses of 1007 country liquor shops were settled or renewed, these licensees, did not deposit the entire amount of security deposit in prescribed time frame. The delay ranged from 1 to 550 days. For this default no action was initiated as envisaged in Rules. As no relaxation is allowed under the provisions/ rules, the inaction of the Department deprived the Government of entire amount of ₹ 37.43 crore of BLF and security deposit which also was required to be forfeited as shown in **Table 6.8**.

Table 6.8

Failure to forfeit the Basic License fee and Security deposits

(Amount in crore ₹)							
Sl. No.	Name of units	Year	Number of Shops	Period of Late deposit of Security Deposit in days	Basic License Fee required to be forfeited	Security Deposit required to forfeited	Total Amount required to forfeited
1	DEO Mainpuri	2014-15	117	48-550	1.59	0.70	2.29
		2015-16	162	39-210	1.95	0.39	2.34
2	DEO Unnao	2014-15	383	1-65	7.49	6.44	13.93
		2015-16	345	1-183	10.83	8.04	18.87
TOTAL			1,007	1-550	21.86	15.57	37.43

Source: Information available from G-6 register.

We reported the matter to the Department and the Government (November 2015 and March 2016). During exit conference the Department agreed with our observation and stated that the entire amount has now been deposited (September 2016).

6.11 Sale of beer without beer bar license

FL 7B license fee on 364 licensees was not levied which deprived the Government of revenue of ₹ 6.70 crore during the year 2013-14 to 2015-16.

Foreign liquor as defined in UP Excise settlement of licenses for retail sale of foreign liquor (Excluding beer and wines) (Third Amendment) Rules 2002 includes Malt sprit, Whisky, Rum, Brandy, Gin, Vodka and Liquor. Beer is not included in the definition. As per Rules 647 and 648 of the United Provinces Excise Act, 1910 and Rules made there under the UP Excise (Wholesale and retail vend of Foreign Liquor) (Thirteenth Amendment) Rules 2002 state that Beer bar license in form FL 7B is required for retail sale of beer on premises of hotels, *dak bungalows* or restaurants. Rule 10 provides for issue of license of FL 6A composite for retail sale of foreign liquor by four and five star hotels and issue of FL 6 license for hotel other than the above.

FL 7 license is required for retail sale of foreign liquor by restaurants. FL 6A composite and FL 7 will also cover sale of draft beer only and not bottled beer.

We examined the records of bar licenses, consumption statement and revenue collection register of 23 out of 32 DEOs test checked between May 2014 and February 2016 and found that 364 licenses of the hotels/ restaurant bars under FL 6, FL 6A (composite) and FL 7 category were settled or renewed between the period April 2013 to December 2015 where consumption of beer was also shown. These hotels/restaurant bars were not issued the FL 7B license required for retail sale of beer. As a result of not issuing of FL 7B license, the Government was deprived of license fee of ₹ 6.70 crore (**Appendix-XL**).

We reported the matter to the Government and the Department (between March 2014 and February 2016). During exit conference the Department stated that beer is included in foreign liquor as mentioned in concerned Rule. The reply of the Department is not tenable on the ground that the separate FL 7B license has been prescribed for retail vends of beer (September 2016).

6.12 Failure to cancel the license and forfeit security deposit for violation of Rules

Department failed to cancel the license and forfeit the security deposit of ₹ 2.64 crore for violation of Rules by 68 retailers over MRP during 2014-15 to 2015-16.

Para 13,14 and 16 of the Uttar Pradesh Excise (Settlement of retail licenses for Model shop of foreign liquor) Rules 2003, Uttar Pradesh Excise settlement of licenses for retail sale of foreign liquor (excluding beer and wine) Rules 2001 and Uttar Pradesh (Settlement of licenses for retail sale of country liquor) Rules 2002 respectively, provide that the MRP as fixed by Excise Commissioner on sanction of the State Government, shall be printed on the label of bottles or containers of foreign liquor / beer / country liquor, and the licensee shall not charge from consumers more than MRP printed on label of bottles. The conditions of grant of license under these rules state that the retail licensees shall not charge more than printed MRP, violation of terms and conditions of retail license or conviction for any offence under the United Provinces Excise (UPE) Act, 1910 or Narcotic Drugs and Psychotropic substances Act, 1985 shall make the licensee liable for cancellation of the license and forfeiture of security deposits, in addition to any penalties imposed under the relevant laws.

We examined the breach register of District Excise Offices GB Nagar and Meerut for the year 2014-15 and 2015-16 and found that 68 cases out of 1,420 breaches were registered by the Department, where liquor was found to be sold over the MRP, and penalty at the uniform rate of ₹ 5,000 in each case was imposed on these shops. Even after violation of rules, no action as defined under the Rules and Acts such as cancellation of the license and forfeiture of security deposit of ₹ 2.64 crore in addition to penalty imposed was taken against them as shown in **Table 6.9**:

Table 6.9

Failure to cancel the license and forfeit security deposit for violation of Rules

(Amount in ₹)					
Sl. No.	Name of Unit	Year	No. of cases	Amount compounded	Security deposit which should be forfeited
1	DEO GB Nagar	2014-15	6	30,000	21,96,240
2	DEO Meerut	2014-15	58	2,90,000	2,26,44,636
		2015-16	4	20,000	16,00,000
Total			68	3,40,000	2,64,40,876

Source: Information available from breach register

In all the cases including those of repeated violation the Department has merely imposed compounding penalty but has not taken action to cancel licence/ forfeit the security deposit as deterrence.

We reported the matter to the Government (November 2015). During exit conference the Department stated that in cases where licensees applied for compounding, action as per Rule was taken. The reply of the Department is not tenable as in case of violation of terms and conditions of retail license, in addition to penalty imposed under the relevant law license was liable to be cancelled and security deposit was to be forfeited (September 2016).

Lucknow

The **25 JANUARY 2017**



(VINITA MISHRA)

Accountant General (E&RSA)

Uttar Pradesh

Countersigned

New Delhi

The **-1 FEB 2017**



(SHASHI KANT SHARMA)

Comptroller and Auditor General of India

Appendices

APPENDIX-I

Action taken on the recommendations accepted by the Departments/Government
(Reference Para No. 1.8)

Year of Audit Report	Name of PA	No. of recommendations	No. of recommendations accepted by the Department	Details of accepted recommendations	Status
2010-11	Utilisation of declaration forms in inter-state trade and commerce	5	4	Creating a database of exemption/concession of tax granted in inter-state trade and commerce.	The database of registered dealers is available in database.
				Evolving a proper mechanism for the safe custody of declaration forms at the central level as well as at the level of nodal officers.	Double lock system has been introduced for safe custody of such declaration forms. On-line system have been introduced for such declaration forms.
				Uploading data pertaining to Central forms on the TINXSYS website to enable online cross verification.	Process is running smoothly.
				Preparing and publishing a database of dubious/risky dealers in the official website of the Commercial Tax Department.	Status of all the dealers have been uploaded on official website.
2010-11	Computerisation in Motor Vehicles Department	8	8	Formulating a long term IT strategy/plan for proper functioning system	Regular Training programs as per requirement in connection with different Modules of "VAHAN" and "SARATHI" software are being organised at various administrative levels. Regular AMC of hardware was being done through MoU signed at HQ level. Proposal for establishment of Departmental IT cell has been submitted to Government and it is under consideration.
				Verification of data entry relating to registration of vehicles to ensure data integrity	"VAHAN" and "SARATHI" software have provision for verification of data entry through data approval. Approval privilege is given to competent authority.
				Introducing proper data validation checks	Proper data validation checks have been incorporated in "VAHAN" and "SARATHI" software by NIC.
				Modifying the software to fulfil requirements of business rules like generation of demand notice/ recovery certificate/ arrear and MIS reports etc for better enforcement of the act and rules.	Software has the provision for generation of demand notice, arrear and MIS reports. Generation of recovery certificate through VAHAN software is under process.

Year of Audit Report	Name of PA	No. of recommendations	No. of recommendations accepted by the Department	Details of accepted recommendations	Status
				Strengthening the application controls to prevent use of fake documents and to ensure reliability and usefulness of data.	Reliability and usefulness of data is being harnessed by making various reports as well as online.
				Ensuring early implementation of SARATHI and the Enforcement Module of VAHAN software.	SARATHI software implemented fully and enforcement module of VAHAN implemented at all offices by February 2015.
				Framing an IT security policy with adequate documentation with a credible threat assessment mechanism for harnessing optimum output from the system.	All the requisite IT security measures have been implemented in the Department.
				Training of personnel on system management and database operations	Department conducts regular training of VAHAN and SARATHI software operations through NIC.
2011-12	Working of Stamps and Registration Department	3	1	Bringing out a notification declaring the areas developed under the UP Industrial Development – Act as development areas for the purpose of levy of additional stamp duty to remove this disparity.	In compliance notification on dated 22 March 2016 has been issued.
2012-13	Working of Enforcement Wing in Commercial Tax Department	5	5	Provision of mandatory filling of transaction details before on-line downloading of Form-38.	Now it has been made mandatory.
				Establishing input and validation controls for Transit Declaration Forms and a Disaster Management System.	Requisite provisions have been made by the Department.
				Developing a module to maintain database of repeated tax evading dealers/transporters.	The database is uploaded and available online for departmental officers.
				Provision for suitable devices to enforcement officers so that they may use the data available on the Commercial Tax website.	The system has been made online.
				Establishing system of follow-up of monitoring of seizure/survey cases by enforcement officers regarding final tax imposed/realised by AAs.	Online system is functional for monitoring of seizure/survey cases.
2013-14	Assessment, levy and collection	5	5	Department while passing the assessment order may consider to discuss in assessment order that burden of tax has not been passed on to the contractee and	Circular on 20.07.2016 has been issued in this regard directing the AAs to discuss the burden of tax and record it in their assessment

Year of Audit Report	Name of PA	No. of recommendations	No. of recommendations accepted by the Department	Details of accepted recommendations	Status
	of Tax on works contract			supporting documents for evidence should also be placed in assessment file.	orders.
				Department may consider to record reasons or justification for not imposing the penalty in assessment order while exercising discretionary power regarding not imposing the penalty.	Circular on 20.07.2016 has been issued in this regard.
				Department may consider to strengthen the internal audit in an effective manner and annual audit plan should be prepared in a realistic way.	Efforts are being made to strengthen the internal audit wing.
				Department may consider for carrying out market survey to detect unregistered contractors and bring them under the tax net in the interest of the revenue.	Circular on dated 23.09.2015 has been issued in this regard.
				Department may consider to maintain a separate database of contractors/ contractees consisting of date of registration, date of filing of return, exercise of option regarding compounding scheme, TDS deduction vis-à-vis claim.	All the information regarding works contract is available in the system.
2014-15	System of Assessment under VAT	7	3	The Government may consider for developing a mechanism for inter-departmental exchange of data/information and modalities for survey for the purpose of identification of unregistered dealers.	The Department has got the data from FSSAI UPPCL, Mandi, Labour Department and Panchayat for increasing tax base.
				The Government may take effective steps for finalization of assessment cases within the prescribed time limit.	System is completely online
				The Government may ensure proper scrutiny of returns by the Assessing authorities at the time of assessments to prevent leakage of revenue.	Online scrutinising system is developed for assessment officers.

Source: Information provided by the Department and available in the audit office

APPENDIX-II
Audit execution for the financial year 2015-16
(Reference Para No. 1.9)

Sl. No.	Principal Head	Total No of auditable units	Units planned for audit	Units audited during 2015-16
1	Taxes on Vehicles, Goods and Passengers	76	45	45
2	Entertainment Tax	75	17	16
3	Non-Ferrous Mining and Metallurgical Industries	75	20	20
4	Tax on Sales, Trade etc.	1,536	277	277
5	Stamps and Registration Fees	354	140	140
6	State excise	236	86	82
	Total	2,352	585	580

Source: Information available in the audit office

APPENDIX-III
Excavation of minerals beyond the limits fixed in EC (Stone lease)
(Reference Para No. 2.4.6.1)

(Amount in ₹)											
Sl. No.	Name of Unit	Name of Lease holder	Lease period	Date of EC and quantity approved	Period in which mineral excavated	Total excavation in cubic meter	Approved Excavation in EC in TPA/cubic meter	Extra Excavation beyond EC in cubic meter	Paid royalty	Price of minerals	Penalty
1	DMO Allahabad	M/s A. K. Enterprises	05 April 2010 to 04 April 2020	05 April 13	09 April 15 to 18 January 2016	61,200	NA/30,000	31,200	22,46,400	1,12,32,000	1,00,000
2	DMO Mirzapur	Anirudha Kumar Tiwari	22 February 2010 to 21 February 2015	20 September 2013	28 September 2015 to 22 February 2016	19,224	30,000/17,647	1,577	1,13,544	5,67,720	1,00,000
3		Akhilesh Kumar Singh	15 July 2015 to 14 July 2025	11 November 2014	22 September 2015 to 06 November 2015	19,930	12,000/7,059	12,871	9,56,682	47,83,410	1,00,000
					16 December 2015 to 23 February 2016	19,800	12,000/7,059	12,741	9,17,352	45,86,760	
TOTAL						1,20,154		58,389	42,33,978	2,11,69,890	3,00,000

Source: Information available on the basis of audit findings.

APPENDIX-IV

Excavation of minerals beyond the limits fixed in EC (Sand lease)
(Reference Para No. 2.4.6.2)

(Amount in ₹)											
Sl. No.	Name of Unit DMO	Name of Lease holder	Lease period	Date of EC	Period in which mineral excavated	Total excavation in cubic meter	Approved Excavation in EC in TPA	Approved Excavation in EC in cubic meter	Excess Excavation beyond EC in cubic meter	Paid royalty	Price of minerals
1	Agra	Madan Lal	21.09.07 to 20.09.10 (Badhit Awadhi 14.10.14 to 13.09.15)	21.10.13	17.10.14 to 07.07.15	87,000	49,900	24,950	62,050	20,47,650	1,02,38,250
2	Allahabad	Gulab	24.06.14 to 23.06.17	12.10.13	24.06.14 to 23.06.15	70,020	44,000	22,000	48,020	15,84,660	79,23,300
3		Smt Manju Nishad	27.08.13 to 26.08.16	23.11.13	27.08.13 to 26.08.14	1,17,414	1,80,000	90,000	27,414	9,04,662	45,23,310
4		Smt Meena Devi	18.02.14 to 17.02.17	21.10.14	18.02.14 to 17.02.15	79,300	1,20,000	60,000	19,300	6,36,900	31,84,500
					18.02.15 to 04.01.16	1,14,290	1,20,000	60,000	54,290	17,91,570	89,57,850
5	Banda	Manoj Tiwari	13.06.13 to 12.06.16	07.03.13	01.11.14 to 11.06.15	2,40,970	4,50,000	2,25,000	15,970	11,97,750	59,88,750
6	Chitrakoot	Ghanshyam	17.12.11 to 16.12.14	03.11.14	02.04.14 to 21.04.14	7,650	10,000	5,000	2,650	1,98,750	9,93,750
					10.11.14 to 29.11.14	5,100	10,000	5,000	100	7,500	37,500
7	Fatehpur	Devendra Prasad	04.04.13 to 03.04.16	06.09.12	04.04.13 to 03.04.14	33,200	63,000	31,500	1,700	1,27,500	6,37,500
					04.04.14 to 03.04.15	46,300	63,000	31,500	14,800	11,10,000	55,50,000
					04.04.16 to 05.01.16	40,300	63,000	31,500	8,800	6,60,000	33,00,000
8	Sahiruddin	06.04.13 to 05.04.16	10.12.12	06.04.13 to 05.04.14	1,59,000	1,08,000	54,000	1,05,000	78,75,000	3,93,75,000	
				06.04.14 to 05.04.15	68,900	1,08,000	54,000	14,900	11,17,500	55,87,500	
9	Anil kumar Gupta	14.06.13 to 13.06.16	06.09.12	14.06.13 to 13.06.14	69,000	90,000	45,000	24,000	18,00,000	90,00,000	
10	Shiv Saran Singh	06.04.13 to 05.04.16	18.09.12	06.04.13 to 05.04.14	75,700	90,000	45,000	30,700	23,02,500	1,15,12,500	
11	Sukh Raj	28.02.14 to 27.02.17	11.10.13	28.02.14 to 27.02.15	1,44,900	2,00,000	1,00,000	44,900	33,67,500	1,68,37,500	
12	Faizabad	Ram Narayan Prasad	05.12.13 to 04.12.16	12.10.13	05.12.14 to 04.12.15	23,700	35,000	17,500	6,200	2,04,600	10,23,000
13	Hamirpur	Ashok Kumar	26.02.13 to 25.02.16	26.10.12	26.02.13 to 25.02.14	86,850	50,000	25,000	61,850	46,38,750	2,31,93,750
14		Harish Chandra	11.06.13 to 10.06.16	24.12.12	11.06.13 to 10.06.14	96,750	1,00,000	50,000	46,750	35,06,250	1,75,31,250
					12.06.16 to 10.06.15	63,000	1,00,000	50,000	13,000	9,75,000	48,75,000
15	Smt Kaushalya	27.12.14 to 26.12.17	30.09.13	27.12.14 to 26.12.15	63,600	1,20,150	60,075	3,525	2,64,375	13,21,875	
16	Sunil Kumar	02.06.14 to 12.12.15	11.10.13	02.06.14 to 01.06.15	22,800	40,000	20,000	2,800	2,10,000	10,50,000	

(Amount in ₹)											
Sl. No.	Name of Unit DMO	Name of Lease holder	Lease period	Date of EC	Period in which mineral excavated	Total excavation in cubic meter	Approved Excavation in EC in TPA	Approved Excavation in EC in cubic meter	Excess Excavation beyond EC in cubic meter	Paid royalty	Price of minerals
17	Jalaun	Anees Khan	07.11.13 to 06.11.16	07.10.13	07.11.13 to 06.11.14	67,500	50,000	25,000	42,500	31,87,500	1,59,37,500
18		Rajeev Kumar	29.06.13 to 28.06.16	03.06.13	29.06.14 to 28.06.15	1,68,741	3,05,900	1,52,950	15,791	11,84,325	59,21,625
19		Chhakki Lal	30.10.13 to 29.10.16	30.09.13	30.10.13 to 29.10.14	1,96,491	2,00,000	1,00,000	96,491	72,36,825	3,61,84,125
20		Babu Lal	21.11.13 to 20.11.16	07.10.13	21.11.13 to 20.11.14	81,150	50,000	25,000	56,150	42,11,250	2,10,56,250
21		Smt Moti Bai	18.04.13 to 17.04.16	22.11.12	18.04.14 to 17.04.15	2,43,750	4,37,000	2,18,500	25,250	18,93,750	94,68,750
22	Saharanpur	Mehmood Ali	19.11.12 to 18.11.15	26.10.12	19.11.12 to 18.11.13	12,7,100	1,08,000	54,000	66,095	27,27,135	1,36,35,675
					19.11.13 to 18.11.14	1,02,600	1,08,000	54,000	47,340	20,93,220	1,04,66,100
					19.11.14 to 18.11.15	93,700	1,08,000	54,000	30,965	14,44,845	72,24,225
23		Mohd Inam & others	14.08.12 to 13.08.15	09.04.12	14.08.13 to 13.08.14	69,900	54,000	27,000	39,610	17,18,130	85,90,650
14.08.14 to 13.08.15					85,200	54,000	27,000	56,259	26,08,317	1,30,41,585	
24		Amit Jain & Naseem	31.10.12 to 30.10.15	26.10.12	31.10.13 to 30.10.14	91,400	81,000	40,500	47,245	21,44,085	1,07,20,425
					31.10.14 to 30.10.15	84,400	81,000	40,500	68,020	33,93,760	1,69,68,800
25		Mehmood & Dilshad	19.11.12 to 18.11.15	26.10.12	19.11.12 to 18.11.13	1,18,650	90,000	45,000	68,415	28,37,695	1,41,88,475
					19.11.13 to 18.11.14	99,900	90,000	45,000	52,830	23,76,390	1,18,81,950
					19.11.14 to 18.11.15	81,000	90,000	45,000	32,970	14,51,010	72,55,050
26	Vikash Agrawal & Wajid Ali	26.11.12 to 25.11.15	NA	26.11.12 to 25.11.13	1,03,050	72,000	36,000	66,375	23,73,375	1,18,66,875	
				26.11.13 to 25.11.14	81,000	72,000	36,000	43,320	20,38,560	1,01,92,800	
				26.11.14 to 25.11.15	61,500	72,000	36,000	22,650	10,41,450	52,07,250	
27	Sonebhadra	Dharmendra	29.10.11 to 28.10.14 (Badhit Awadhi 31.10.14 to 29.08.15)	11.10.13	01.11.14 to 28.08.15	31,820	50,000	25,000	6,820	5,11,500	25,57,500
						37,04,596		1,693,480	14,93,815	8,30,01,539	41,50,07,695

Source: Information available on the basis of audit findings.

APPENDIX-V
Excavation of brick earth without environment clearance
(Reference Para No. 2.4.8)

Sl.No.	Name of Unit	No. of cases	Year of Bhattha	Paid Royalty	(Amount in ₹)	
					Due Price of Mineral	Due Penalty
1	D.M.O. Agra	64	2013-14	51,56,300	2,57,81,500	64,00,000
		56	2014-15	42,20,100	2,11,00,500	56,00,000
2	D.M.O. Allahabad	460	2014-15	1,03,72,207	5,18,61,035	4,60,00,000
3	D.M.O. Ambedker Nagar	215	2013-14	88,62,750	4,43,13,750	2,15,00,000
		182	2014-15	74,97,900	3,74,89,500	1,82,00,000
4	D.M.O. Baharaich	190	2013-14	84,73,220	4,23,66,100	1,90,00,000
		173	2014-15	63,90,800	31,95,40,00	1,73,00,000
5	D.M.O. Bulandshar	68	2013-14	46,61,550	2,33,07,750	68,00,000
		228	2014-15	1,74,23,150	8,71,15,750	2,28,00,000
6	D.M.O. Chitrakoot	02	2013-14	94,500	4,72,500	2,00,000
		02	2014-15	94,500	4,72,500	2,00,000
7	D.M.O. Faizabad	161	2013-14	67,25,750	3,36,28,750	1,61,00,000
		153	2014-15	64,35,850	3,21,79,250	1,53,00,000
8	D.M.O. Fatehpur	197	2014-15	73,28,450	3,66,42,250	1,97,00,000
9	D.M.O. G.B.Nagar	31	2013-14	25,31,250	1,26,56,250	31,00,000
		17	2014-15	13,89,150	69,45,750	17,00,000
10	D.M.O. Hamirpur	18	2013-14	7,58,300	37,91,500	18,00,000
		15	2014-15	5,97,500	29,87,500	15,00,000
11	D.M.O. Jalaun	06	2013-14	3,40,400	17,02,000	6,00,000
		06	2014-15	3,40,400	17,02,000	6,00,000
12	D.M.O. Mirzapur	283	2013-14	1,28,14,850	6,40,74,250	2,83,00,000
		261	2014-15	1,20,69,700	6,03,48,500	2,61,00,000
13	D.M.O. Saharanpur	106	2014-15	83,09,800	4,15,49,000	1,06,00,000
14	D.M.O. Sonbhadra	08	2013-14	3,80,500	19,02,500	8,00,000
		07	2014-15	3,33,950	16,69,750	7,00,000
TOTAL		2,909		13,36,02,827	66,80,14,135	29,09,00,000

Source: Information available on the basis of audit findings.

APPENDIX-VI
Excavation of mineral without mining plan (Sand leases)
(Reference Para No.2.4.11.1 second bullet)

(Amount in ₹)							
SI No	Name of Unit DMO	Name of Minerals	No of Cases	Period	Quantity excavated/ transported in Cubic Meter	Paid Royalty	Mineral Price
1	Agra	Sand	2	January 2013 to June 2014	94,250	31,10,250	1,55,51,250
2	Allahabad	Sand/morrum	3	December 2013 to November 2015	2,20,732	72,84,156	3,64,20,780
3	Ambedkar Nagar	Sand/morrum	1	May 2013 to October 2014	9,627	3,17,691	15,88,455
4	Bahraich	Sand/morrum	1	December 2014 to June 2015	16,900	5,57,700	27,88,500
5	Banda	Sand/morrum	4	December 2013 to June 2015	6,93,400	5,20,05,000	26,00,25,000
6	Chitrakoot	Sand/morrum	2	April 2014 to November 2014	63,366	47,52,450	2,37,62,250
7	Fatehpur	Sand/morrum	6	December 2012 to January 2016	5,53,850	4,15,38,750	20,76,93,750
8	Faizabad	Sand/morrum	1	December 2013 to April 2014	64,100	21,15,300	1,05,76,500
9	Hamirpur	Sand/morrum	14	March 2013 to November 2015	22,12,110	16,59,08,250	82,95,41,250
10	Jalaun	Sand/morrum	2	April 2014 to March 2015	2,10,450	1,57,83,750	7,89,18,750
11	Mirzapur	Sand/morrum	4	December 2012 to October 2014	20,435	6,74,355	33,71,775
12	Sonebhadra	Sand/morrum	3	January 2013 to March 2013	1,44,200	1,08,15,000	5,40,75,000
Total			43		43,03,420	30,48,62,652	1,52,43,13,260

Source: Information available on the basis of audit findings.

APPENDIX-VII
Excavation of mineral without renewal of mining plan
(Reference Para No.2.4.11.2)

(Amount in ₹)											
Sl. No	Name of Unit DMO	Name of mineral	No of cases	Lease period	Mining plan renewal due	Period of excavation	total excavation without renewal of mining plan(in cum)	Quantity excavated before revised rate in Cum	Quantity excavated after revised rate in Cum	Paid royalty (₹ in lakh)	Value of mineral (₹ in lakh)
1	Agra	Gitti	2	29.06.11 to 28.06.16 29.06.11 to 28.06.16	30.11.14 27.06.15	December 14 to March 2016	12,759	11,400	1,359	9.70	48.51
2	Banda	Gitti/ Morrum	1	24.12.05 to 23.12.15	17.02.13	April 2013 to March 2015	6,750	6,750	0	5.04	25.18
3	Jalaun	Gitti	1	13.12.06 to 12.12.16	08.04.12	March 2014 to April 2014	600	600	0	0.61	3.06
4	Mahoba	Gitti	2	25.07.05 to 24.07.15 09.04.06 to 08.04.16	12.12.08 26.10.13	December 13 to April 2015	81,750	81,750	0	83.39	416.93
5	Sonebhadra	Gitti	9	13.12.10 to 12.12.20 30.08.08 to 29.08.18 21.12.06 to 20.12.16 11.02.11 to 10.02.21 11.06.08 to 10.06.18 06.08.10 to 05.08.20 13.04.11 to 12.04.21 11.02.11 to 10.02.21 13.04.11 to 12.04.21	28.01.14 02.04.12 29.01.10 03.03.14 26.06.11 06.09.13 03.05.14 03.03.14 03.05.14	April 2013 to January 2016	16,05,675	15,52,375	53,300	1,598.85	7,994.26
Total		Gitti	15				17,07,534	16,52,875	54,659	1,697.59	8,487.94

Source: Information available on the basis of audit findings.

- * Sand Stone Gitti @ ₹ 72/- (₹110/- from 19.01.2016)
- Granite Gitti @ ₹ 102/-, (₹160/- from 19.01.2016)
- Morrum @ ₹ 36/-, (₹75/- from 19.01.2016)

APPENDIX-VIII
Excess excavation
(Reference Para No. 2.4.11.3)

													(₹ in lakh)
Sl. No.	Name of Unit DMO	Name of Lease holder	Name of minerals	Lease period	Validity of mining plan	Total reserved as per mining plan in cubic meter	Period of mining plan in which mineral excavated	Total excavation in mining plan period in cubic meter	Approved Excavation in mining plan period in cubic meter	Extra Excavation beyond mining plan in cubic meter	Quantity Excavated before revised rate* in cubic meter	Quantity Excavated after revision of rate** in cubic meter	Value of mineral
1	Agra	Rajveer Singh	Gitti, Khanda, boulder	29.06.11 to 28.06.16	30.11.11 to 29.11.14	83,232 (10 years) 8,000 cum per year	12/12 to 11/13	15,977	8,000	7,977	7,977	0	28.72
							12/13 to 11/14	8,287	8,000	287	287	0	1.03
2		Suket Sabharwal	Sand stone	29.06.11 to 28.06.16	27.06.12 to 26.06.15	4,34,416 (14 years) 30,000 cum per year	27.06.14 to 26.06.15	35,000	30,000	5,000	5,000	0	18.00
3	Chitrakoot	Jag Mohan Dwivedi	Granite Gitti, boulder	22/10/11 to 21/10/21	31/05/12 to 30/05/15	1,53,148 (31 years) 5,000 cum per year	10.11.14 to 16.05.15	7,050	5,000	2,050	2,050	0	10.46
4		Awadh Kumar Singh	Gitti, Khanda	30.12.11 to 29.12.21	23.10.15 to 22.10.20	1,35,910(27 yrs) per year 5,000cum	29.08.13 to 03.04.14	6,150	5,000	1,150	1,150	0	5.86
5	Jhansi	Chhtra Pal Singh	Stone ballast, Khanda boulder	07.04.09 to 06.04.19	30.11.11 to 29.11.14	5,26,972(26 yrs) per year 20,000 cum	07.12.11 to 27.11.12	72,250	20,000	52,250	49,250	3000	182.75
							15.12.12 to 14.10.13	36,750	20,000	16,750	16,750	0	85.42
							20.12.13 to 01.11.14	39,550	20,000	19,550	19,550	0	99.71
6	Mahoba	Nathu Ram Shukla	Granite, khanda, boulder	19.01.12 to 18.01.22	30.11.11 to 29.11.14	1,11,908 (11 years) 10,000 per year	30.11.11 to 29.11.12	16,500	10,000	6,500	6,500	0	22.10
							30.11.12 to 29.11.13	50,700	10,000	40,700	40,700	0	207.57
							30.11.13 to 29.11.14	36,000	10,000	26,000	26,000	0	132.60
7		Ram Singh	Granite, khanda, boulder	08.06.05 to 07.06.15	22.06.12 to 07.06.15	59,786 (10 years) 6,000	22.06.12 to 07.06.13	45,750	6,000	39,750	39,750	0	202.73

(₹ in lakh)													
Sl. No.	Name of Unit	Name of Lease holder	Name of minerals	Lease period	Validity of mining plan	Total reserved as per mining plan in cubic meter	Period of mining plan in which mineral excavated	Total excavation in mining plan period in cubic meter	Approved Excavation in mining plan period in cubic meter	Extra Excavation beyond mining plan in cubic meter	Quantity Excavated before revised rate* in cubic meter	Quantity Excavated after revision of rate** in cubic meter	Value of mineral
						per year	22.06.13 to 07.06.14	42,000	6,000	36,000	36,000	0	183.60
							22.06.14 to 07.06.15	24,000	6,000	18,000	18,000	0	91.80
8		Smt Nutan Singh	Granite, khanda, boulder	18.08.06 to 17.08.16	04.12.14 to 17.08.16	54,684 (2.73 years)	18.12.14 to 28.04.15	81,300	20,000	61,300	61,300	0	312.63
9		Somesh Bhardwaj	Granite, khanda, boulder	19.01.12 to 18.01.22	30.11.11 to 29.11.14	91,464 (10 years)	05.12.13 to 27.11.14	57,750	9,000	48,750	48,750	0	248.63
10		Mujibur Rehman	Granite, khanda, boulder	30.11.07 to 29.11.17	05.09.14 to 29.11.17	80,141 (3 years)	16.09.14 to 28.04.15	1,34,250	25,000	1,09,250	109,250	0	557.18
11	Mirzapur	Jai Ram Ojha	Sand stone	26.05.2011 to 25.05.2021	11.09.2014 to 10.09.2019	68,595 (7 years) 9,800 per year	11.09.14 to 10.09.15	70,000	9,800	60,200	60,200	0	216.72
							11.09.15 to 20.01.16	83,996	9,800	74,196	72,796	1,400	269.77
12		Smt. Rekha Mishra	Sand stone	23.02.2012 to 22.02.2022	27.06.2012 to 26.06.2015	18,412 (6.1 years) 3,000 per year	27.06.13 to 26.06.14	14,091	3,000	11,091	11,091	0	39.22
							27.06.14 to 25.06.15	6,110	3,000	3,110	3,110	0	10.98
		Total						8,83,461	2,43,600	6,39,861	6,35,461	4,400	2,927.48

Source: Information available on the basis of audit findings.

* Sand Stone Gitti @72/-, Boulder @ 68/-, Patiya @405/- For Mirzapur.

Granite Gitti @102/- For Jhansi, Mahoba and Sonbhadra

** Sand Stone Gitti @110/-, Boulder @ 100/-, Patiya @650/- For Mirzapur.

Granite Gitti @160/- For Jhansi, Mahoba and Sonbhadra

APPENDIX-IX
Short levy of royalty due to revision of rates
(Reference Para No. 2.4.15)

(Amount in ₹)										
Sl. No.	Name of unit	No. of Cases	Name of mineral	Period	Quantity of mineral	Old rate of royalty	Revised rate of royalty	Royalty due	Royalty paid	Royalty short
1	DMO Ambedkar Nagar	1	Sand	January 2016	1,285	33	65	83,525	42,405	41,120
2	DMO Banda	5	Red morrum	January 2016 to February 2016	1,796	36	75	2,53,080	1,54,944	98,136
3	DMO Bulandshahar	4	Ordinary clay	January 2016 to February 2016	15,400	14	30	4,62,000	2,15,600	2,46,400
4	DMO Faizabad	1	Sand	February 2016	1,398	33	65	12,285	6,237	6,048
5	DMO Fatehpur	1	Sand	January 2016	1,866	75	150	2,79,900	1,39,950	1,39,950
6	DMO G B Nagar	22	Sand, clay	January 2016 to March 2016	1,91,589	14/33	30/65	83,11,035	40,73,787	42,37,248
7	DMO Hamirpur	5	Gitti	January 2016	4,500	102	160	7,20,000	4,59,000	2,61,000
8	DMO Mahoba	1	Stone dust	February 2016	279	33	100	27,900	9,207	18,693
9	DMO Mirzapur	27	Gitti, boulder	January 2016 to February 2016	49,741	72/68	110/100	56,50,430	37,02,261	19,48,169
10	DMO Saharanpur	4	Sand, bajari	January 2016	24,800	33/63	65/110	21,97,000	12,08,400	9,88,600
11	DMO Sonebhadra	10	Sand stone, Dolo stone, Sand	January 2016	40,700	72/102/75	110/160/150	51,97,000	31,94,400	20,02,600
Total		81			3,33,354			2,31,94,155	1,32,06,191	99,87,964

Source: Information available on the basis of audit findings.

APPENDIX-X
Cost of minor mineral not recovered
(Reference Para No. 2.4.16)

(Amount in ₹)					
Sl.No.	Name of Unit	No. of cases	Period of royalty	Paid Royalty	Due Price of Mineral
1	D.M.O.Agra	180	2014-15	1,38,90,906	6,94,54,530
		183	2015-16	1,20,36,971	6,01,84,855
2	D.M.O.Allahabad	4	2014-15	8,76,195	43,80,975
		46	2015-16	1,00,87,144	5,04,35,720
3	D.M.O.Ambedker Nagar	70	2014-15	57,99,527	2,89,97,635
		66	2015-16	1,41,50,171	7,07,50,855
4	D.M.O.Baharaich	65	2014-15	1,98,46,227	9,92,31,135
		85	2015-16	2,91,87,714	14,59,38,570
5	D M O Banda	88	2014-15	2,62,77,041	13,13,85,205
		108	2015-16	3,45,30,409	17,26,52,045
6	D.M.O.Bulandshar	139	2014-15	1,38,90,162	6,94,50,810
		225	2015-16	1,73,53,142	8,67,65,710
7	D.M.O.Chitrakoot	97	2014-15	1,94,57,650	9,72,88,250
		180	2015-16	2,55,40,584	12,77,02,920
8	D.M.O.Faizabad	57	2014-15	43,89,463	2,19,47,315
		68	2015-16	83,76,567	4,18,82,835
9	D.M.O.Fatehpur	40	2014-15	52,75,718	2,63,78,590
		71	2015-16	84,86,832	4,24,34,160
10	D.M.O.G.B.Nagar	40	2014-15	2,68,36,922	13,41,84,610
		51	2015-16	2,49,79,906	12,48,99,530

(Amount in ₹)					
Sl.No.	Name of Unit	No. of cases	Period of royalty	Paid Royalty	Due Price of Mineral
11	D.M.O.Hamirpur	29	2014-15	38,86,960	1,94,34,800
		38	2015-16	1,14,42,639	5,72,13,195
12	D.M.O.Jalaun	196	2014-15	2,81,28,876	14,06,44,380
		249	2015-16	3,38,45,700	16,92,28,500
13	D.M.O.Jhansi	176	2014-15	6,45,14,562	32,25,72,810
		184	2015-16	6,52,13,932	32,60,69,660
14	D.M.O.Lalitpur	204	2014-15	10,02,87,129	50,14,35,645
		275	2015-16	10,70,81,404	53,54,07,020
15	D.M.O.Mahoba	190	2014-15	3,04,42,811	15,22,14,055
		110	2015-16	3,24,77,014	16,23,85,070
16	D.M.O.Mirzapur	199	2014-15	5,67,57,898	28,37,89,490
		168	2015-16	2,56,28,557	12,81,42,785
17	D.M.O.Saharanpur	124	2015-16	1,63,45,161	8,17,25,805
18	D.M.O.Sonebhadra	134	2015-16	4,08,23,121	20,41,15,605
TOTAL		3,379		93,81,45,015	4,69,07,25,075

Source: Information available on the basis of audit findings.

APPENDIX-XI
Short levy of tax on school maxi cab vehicles
(Reference Para No. 3.3.10)

(Amount in ₹)								
Sl. No.	Name of unit	Number of objection	Name of vehicle	Period of registered vehicle	Period (Tax leviable)	One time tax paid	Tax leviable	Difference tax leviable
1	RTO Agra	36	Motor Cab / Maxi Cab /Lmv Van	December 2009 to April 2015	December 2009 to January 2016	2,59,053	9,61,222	7,02,169
2	ARTO Firozabad	11	Motor Cab / Maxi Cab	June 2010 to November 2014	June 2010 to January 2016	72,264	3,25,436	2,53,172
3	ARTO GB Nagar	116	Motor Cab / Maxi Cab	April 2010 to July 2015	April 2010 to January 2016	8,23,591	19,73,869	11,50,278
4	RTO Ghaziabad	117	Motor Cab / Maxi Cab	November 2009 to August 2015	November 2009 to September 2015	6,83,364	35,23,856	28,40,491
5	ARTO Hardoi	89	Jeep Taxi/Motor Cab	August 2010 to July 2015	August 2010 to March 2016	3,91,632	23,66,437	19,74,805
6	ARTO Hathras	69	Motor Cab / Maxi Cab	July 2010 to February 2015	July 2010 to January 2016	2,68,346	16,43,305	13,74,958
7	ARTO Jalaun	52	Jeep Taxi/Lmv car	November 2009 to August 2014	November 2009 to March 2016	2,82,469	15,45,229	12,62,760
8	RTO Lucknow	198	Motor Cab/Maxi Cab/LMV Van/ Jeep taxi	November 2009 to December 2015	November 2009 to March 2016	6,02,157	32,90,801	26,88,644
9	ARTO Mathura	29	Motor Cab / Maxi Cab	November 2010 to October 2014	November 2010 to January 2016	96,147	5,17,081	4,20,933
10	ARTO Reabareli	105	Jeep Taxi/Lmv car	April 2010 to September 2015	April 2010 to October 2015	4,50,846	22,85,109	18,34,263
11	ARTO Shahjahanpur	7	Maxi Cab	June 2010 to July 2015	June 2010 to February 2016	30,854	1,96,621	1,65,767
12	ARTO Unnao	161	Motor cab/Jeep Taxi	November 2010 to October 2015	November 2010 to November 2015	7,21,443	44,16,929	36,95,486
13	RTO Varanasi	67	Motor Cab/Maxi Cab/LMV Van/ Jeep taxi	March 2010 to December 2014	March 2010 to March 2016	5,88,376	28,23,869	22,35,493
Total		1,057		November 2009 to October 2015	November 2009 to March 2016	52,70,543	2,58,69,762	2,05,99,219

Source: Information available on the basis of audit findings.

APPENDIX-XII
Registration of other than transport (private) vehicles not renewed
(Reference Para No. 3.3.11)

								(Amount in ₹)
Sl. No.	Name of office	Objection Found	Period of Registration	Period of Registration expired	Green Tax	Registration Fees & penalty	Fitness fees & Certificate	Total
1	RTO Allahabad	409	December 1999 to February 2001	December 2014 to February 2016	1,90,003	1,22,700	1,22,700	4,35,403
2	ARTO Ballia	153	April 1998 to March 2001	April 2013 to March 2016	1,64,869	45,900	45,900	2,56,669
3	RTO Bareilly	43	May 1990 to August 2000	January 2014 to February 2016	16,368	12,900	12,900	42,168
4	ARTO Firozabad	153	January 1999 to January 2001	December 2013 to January 2016	58,588	45,900	45,900	1,50,388
5	ARTO Hardoi	152	February 1999 to January 2001	February 2014 to March 2016	1,12,079	45,600	45,600	2,03,279
6	ARTO Hathras	189	January 1998 to February 2001	January 2013 to February 2016	1,21,795	56,700	56,700	2,35,195
7	ARTO Jalaun	237	January 1995 to January 2001	January 2010 to January 2016	2,31,635	71,100	71,100	3,73,835
8	RTO Jhansi	571	September 1998 to January 2001	September 2013 to January 2016	3,51,998	1,71,300	1,71,300	6,94,598
9	RTO Kanpur	107	January 2000 to January 2001	March 2015 to January 2016	92,995	32,100	32,100	1,57,195
10	RTO Lucknow	1,425	April 2000 to January 2001	March 2015 to January 2016	12,57,471	4,27,500	4,27,500	21,12,471
11	ARTO Mathura	266	January 2000 to January 2001	December 2014 to January 2016	1,25,192	79,800	79,800	2,84,792
12	ARTO Mau	238	July 1999 to January 2001	June 2014 to January 2016	1,35,332	71,400	71,400	2,78,132
13	ARTO Raebareli	640	January 1994 to January 2001	January 2009 to March 2016	2,96,324	1,92,000	1,92,000	6,80,324
14	ARTO Shahjahanpur	293	January 1999 to February 2001	January 2015 to February 2016	2,38,585	87,900	87,900	4,14,385
15	ARTO Unnao	538	January 1990 to January 2001	January 2005 to January 2016	4,08,411	1,61,400	1,61,400	7,31,211
16	RTO Varanasi	183	January 2000 to January 2001	January 2015 to February 2016	1,17,154	54,900	54,900	2,26,954
	Total	5,597	January 1990 to February 2001	January 2005 to March 2016	39,18,799	16,79,100	16,79,100	72,76,999

Source: Information available on the basis of audit findings.

APPENDIX-XIII
Tax/additional tax from surrendered vehicles not realised
(Reference Para No. 3.3.13)

								(Amount in ₹)
Sl. No.	Name of unit	Number of objection	Name of vehicle	Period of surrendered vehicle	Period (Tax leviable)	Tax leviable	Add Tax leviable	Total Tax leviable
1	RTO Agra	14	PC/Tankar	December 2014 to September 2015	March 2015 to February 2016	1,81,742	0	1,81,742
2	RTO Allahabad	17	PC	March 2015 to June 2015	July 2015 to February 2016	2,71,282	0	2,71,282
3	ARTO Ballia	7	Bus/Truck	June 2014 to June 2015	October 2014 to December 2015	1,83,440	0	1,83,440
4	RTO Bareilly	120	Bus/PC	June 2014 to September 2015	October 2014 to February 2016	17,97,474	0	17,97,474
5	ARTO Firozabad	14	Bus/Truck/ Magic	December 2014 to June 2015	April 2015 to February 2016	3,37,282	0	3,37,282
6	ARTO Hathras	24	PC	June 2014 to June 2015	January 2015 to January 2016	5,51,276	0	5,51,276
7	ARTO Jalaun	23	Bus/PC	May 2014 to November 2015	August 2014 to March 2016	13,90,192	0	13,90,192
8	RTO Jhansi	5	Bus	December 2014 to October 2015	April 2015 to March 2016	2,29,080	0	2,29,080
9	RTO Kanpur	41	PC	May 2015 to October 2015	October 2015 to March 2016	3,17,746	0	3,17,746
10	RTO Lucknow	78	Bus/Truck/ Magic/T.W/ Motor Cab	January 2014 to July 2015	April 2014 to March 2016	42,17,160	0	42,17,160
11	ARTO Mathura	26	Bus/Truck	August 2014 to June 2015	December 2014 to January 2016	6,28,689	0	6,28,689
12	ARTO Mau	5	Bus	July 2015 to August 2015	October 2014 to December 2015	52,560	0	52,560
13	ARTO Raebareli	11	PC	August 2015 to October 2015	January 2016 to March 2016	40,656	0	40,656
14	ARTO Shahjahanpur	38	PC	March 2015 to October 2015	July 2015 to February 2016	2,78,058	0	2,78,058
15	ARTO Unnao	33	Bus/UPSRTC bus/truck/ taxi	September 2014 to July 2015	January 2015 to March 2016	8,85,005	4,68,000	13,53,005
16	RTO Varanasi	2	Bus	October 2015 to November 2015	February 2016 to March 2016	15,870	0	15,870
		458	Total	January 2014 to November 2015	April 2014 to March 2016	1,13,77,512	4,68,000	1,18,45,512

Source: Information available on the basis of audit findings.

APPENDIX-XIV
Fitness certificate of vehicles not renewed
(Reference Para No. 3.3.15)

(Amount in ₹)															
Sl. No.	Name of unit	Number of vehicles	Period of fitness expired	Heavy Vehicle (@900 per vehicle)	Amount involve	Medium Vehicle (@700 per vehicle)	Amount involve	Light vehicle commercial (@500 per vehicle)	Amount involve	Three wheeler (@300 per vehicle)	Amount involve	Total Number of vehicles	Leviabie Fitness Fees amount	Penalty	Total Fees & Penalty
1	RTO Agra	561	November 2014 to December 2015	88	79,200	65	45,500	157	78,500	251	75,300	561	2,78,500	22,44,000	25,22,500
2	RTO Allahabad	688	February 2015 to March 2016	353	3,17,700	16	11,200	319	1,59,500	-	-	688	4,88,400	27,52,000	32,40,400
3	ARTO Ballia	467	September 2014 to March 2016	60	54,000	1	700	397	1,98,500	9	2,700	467	2,55,900	18,68,000	21,23,900
4	RTO Bareilly	313	November 2014 to December 2015	74	66,600	-	-	239	1,19,500	-	-	313	1,86,100	12,52,000	14,38,100
5	ARTO Firozabad	541	February 2014 to January 2016	106	95,400	-	-	435	2,17,500	-	-	541	3,12,900	21,64,000	24,76,900
6	ARTO GB Nagar	371	November 2014 to January 2016	201	1,80,900	13	9,100	157	78,500	-	-	371	2,68,500	14,84,000	17,52,500
7	RTO Ghaziabad	336	June 2014 to March 2016	226	2,03,400	59	41,300	51	25,500	-	-	336	2,70,200	13,44,000	16,14,200
8	ARTO Hardoi	76	October 2015 to March 2016	65	58,500	11	7,700	-	-	-	-	76	66,200	3,04,000	3,70,200
9	ARTO Hathras	403	January 2015 to January 2016	117	1,05,300	48	33,600	158	79,000	80	24,000	403	2,41,900	16,12,000	18,53,900
10	ARTO Jalaun	361	October 2014 to March 2016	99	89,100	29	19,600	233	1,17,000	-	-	361	2,25,900	14,44,000	16,69,900
11	RTO Jhansi	576	December 2014 to January 2016	149	1,34,100	-	-	200	1,00,000	227	68,100	576	3,02,200	23,04,000	26,06,200
12	RTO Kanpur	196	April 2015 to March 2016	196	1,76,400	-	-	-	-	-	-	196	1,76,400	7,84,000	9,60,400
13	RTO Lucknow	1,417	April 2015 to January 2016	168	1,51,200	33	23,100	915	4,57,500	301	90,300	1,417	7,22,100	56,68,000	63,90,100
14	ARTO Mathura	390	February 2015 to January 2016	182	1,63,800	79	55,300	129	64,500	-	-	390	2,83,600	15,60,000	18,43,600
15	ARTO Mau	387	September 2014 to March 2016	81	72,900	-	-	306	1,53,000	-	-	387	2,25,900	15,48,000	17,73,900
16	ARTO Raebareli	1,089	October 2014 to March 2016	177	1,59,300	63	44,100	587	2,93,500	262	78,600	1,089	5,75,500	43,56,000	49,31,500
17	ARTO Shahjahanpur	266	January 2015 to February 2016	122	1,09,800	10	7,000	134	67,000	-	-	266	1,83,800	10,64,000	12,47,800
18	ARTO Unnao	415	October 2014 to January 2016	96	86,400	3	2,100	316	1,58,000	-	-	415	2,46,500	16,60,000	19,06,500
19	RTO Varanasi	1,089	April 2015 to January 2015	170	1,53,000	19	13,300	113	56,500	787	2,36,100	1,089	4,58,900	43,56,000	48,14,900
	Total	9,942	February 2014 to March 2016	2,730	24,57,000	449	3,13,600	4,846	24,23,500	1,917	5,75,100	9,942	57,69,400	3,97,68,000	4,55,37,400

Source: Information available on the basis of audit findings.

APPENDIX-XV
Penalty under Carriage by Road Act not imposed
(Reference Para No. 3.3.19)

(Amount in ₹)										
Sl. No.	Name of unit	Number of vehicles	Period of penalty imposed	Penalty imposed as per MVT Act	Penalty imposed as per 5(3) CBR Act	Difference of amount due	Payable of penalty as per 18(1) of CBR Act	Paid penalty as per 18(1) of CBR Act	Short Paid penalty as per 18(1) of CBR Act	Total payable amount
1	RTO Agra	33	October 2015 to December 2015	10,09,000	0	10,09,000	1,32,000	0	1,32,000	11,41,000
2	RTO Allahabad	9	November 2015 to February 2016	2,50,000	0	2,50,000	36,000	0	36,000	2,86,000
3	ARTO Ballia	12	January 2015 to November 2015	2,86,000	0	2,86,000	48,000	0	48,000	3,34,000
4	RTO Bareilly	24	October 2015 to November 2015	6,17,000	0	6,17,000	96,000	0	96,000	7,13,000
5	ARTO Firozabad	24	April 2015 to January 2016	6,07,000	0	6,07,000	96,000	0	96,000	7,03,000
6	ARTO GB Nagar	98	October 2015	20,37,000	0	20,37,000	3,92,000	0	3,92,000	24,29,000
7	RTO Ghaziabad	89	July 2014 to February 2016	18,99,000	0	18,99,000	3,56,000	0	3,56,000	22,55,000
8	ARTO Hardoi	17	January 2016 to February 2016	5,15,000	0	5,15,000	68,000	0	68,000	5,83,000
9	ARTO Hathras	43	November 2015 to January 2016	7,07,000	0	7,07,000	1,72,000	44,000	1,28,000	8,35,000
10	ARTO Jalaun	58	April 2015 to March 2016	21,13,000	0	21,13,000	2,32,000	0	2,32,000	23,45,000
11	RTO Jhansi	76	November 2015 to February 2016	21,75,000	0	21,75,000	3,04,000	0	3,04,000	24,79,000
12	RTO Kanpur	34	January 2016	14,59,000	0	14,59,000	1,36,000	0	1,36,000	15,95,000
13	RTO Lucknow	62	September 2015 to January 2016	17,86,000	0	17,86,000	2,48,000	0	2,48,000	20,34,000
14	ARTO Mathura	53	November 2015 to January 2015	13,21,000	0	13,21,000	2,12,000	0	2,12,000	15,33,000
15	ARTO Mau	21	March 2015 to March 2016	4,35,000	0	4,35,000	84,000	0	84,000	5,19,000
16	ARTO Raebareli	59	July 2015 to March 2016	17,82,500	0	17,82,500	2,36,000	0	2,36,000	20,18,500
17	ARTO Shahjahanpur	52	October 2015 to January 2016	12,45,000	0	12,45,000	2,08,000	4,000	2,04,000	14,49,000
18	ARTO Unnao	25	April 2015 to January 2016	6,16,000	0	6,16,000	1,00,000	0	1,00,000	7,16,000
19	RTO Varanasi	50	December 2015 to January 2016	16,42,000	0	16,42,000	2,00,000	0	2,00,000	18,42,000
	Total	839	July 2014 to March 2016	2,25,01,500	0	2,25,01,500	33,56,000	48,000	33,08,000	2,58,09,500

Source: Information available on the basis of audit findings.

APPENDIX-XVI

**Absence of monitoring and follow up mechanism for realisation of arrears
(Reference Para No. 3.3.24.1)**

						(Amount in ₹)
Sl. No.	Name of unit	Number of RCs issued	Period of RCs issued	Period of arrear	Amount of RCs	Time taken in issuing RCs
1	RTO Agra	50	January 2014 to October 2014	April 2004 to December 2014	27,04,340	0 to 120 Month
2	RTO Allahabad	9	December 2014 to May 2015	April 2010 to December 2014	9,26,057	0 to 62 Month
3	ARTO Ballia	5	January 2014	July 1998 to September 2007	1,20,990	75 to 174 Month
4	RTO Bareilly	31	August 2014 to December 2014	October 2009 to December 2014	26,01,762	0 to 58 Month
5	ARTO Firozabad	21	September 2014	January 2010 to September 2014	16,08,359	0 to 56 Month
6	ARTO GB Nagar	35	November 2014 to December 2014	April 2008 to December 2014	32,47,823	0 to 80 Month
7	RTO Ghaziabad	70	November 2012	July 2005 to September 2011	8,77,050	14 to 89 Month
8	ARTO Hathras	13	April 2015	July 2012 to June 2015	8,61,660	0 to 34 Month
9	RTO Lucknow	29	July 2015	July 2005 to June 2015	33,81,675	0 to 120 Month
10	ARTO Mathura	13	December 2014 to June 2015	October 2007 to August 2015	19,35,030	0 to 86 Month
11	ARTO Mau	13	July 2014 to August 2014	January 2011 to September 2014	12,30,702	0 to 115 Month
12	ARTO Shahjahanpur	14	July 2015	October 2009 to June 2015	12,29,740	1 to 70 Month
13	ARTO Unnao	33	October 2013 to April 2015	October 2009 to December 2015	14,02,149	0 to 67 Month
	Total	336	November 2012 to July 2015	April 2004 to August 2015	2,21,27,337	1 to 174 Month

Source: Information available on the basis of audit findings.

APPENDIX-XVII
Return of Recovery Certificate without realisation of revenue
(Reference Para No. 3.3.24.2)

(Amount in ₹)							
Sl. No.	Name of unit	Number of RCs	Period of RCs issued	Period of Arrear	Period of Return RCs	Amount of RCs	Reason of Return RCs
1	RTO Agra	12	October 2007 to September 2013	October 2006 to March 2015	August 2012 to April 2015	10,12,734	Due to wrong address, death and not property and not mention any reason
2	RTO Allahabad	4	June 2015	January 2011 to October 2014	June 2015 to July 2015	1,82,445	Due to wrong address, death and not property
3	RTO Bareilly	10	May 2013 to August 2014	January 2010 to December 2014	August 2014 to June 2015	7,39,391	Due to wrong address, death and not property
4	ARTO Firozabad	31	December 2014 to December 2015	October 2009 to September 2015	January 2016	64,08,412	Not trace the defaulter address
5	RTO Ghaziabad	24	August 2014	October 2009 to June 2014	August 2014 to October 2015	23,82,123	Not mention any reason
6	ARTO GB Nagar	20	June 2009 to April 2015	January 2009 to September 2015	November 2015 to December 2015	12,44,957	Due to wrong address, death and not property
7	ARTO Jalaun	12	December 2014 to December 2015	October 2009 to June 2015	March 2015 to July 2015	21,77,109	Due to wrong address, death and not property
8	RTO Jhansi	6	December 2014 to January 2015	October 2009 to August 2015	February 2015 to October 2015	1,10,250	Due to death and not property
9	ARTO Mathura	12	December 2012 to September 2014	October 2001 to November 2014	August 2014 to June 2015	23,51,748	Due to wrong address, death and not property
10	ARTO Raebareilly	10	July 2010 to August 2014	April 2006 to September 2014	January 2015	4,70,086	Not trace the defaulter address
		5	August 2014 to December 2014	May 2011 to April 2015	January 2015	1,52,298	RC not related to mentioned tehsil
11	ARTO Unnao	23	September 2012 to October 2013	January 2010 to June 2012	October 2012 to September 2013	8,07,450	Not trace the defaulter address
12	RTO Varanasi	10	May 2011 to September 2014	July 2011 to March 2014	March 2015 to July 2015	6,11,411	Due to wrong address, death and not property
Total		179	October 2007 to December 2015	October 2001 to September 2015	August 2012 to January 2016	1,86,50,414	

Source: Information available on the basis of audit findings.

APPENDIX-XVIII
Stamp Duty not levied on vehicles registered with hypothecation agreements
(Reference Para No. 3.3.26)

(Amount in ₹)							
Sl. No.	Name of unit	Type of vehicles	Period	Total number of vehicles	Total sale value	Total adapted 80% bank loan of sale value	Total due stamp duty @0.5 per cent
1	RTO Agra	Transport	April 2011 to January 2016	8,531	4,48,74,83,295	3,58,99,86,660	1,75,29,729
		Non-Transport		1,04,767	23,50,88,24,298	18,80,70,58,481	9,24,68,581
2	RTO Allahabad	Transport	April 2011 to January 2016	18,766	11,82,78,44,312	9,46,22,75,328	4,61,27,491
		Non-Transport		68,707	18,58,29,82,463	14,86,63,87,062	7,39,74,558
3	ARTO Ballia	Transport	April 2011 to March 2016	3,656	2,08,12,14,316	1,66,49,71,432	79,23,788
		Non-Transport		8,716	3,26,72,77,136	2,61,38,21,629	1,30,67,765
4	RTO Barreily	Transport	April 2011 to February 2016	6,071	5,21,29,66,400	4,17,03,73,077	1,51,13,642
		Non-Transport		53,975	9,18,75,23,663	7,35,00,18,990	3,62,80,862
5	ARTO Firozabad	Transport	April 2011 to January 2016	13,186	13,94,78,59,322	11,15,82,87,441	3,97,85,988
		Non-Transport		18,092	4,61,96,63,671	3,69,57,30,766	1,84,22,120
6	ARTO GB Nagar	Transport	April 2011 to January 2016	24,625	14,08,60,13,501	11,26,88,11,312	4,76,19,909
		Non-Transport		94,405	45,16,05,13,476	36,12,84,10,771	16,39,08,381
7	RTO Ghaziabad	Transport	April 2011 to March 2016	22,665	10,89,31,34,878	8,71,45,07,185	4,24,33,580
		Non-Transport		1,34,238	43,78,88,95,542	35,03,11,15,323	16,88,07,255
8	ARTO Hardoi	Transport	April 2011 to March 2016	9,775	7,57,45,09,009	6,05,96,07,184	2,58,73,063
		Non-Transport		17,796	3,13,85,00,169	2,51,08,00,496	1,25,45,944
9	ARTO Hathras	Transport	April 2011 to January 2016	4,461	2,77,99,02,150	2,22,39,21,731	1,04,67,443
		Non-Transport		12,593	2,08,34,96,415	1,66,67,97,036	83,31,307
10	RTO Jhansi	Transport	April 2011 to March 2016	5,848	3,98,55,38,869	3,18,84,31,055	1,58,40,235
		Non-Transport		28,650	6,81,36,35,363	5,45,09,08,320	2,69,67,143
11	ARTO Jalaun	Transport	April 2011 to March 2016	3,204	2,86,04,63,980	2,28,83,71,175	1,12,97,867
		Non-Transport		6,850	2,04,53,06,766	1,63,62,45,464	81,54,097
12	RTO Kanpur	Transport	April 2011 to March 2016	12,391	17,66,63,47,716	14,13,30,78,150	5,49,98,931
		Non-Transport		1,21,852	31,76,65,64,327	25,41,32,50,266	12,35,38,411

(Amount in ₹)							
Sl. No.	Name of unit	Type of vehicles	Period	Total number of vehicles	Total sale value	Total adapted 80% bank loan of sale value	Total due stamp duty @0.5 per cent
13	RTO Lucknow	Transport	April 2011 to March 2016	16,232	12,07,27,98,639	9,65,82,38,943	4,02,79,386
		Non-Transport		2,04,639	64,22,87,99,877	51,38,30,38,170	25,10,21,851
14	ARTO Mathura	Transport	April 2011 to January 2016	9,104	6,91,32,28,161	5,53,05,82,559	2,29,44,854
		Non-Transport		30,157	6,76,42,23,826	5,41,13,79,090	2,66,04,731
15	ARTO Mau	Transport	April 2011 to March 2016	4,066	2,15,89,75,141	1,72,71,80,100	85,34,535
		Non-Transport		7,441	2,11,94,03,170	1,69,55,22,540	84,61,482
16	ARTO Raebareli	Transport	April 2011 to March 2016	7,003	4,60,09,77,214	3,68,07,81,909	1,69,91,234
		Non-Transport		20,418	4,59,71,61,498	3,67,77,29,381	1,75,49,350
17	ARTO Shahjahanpur	Transport	April 2011 to February 2016	5,291	3,35,13,25,198	2,68,10,60,186	1,17,39,590
		Non-Transport		15,620	3,01,97,26,059	2,41,57,80,520	1,19,57,007
18	ARTO Unnao	Transport	April 2011 to March 2016	8,155	4,98,46,55,572	3,98,77,24,398	1,77,76,842
		Non-Transport		26,490	3,53,07,83,294	2,82,46,26,620	1,40,43,088
19	RTO Varanasi	Transport	April 2011 to March 2016	17,730	10,40,86,41,643	8,32,69,13,498	3,59,91,603
		Non-Transport		64,919	15,52,66,84,027	12,42,13,47,658	6,16,05,797
		Total	April 2011 to March 2016	12,41,085	4,35,64,38,44,356	3,48,51,50,71,906	1,62,69,79,440

Source: Information available on the basis of audit findings.

APPENDIX-XIX
Fitness certificate of transport vehicles not renewed
(Reference Para no. 3.7.1)

Sl. No.	Name of Units	Period	Heavy vehicle (900 per vehicle)	Amount involved	Medium Vehicle (700 per vehicle)	Amount involved	Light vehicle commercial (500 per vehicle)	Amount involved	Light vehicle three wheeler (300 per vehicle)	Amount involved	Total No of Vehicles	Total amount	Penalty (@ ₹ 4000)	Total (in ₹)
1	ARTO Ambedkar Nagar	December 2014 to June 2015	9	8,100	8	5,600	57	28,500	22	6,600	96	48,800	3,84,000	4,32,800
2	ARTO Auraiya	June 2014 to May 2015	17	15,300	3	2,100	154	77,000			174	94,400	6,96,000	7,90,400
3	ARTO Bagpat	August 2014 to November 2015	127	1,14,300	33	23,100	327	1,63,500	44	13,200	531	3,14,100	21,24,000	24,38,100
4	ARTO Bahraich	June 2014 to April 15	20	18,000	14	9,800	130	65,000	95	28,500	259	1,21,300	10,36,000	11,57,300
5	ARTO Bijnore	December 2014 to December 2015	1	900	1	700	232	1,16,000	23	6,900	257	1,24,500	10,28,000	11,52,500
6	ARTO Budaun	July 2014 to July 2015	30	27,000	4	2,800	202	1,01,000	1	300	237	1,31,100	9,48,000	10,79,100
7	ARTO Bulandshahar	September 2014 to September 2015	171	1,53,900			288	1,44,000			459	2,97,900	18,36,000	21,33,900
8	ARTO Deoria	July 2014 to November 2015	113	1,01,700	26	18,200	269	1,34,500			408	2,54,400	16,32,000	18,86,400
9	ARTO Hapur	March 2008 to March 2015	25	22,500	15	10,500	165	82,500			205	1,15,500	8,20,000	9,35,500
10	ARTO Jaunpur	November 2014 to December 2015	49	44,100	11	7,700	115	57,500			175	1,09,300	7,00,000	8,09,300
11	ARTO JP Nagar	May 2014 to April 2015	20	18,000	14	9,800	152	76,000			186	1,03,800	7,44,000	8,47,800
12	ARTO Mainpuri	August 2014 to October 2015	17	15,300	13	9,100	240	1,20,000			270	1,44,400	10,80,000	12,24,400
13	ARTO Pratapgarh	September 2014 to August 2015	21	18,900	28	19,600	313	1,56,500	11	3,300	373	1,98,300	14,92,000	16,90,300
14	ARTO Sambhal	April 2014 to March 2015	27	24,300	3	2,100	55	27,500			85	53,900	3,40,000	3,93,900
15	RTO Basti	July 2014 to July 2015	91	81,900	25	17,500	360	1,80,000			476	2,79,400	19,04,000	21,83,400
16	RTO Lucknow	June 2014 to April 2015	118	1,06,200	48	33,600	667	3,33,500	256	76,800	1,089	5,50,100	43,56,000	49,06,100
17	RTO Varanasi	October 2014 to April 2015	218	1,96,200	50	35,000	756	3,78,000			1,024	6,09,200	40,96,000	47,05,200
	Total	March 2008 to December 2015	1,074	9,66,600	296	2,07,200	4,482	22,41,000	452	1,35,600	6,304	35,50,400	2,52,16,000	2,87,66,400

Source: Information available on the basis of audit findings.

APPENDIX-XX
Penalty under Carriage by Road Act not levied
(Reference Para no. 3.9)

Sl. No.	Name of unit	No of Vehicles in which objection found	Period of penalty imposed	Penalty imposed as per MVT Act	Penalty imposed as per section 5(3) of CBR Act	Penalty imposed as per section 18(1) of CBR Act	TOTAL Amount due (in ₹)
1	ARTO Ambedkar Nagar	7	January 2015 to April 2015	1,45,000	1,45,000	28,000	1,73,000
2	ARTO Auraiya	21	April 2015 to May 2015	5,65,000	5,65,000	84,000	6,49,000
3	ARTO Bagpat	28	January 2015 to November 2015	6,67,000	6,67,000	1,12,000	7,79,000
4	ARTO Bahraich	12	September 2014 to April 2015	3,35,000	3,35,000	48,000	3,83,000
5	ARTO Bijnore	12	September 2015 to November 2015	4,27,000	4,27,000	48,000	4,75,000
6	ARTO Budaun	11	May 2015 to June 2015	3,67,000	3,67,000	44,000	4,11,000
7	ARTO Bulandshahr	32	September 2014 to February 2015	8,24,000	8,24,000	1,28,000	9,52,000
8	ARTO Deoria	49	July 2014 to November 2015	4,44,000	4,44,000	1,96,000	6,40,000
9	ARTO Hapur	16	October 2013 to January 2015	4,01,000	4,01,000	64,000	4,65,000
10	ARTO Jaunpur	33	June 2015 to December 2015	6,84,000	6,84,000	1,32,000	8,16,000
11	ARTO JP Nagar	42	November 2014 to January 2015	4,73,000	4,73,000	1,68,000	6,41,000
12	ARTO Kannauj	12	January 2015 to March 2015	4,10,000	4,10,000	48,000	4,58,000
13	ARTO Kanpur Dehat	12	January 2015	4,39,000	4,39,000	48,000	4,87,000
14	ARTO Mahoba	6	September 2014 to May 2015	2,28,000	2,28,000	24,000	2,52,000
15	ARTO Pilibhit	54	December 2014 to January 2015	8,31,000	8,31,000	2,16,000	10,47,000
16	ARTO Pratapgarh	13	August 2015	3,07,000	3,07,000	52,000	3,59,000
17	ARTO Rampur	40	January 2015 to February 2015	6,20,000	6,20,000	1,60,000	7,80,000
18	ARTO Sambhal	23	January 2014 to March 2015	2,81,000	2,81,000	92,000	3,73,000
19	ARTO Shamli	12	December 2014 to May 2015	3,90,000	3,90,000	48,000	4,38,000
20	RTO Basti	44	May 2014 to December 2014	4,44,000	4,44,000	1,76,000	6,20,000
21	RTO Faizabad	12	February 2015 to November 2015	1,09,000	1,09,000	48,000	1,57,000
22	RTO Lucknow	50	March 2015	13,65,000	13,65,000	2,00,000	15,65,000
23	RTO Varanasi	50	November 2014 to April 2015	11,09,000	11,09,000	2,00,000	13,09,000
Total		591		1,18,65,000	1,18,65,000	23,64,000	1,42,29,000

Source: Information available on the basis of audit findings.

APPENDIX-XXI
Tax/additional tax from surrendered vehicles not realised
(Reference Para no. 3.10)

Sl. No.	Name of Unit	No. of vehicles	Category of vehicle	Period of Surrendered vehicle	Period (Tax leviable)	Tax leviable in ₹
1	ARTO Auraiya	3	Passenger vehicle /Goods vehicle	June 2014 to December 2014	October 2014 to May 2015	1,47,864
2	ARTO Bagpat	58	Passenger vehicle /Goods vehicle	December 2014 to June 2015	April 2015 to November 2015	8,13,889
3	ARTO Budaun	7	Goods Vehicle/ Passenger vehicle	August 2014 to December 2014	November 2014 to July 2015	1,09,572
4	ARTO Farrukhabad	4	Goods Vehicle/ Passenger vehicle	June 2014 to March 2015	October 2014 to September 2015	1,09,169
5	ARTO JP Nagar	27	Passenger vehicle	June 2014 to December 2014	October 2014 to May 2015	3,12,834
6	ARTO Mainpuri	22	Passenger vehicle	June 2014 to June 2015	October 2014 to November 2015	15,53,371
7	ARTO Pratapgarh	11	Goods Vehicle/ Passenger vehicle	October 2014 to April 2015	January 2015 to August 2015	59,451
8	ARTO Rampur	21	Goods Vehicle	November 2014 to June 2015	March 2015 to December 2015	1,55,364
9	RTO Lucknow	21	Goods Vehicle	July 2014 to April 2015	October 2014 to April 2015	2,01,056
10	RTO Varanasi	40	Bus/PC	July 2014 to April 2015	October 2014 to April 2015	4,32,918
Total		214				38,95,488

Source: Information available on the basis of audit findings.

APPENDIX-XXII
Incorrect date and rate of interest mentioned in RRCs
(Reference Para No. 4.4.7.5)

(₹ in lakh)							
Sl. No.	Name of the sector	No. of dealer	Assessment year (Month and year of assessment)	No. of RRCs	Amount of tax	Date from which interest was due/ date mentioned in RRCs	Correct rate of interest/ rate mentioned in RRCs
1.	Sec. 3 Ghaziabad	1	2011-12 (April 2015)	1	1,060.00	Correct	12/15
2.	Sec. 3 Hapur	1	2010-11 (March 2014)	1	8.28	Correct	12/15
		1	2011-12 (April 2015)	1	9.96	Correct	12/15
		1	2009-10 (May 2013)	1	25.36	Correct	12/15
			2010-11 (March 2014)	1	434.38	Correct	12/15
			2013-14 (September 2015)	3	152.58	Correct	12/15
3.	Sec. 12 Lucknow	1	2007-08 (May 2010)	1	13,781.87	Correct	12/15
4.	Sec. 2 Noida	1	2008-09 (November 2012)	1	138.17	Correct	12/15
5.	Sec. 3 Noida	1	2011-12 (April 2015)	1	2,741.18	Correct	12/15
6.	Sec. 14 Noida	1	2010-11 (January 2014)	1	151.64	10.02.2014 /01.10.2008	12/15
		1	2008-09 (September 2013)	1	157.15	Correct	12/15
7.	Sec. 2 Raibareli	1	2012-13 (June 2014)	1	115.00	Correct	12/15
			2013-14 (March 2015)	1	210.00	Correct	12/15
Total		10		15	18,985.57		

Source: Information available on the basis of audit findings.

APPENDIX-XXIII
Short charging of interest due to erroneous RRCs
(Reference Para No. 4.4.7.6)

								(₹ in lakh)
Sl. No.	Name of the office	Number of dealer	Assessment year(month and year of assessment)	Amount of arrear of tax	Date from which interest was chargeable	Date mentioned in RRCs	Period of delay in days	Interest chargeable
1.	Sec. 3 Allahabad	1	2010-11 (June 2014)	1.08	01.10.2009	26.08.2014	1790	0.79
2.	Sec. 5 Allahabad	1	2008-09 (April 2013)	0.59	01.10.2008	18.08.2013	1782	0.43
3.	Sec. 8 Allahabad	1	2010-11 (June 2014)	1.00	01.10.2010	10.06.2014	1348	0.55
4.	Sec. 14 Allahabad	1	2010-11 (March 2014)	2.18	01.10.2010	17.07.2014	1385	1.24
5.	Sec. 1 Basti	1	2011-12 (June 2015)	0.54	01.10.2011	12.10.2015	1472	0.33
6.	Sec. 2 Ghaziabad	1	2012-13 (March 2015)	45.92	01.10.2012	26.05.2015	967	18.25
		1	2011-12 (April 2015)	77.46	01.10.2011	27.06.2015	1365	43.45
7.	JC (CC) Gorakhpur	1	2011-12 (March 2015)	0.29	01.10.2011	28.08.2015	1427	0.17
8.	Sec. 1 Gorakhpur	1	2010-11 (December 2013)	19.64	01.10.2010	03.04.2014	1280	10.33
9.	Sec. 2 Raibareli	1	2013-14 (March 2015)	52.09	01.10.2013	04.06.2015	611	13.08
Total		10		200.79				88.62

Source: Information available on the basis of audit findings.

APPENDIX-XXIV
Reconciliation of R-3 and R-27 register
(Reference Para No. 4.4.7.7)

(₹ in lakh)					
Sl. No.	Name of the sector	No. of dealer	No. of RRCs	Amount in RRCs	Nature of irregularity
1.	Sec. 1 Allahabad	2	2	18.64	Arrear shown as disposed off in R-3 register Demand shown as arrear in R-27 register
2.	Sec. 8 Allahabad	2	2	9.18	Arrear shown as disposed off in R-3 register Demand shown as arrear in R-27 register
		2	2	0.14	Demand shown as arrear in R-3 register Arrear shown as disposed off in R-27 register
3.	Sec. 12 Allahabad	1	1	0.33	Arrear shown as disposed off in R-3 register Demand shown as arrear in R-27 register
4.	Sec. 14 Allahabad	2	2	0.06	Arrear shown as disposed off in R-3 register Demand shown as arrear in R-27 register
5.	Sec. 1 G.B. Nagar	4	5	85.38	Arrear shown as disposed off in R-3 register Demand shown as arrear in R-27 register
6.	Sec. 1 Lucknow	1	1	9.33	Demand shown as arrear in R-3 register Case showed as open under section-32. Demand shown as disposed off.
Total		14	15	123.06	

Source: Information available on the basis of audit findings.

APPENDIX-XXV
Application of incorrect rate of tax
(Reference Para No. 4.6.1.1)

(₹ in lakh)							
Sl. No.	Name of the unit	Number of dealer	Assessment year (month and year of assessment)	Name of the commodity(Schedule)	Value of goods	Rate of Tax leviable/levied (per cent)	Tax short levied
1	DC Sec 16 Agra	1	2011-12 (February 2015)	Cosmetics (V)	19.59	13.5/5	1.67
2	DC Sec 4 Allahabad	1	2012-13 (January 2014)	Action Shot, Piston Ring (V)	30.81	13.5/5	2.62
3	DC Sec 8 Allahabad	1	2011-12 (February 2014)	Stone Dust (V)	129.25	13.5/5	10.99
4	DC Sec 12 Allahabad	1	2012-13 (March 2015)	Modem (V)	13.05	13.5/5	1.11
5	DC Sec 1 Banda	1	2008-09 (February 2015)	Stone Boulder/Khanda (V)	9.35	12.5/4	0.79
			2009-10 (April 2014)	Stone Boulder/Khanda (V)	51.07	13.5/4.5	4.60
		1	2012-13 (May 2014)	Tractor Accessories (V)	19.88	13.5/5	1.69
6	DC Sec 1 Deoria	1	2011-12 (March 2015)	Hardware (II)	214.72	5/4	2.15
7	DC Sec 6 Ghaziabad	1	2011-12 (January 2015)	Plastic Goods (V)	271.52	13.5/5	23.08
		1	2011-12 (January 2015)	Crockery, Cutlery China (V)	106.91	13.5/5	9.09
		1	2011-12 (March 2015)	Compressed Natural Gas (V)	72.45	13.5/0	9.78
8	DC Sec 11 Ghaziabad	1	2011-12 (July 2014)	Toners and Developers (V)	58.53	13.5/5	4.98
9	DC Sec 5 Jaunpur	1	2011-12 (February 2015)	Kerosene Oil Other than kerosene oil sold through PDS (V)	160.63	13.5/5	13.65
10	DC Sec 5 Kanpur	1	2010-11 (October 2013)	Rubber Moulded Goods (V)	23.55	13.5/5	2.00
			2011-12 (July 2014)	Rubber Moulded Goods (V)	23.09	13.5/5	1.96
11	AC Sec 9 Kanpur	1	2008-09 (January 2012)	Sadileri Fitting (V)	60.53	12.5/4	5.14
			2009-10 (February 2013)	Sadileri Fitting (V)	3.26	12.5/4	0.28
					54.28	13.5/4.5	4.89
		1	2009-10 (November 2012)	Machinery Parts (V)	8.40	13.5/5	0.71
					2.68	12.5/4	0.23
					15.20	13.5/4.5	1.37
3.30	13.5/5	0.28					
12	DC Sec 12 Kanpur	1	2011-12 (April 2014)	S S Sheet, Coil Rod, Patta (II)	137.25	5/4	1.37
13	DC Sec 24 Kanpur	1	2011-12 (February 2015)	Plastic Frame (V)	10.43	13.5/5	0.89
14	DC Sec 1 Lucknow	1	2011-12 (December 2014)	Modem (V)	85.85	13.5/5	7.30
15	DC Sec 5 Lucknow	1	2010-11 (December 2013)	Safety Goods (V)	27.48	13.5/5	2.34
			2011-12 (September 2014)	Safety Goods (V)	35.03	13.5/5	2.98
16	DC Sec 11 Lucknow	1	2011-12 (May 2014)	Rubber Moulded Goods (V)	165.84	13.5/5	14.10
17	DC Sec 2 Meerut	1	2011-12 (February 2014)	Paints (V)	13.61	13.5/5	1.16
18	CTO Sec 8 Meerut	1	2011-12 (March 2014)	Auto Parts (V)	13.42	13.5/5	1.16
19	DC Sec Sardhana Meerut	1	2011-12 (February 2015)	Mobile Charger (V)	18.90	13.5/5	1.61
		1	2011-12 (March 2015)	Press Mudd (V)	20.46	13.5/0	2.76

Audit Report (Revenue Sector) for the year ended 31 March 2016

(₹ in lakh)							
Sl. No.	Name of the unit	Number of dealer	Assessment year (month and year of assessment)	Name of the commodity(Schedule)	Value of goods	Rate of Tax leviable/levied (per cent)	Tax short levied
20	CTO Sec 1 Noida	1	2009-10 (March 2013)	Software (II)	17.89	5/0	0.89
21	CTO Sec 2 Noida	1	2009-10 (May 2013)	Generator Spares (V)	1.81	12.5/4	0.15
					11.42	13.5/4.5	1.03
					0.83	13.5/5	0.07
22	DC Sec 4 Noida	1	2011-12 (July 2014)	Mobile Charger (V)	172.01	13.5/5	14.62
23	JC (CC) Noida	1	2007-08 (VAT) (May 2014)	Current Transfer Panel Parts (V)	228.31	12.5/4	19.41
24	DC Sec 12 Noida	1	2010-11 (November 2013)	Plastic Aluminium Composite Panel Sheet (V)	323.89	13.5/5	27.53
			2011-12 (July 2014)	Plastic Aluminium Composite Panel Sheet (V)	309.59	13.5/5	26.31
25	DC Sec 1 Raebareli	1	2011-12 (January 2015)	Toffee (V)	20.28	13.5/5	1.72
26	DC Sec 1 Rampur	1	2010-11 (December 2013)	Tobacco (V)	39.72	13.5/5	3.38
27	DC Sec 2 Saharanpur	1	2011-12 (January 2015)	Emulsion (V)	266.24	13.5/5	22.63
28	DC Sec 3 Shahjahanpur	1	2011-12 (April 2014)	Set Top Box (V)	12.41	13.5/5	1.05
29	DC Sec 1 Chandauli, Varansi	1	2012-13 (March 2015)	Set top box (V)	22.71	13.5/5	1.93
					11.64	14/5	1.05
30	JC (CC) Zone-II Varansi at Robertsganj, Sonbhadra	1	2011-12 (January 2015)	Motor Cycle (V)	1,113.85	14.5/13.5	11.14
Total		35			4,432.92		271.64

Source: Information available on the basis of audit findings.

APPENDIX-XXVI
Misclassification of goods
(Reference Para 4.6.1.2)

(₹ in lakh)							
Sl. No.	Name of the unit	Number of the dealer	Assessment year (month and year of assessment)	Name of the Commodity	Value of Goods	Rate of Tax leviable/levied (per cent)	Tax not/short levied
1	DC Sec 10 Ghaziabad	1	2011-12 (May 2014)	Decorative roof tiles treated as <i>Khaprali Mitti</i>	14.09	13.5/0	1.90
		1	2011-12 (March 2015)	Welding accessories treated as welding equipment	34.43	13.5/5	2.93
2	DC Sec 5 Kanpur	1	2011-12 (December 2014)	Parafflde Powder treated as mineral	80.58	13.5/5	6.85
3	DC Sec 8 Kanpur	1	2011-12 (January 2015)	Macaroni treated as <i>sewai</i>	20.42	13.5/0	2.76
4	AC Sec 9 Kanpur	1	2008-09 (May 2012)	Cutting tool treated as tools used by carpenter	15.92	12.5/4	1.35
		1	2010-11 (March 2014)	Grease and Lubricant treated as PVC pipe (S)	22.90	13.5/5	1.95
				Grease and Lubricant treated as PVC pipe (C)	27.22	13.5/5	2.31
		1	2011-12 (January 2015)	Rubber wheel, PVC Helmet treated as plywood	13.66	13.5/5	1.16
5	DC Sec 14 Kanpur	1	2010-11 (February 2015)	Thermoplastic sheet treated as plastic sheet	125.79	13.5/5	10.69
		1	2011-12 (December 2014)	<i>Baggas</i> board particle treated as plywood	13.91	13.5/5	1.18
6	DC Sec 20 Lucknow	1	2011-12 (December 2014)	Battery treated as Renewable Energy device and spare parts	117.89	13.5/5	10.02
		1	2011-12 (December 2014)	Battery treated as Renewable Energy device and spare parts	50.67	13.5/5	4.31
7	DC Sec 10 Meerut	1	2011-12 (February 2015)	Sauce treated as milk powder	6.06	13.5/5	0.51
8	DC Sec 1 Noida	1	2011-12 (February 2015)	Telephone cable treated as transmission wire	16.39 (S)	13.5/5	1.39
				Telephone cable treated as transmission wire	164.08 (C)	13.5/5	13.95
Total		13			543.54		63.26

Source: Information available on the basis of audit findings.

APPENDIX-XXVII
Turnover escaping assessment
(Reference Para No. 4.6.1.3)

(₹ in lakh)							
Sl. No.	Name of the unit	Number of dealers	Assessment year (month & year of assessment)	Name of commodity	Escaped turnover	Rate of Tax leviable (per cent)	Tax not levied
1.	DC Sec 13 Agra	1	2011-12 (March 2015)	Moulds and dies	33.81	5	1.69
				Old Plant and machinery	2.54	5	0.13
2.	JC(CC) Allahabad	1	2012-13 (July 2014)	Vehicle spare parts, lubricants, paints and accessories	44.80	13.5	6.05
3.	DC Sec. 4 Allahabad	1	2012-13 (June 2014)	Right to use	201.64	5	10.08
4.	AC Sec. 5 Allahabad	1	2011-12 (January 2015)	Paints	10.60	13.5	1.43
5.	DC Sec. 12 Allahabad	1	2012-13 (March 2015)	Fixed assets	3.40	5	0.17
6.	JC(CC) Bareilly	1	2011-12 (March 2015)	Used plant and machinery	482.00	5	24.10
				Used Motor Car	23.28	5	1.16
				Used Furniture	3.55	5	0.18
		1	2011-12 (January 2015)	Used plant and machinery	4.85	5	0.24
				Used Vehicle	18.30	5	0.91
1	2011-12 (October 2014)	Used plant and machinery	22.24	5	1.11		
7.	JC(CC)-II Ghaziabad	1	2011-12 (March 2015)	Used plant and machinery	444.85	5	22.24
8.	DC Sec. 2 Gorakhpur	1	2011-12 (March 2015)	Used hydra machine	10.21	5	0.51
9.	DC Sec. 8 Kanpur	1	2011-12 (March 2015)	Used plant and machinery	46.31	5	2.32
10.	DC Sec. 4 Lucknow	1	2010-11 (March 2015)	Used plant and machinery	85.08	5	4.25
				Used office equipment	1.36	5	0.07
				Used vehicles	27.96	5	1.40
11.	DC Sec. 10 Lucknow	1	2010-11 (January 2015)	Warranty claim	1.79	13.5	0.24
				Teflon	5.59	13.5	0.76
12.	DC Sec. 2 Meerut	1	2011-12 (February 2015)	Used car, used motorcycle	21.24	5	1.06
13.	CTO Sec 1 Noida	1	2009-10 (May 2013)	Used office appliances, furniture, vehicles	32.77	4.5	1.47
Total		15			1,528.17		81.57

Source: Information available on the basis of audit findings.

APPENDIX-XXVIII
Delayed deposit of tax
(Reference Para No. 4.7.2.1)

(₹ in lakh)							
Sl No.	Name of the unit	No. of dealer	Assessment year (month and year of assessment)	Amount of admitted Tax	Period of delay (In days)	Penalty Imposable	Penalty Imposed
1	AC Sec 15 Agra	1	2010-11 (January 2014)	5.74	28 to 60	1.15	0
2	JC(CC) Allahabad	1	2011-12 (September 2014)	125.32	05 to 27	25.06	0
		1	2011-12 (February 2015)	58.75	30	11.75	0
		1	2011-12 (March 2015)	5.52	10	1.10	0
3	DC Sec Bharthana	1	2008-09 (March 2012)	2.43	39	0.49	0.49
		1	2008-09 (January 2012)	1.53	43 to 74	0.31	0.31
4	DC Sec 1 Ghazipur	1	2011-12 (June 2014)	6.35	29	1.27	0
5	JC(CC)-II Ghaziabad	1	2012-13 (January 2015)	38.00	791	7.60	0
6	DC Sec 3 Ghaziabad	1	2011-12 (January 2015)	15.74	07 to 11	3.15	3.15
7	DC Sec 6 Ghaziabad	1	2010-11 (January 2014)	5.92	05 to 11	1.18	1.18
		1	2010-11 (March 2014)	3.92	1,104 to 1,388	0.78	0.78
8	DC Sec 13 Ghaziabad	1	2010-11 (December 2014)	4.42	8 to 9	0.88	0.88
9	DC Sec 4 Hardoi	1	2011-12 (March 2015)	8.77	12 to 19	1.75	1.75
10	DC Sec 5 Jaunpur	1	2011-12 (July 2014)	21.88	11	4.38	0
		1	2011-12 (June 2014)	20.47	10	4.09	0
11	JC(CC) Jhansi	1	2011-12 (March 2015)	78.21	90 to 153	15.64	0
		1	2007-08(VAT) (November 2014)	5.65	569	1.13	0
12	JC(CC)-I Kanpur	1	2011-12 (January 2015)	31.53	05 to 07	6.31	0
13	DC Sec 4 Lucknow	1	2012-13 (January 2015)	14.19	05 to 23	2.84	2.84
		1	2012-13 (February 2015)	5.89	8	1.18	1.18
14	DC.Sec Koshikalan Mathura	1	2011-12 (March 2015)	72.85	10	14.57	0
15	DC Sec 2 Mathura	1	2010-11 (March 2014)	5.42	07 to 09	1.08	1.08
16	JC(CC) Moradabad	1	2011-12 (May 2014)	5.78	221	1.16	0
		1	2011-12 (March 2015)	79.43	06 to 38	15.89	0
17	DC Sec 1 Noida	1	2011-12 (March 2015)	6.20	10	1.24	0
18	DC Sec 5 Noida	1	2011-12 (July 2014)	12.94	06 to 09	2.59	0
19	DC Sec 6 Noida	1	2011-12 (March 2015)	9.87	05 to 08	1.97	0
20	DC Sec 5 Saharanpur	1	2010-11 (October 2013)	6.03	45 to 58	1.21	1.21

Audit Report (Revenue Sector) for the year ended 31 March 2016

(₹ in lakh)							
Sl No.	Name of the unit	No. of dealer	Assessment year (month and year of assessment)	Amount of admitted Tax	Period of delay (In days)	Penalty Imposable	Penalty Imposed
21	JC (CC)-II Varanasi (at Sonbhadra)	1	2009-10 (April 2013)	55.70	05 to 07	11.14	11.14
		1	2010-11 (March 2014)	10.00	05	2.00	2.00
Total		30		724.45		144.89	27.99

Source: Information available on the basis of audit findings.

APPENDIX-XXIX
Entry tax short/ not levied
(Reference Para No. 4.8.1)

Sl. No.	Name of the unit	No of dealer	Assessment year (month and year of assessment)	Name of goods	Taxable turnover	Rate of entry tax leviable/ levied (per cent)	Entry tax leviable	Entry tax levied	₹ in lakh)
									Amount of entry tax not/ Short levied
1	DC Sec 1 Ghazipur	1	2011-12 (July 2014)	Iron and Steel	194.02	1/0	1.94	0	1.94
2	DC Sec 2 G.B. Nagar	1	2011-12 (June 2014)	Iron and Steel	334.86	5/1	16.74	3.35	13.39
			2011-12 (June 2014)	Iron and Steel	54.72	5/1	2.74	0.55	2.19
					69.39	5/0	3.47	0	3.47
2010-11 (July 2014)	C R Coil	85.00	5/0	4.25	0	4.25			
3	DC Sec 3 G.B. Nagar	1	2010-11 (August 2014)	Steel Tube	568.81	1/0	5.69	0	5.69
4	DC Sec 6 Ghaziabad	1	2010-11 (November 2014)	Base Paper, Craft Paper	51.22	2/0	1.02	0	1.02
5	DC Sec 2 Kanpur	1	2010-11 (July 2014)	Rim	43.03	1/0	0.43	0	0.43
			2011-12 (March 2015)	Rim	26.55	5/0	1.33	0	1.33
6	DC Sec 8 Kanpur	1	2011-12 (July 2014)	Gutkha	30.91	5/0	1.55	0	1.55
			2011-12 (July 2014)	Iron and Steel	27.51	5/1	1.38	0.28	1.10
					Pre Fabricated Steel	59.36	5/0	2.97	0
Paper Core	21.60	2/0	0.43	0	0.43				
7	JC (CC)-II Lucknow	1	2011-12 (March 2015)	Wheel and Rim	847.85	5/0	42.39	0	42.39
			2011-12 (March 2015)	MS Bar, Rod, Plate	141.20	5/0	7.06	0	7.06
			2012-13 (July 2014)	Iron Sheet	30.26	5/0	1.51	0	1.51
8	DC Sec 11 Lucknow	1	2009-10 (November 2011)	Steel Forging	115.02	5/0	5.75	0	5.75
9	JC(CC) Meerut	1	2011-12 (July 2014)	Iron and Steel	110.68	5/1	5.53	1.10	4.43
			2011-12 (July 2014)	G I pipe, Channel	17.32	5/0	0.87	0	0.87
10	JC(CC) Noida	1	2011-12 (February 2014)	Iron and Steel	54.11	5/1	2.71	0.54	2.16
11	DC Sec 10 Noida	1	2011-12 (March 2015)	Iron and Steel	79.19	5/0	3.96	0	3.96
12	DC Sec 14 Noida	1	2011-12 (December 2014)	Iron and Steel	225.80	5/0	11.29	0	11.29
			2011-12 (February 2015)	Iron and Steel	79.99	5/0	4.00	0	4.00
			2011-12 (March 2015)	Iron and Steel	65.55	5/0	3.28	0	3.28
			2011-12 (March 2015)	C R Strip	31.04	5/0	1.55	0	1.55
13	DC Sec 2 Saharanpur	1	2011-12 (March 2015)	Steel Shuttering , Plate	25.37	5/0	0.51	0	0.51
Total		22			3,390.36		134.35	5.82	128.52

Source: Information available on the basis of audit findings.

APPENDIX-XXX
Interest short/not charged
(Reference Para No. 4.10)

(₹ in lakh)									
Sl. No.	Name of the unit	Number of dealer	Assessment year (month and year of assessment)	Amount deposited	Rate of interest per annum (per cent)	Period of delay in days	Total interest leviable	Interest deposited by dealer	Interest not/ short charged
1	DC Sec 14 Allahabad	1	2007-08 (December 2014)	116.11	14	920	42.44	0	42.44
				176.96	14	953	62.44	0	62.44
2	JC (CC)-II Ghaziabad	1	2012-13 (January 2015)	38.00	15	792	12.37	0	12.37
3	DC Sec 15 Ghaziabad	1	2006-07 (August 2014)	2.91	14	3080	3.44	0	3.44
4	DC Sec 3 G.B.Nagar	1	2010-11 (August 2014)	25.22	15	1505	15.60	0	15.60
5	JC (CC) Jhansi	1	2011-12 (March 2015)	78.21	15	90 to 153	4.70	0	4.70
6	JC (CC) II Kanpur	1	2011-12 (March 2015)	17.00	15	1282	8.96	0	8.96
7	DC Sec 12 Lucknow	1	2011-12 (March 2015)	60.20	15	1364	33.74	0	33.74
8	DC Sec Sikandrabad	1	2010-11 (December 2013)	176.75	15	460	33.41	0	33.41
		8		691.36			217.10	0	217.10

Source: Information available on the basis of audit findings.

APPENDIX-XXXI
False/fraudulent claim of ITC
(Reference Para No. 4.11.2)

(₹ in lakh)							
Sl No.	Name of the unit	Number of dealer	Assessment year (month and year of assessment)	Amount of false claim of ITC reversed by AAs	Brief description of ITC claimed	Penalty leviable	Penalty imposed
1	DC Sec 4 Allahabad	1	2010-11 (June 2014)	0.56	Purchase from firm not in existence	2.80	0
2	DC Sec 8 Allahabad	1	2011-12 (March 2015)	0.93	Purchase from firm not in existence	4.65	0
3	JC(CC)-II Ghaziabad	1	2010-11 (March 2014)	17.34	Purchase from firm not in existence	86.70	0
4	DC Sec 10 Ghaziabad	1	2011-12 (June 2014)	2.49	Purchase from firm not in existence	12.45	0
5	DC Sec 2 Gonda	1	2011-12 (June 2014)	0.86	Purchase from firm not in existence	4.30	0
6	AC Sec 1 Hapur	1	2009-10 (March 2013)	1.15	Purchase from firm not in existence	5.75	0
		1	2011-12 (February 2015)	0.33	Purchase from firm not in existence	1.65	0
7	DC Sec 3 Kanpur	1	2011-12 (July 2014)	1.48	Purchase from firm not in existence	7.40	7.40
8	AC Sec 4 Kanpur	1	2011-12 (July 2014)	1.17	Purchase from firm not in existence	5.85	0
9	DC Sec Koshikalan, Mathura	1	2011-12 (February 2015)	1.44	Purchase from firm not in existence	7.20	0
		1	2011-12 (March 2015)	0.90	Purchase from firm not in existence	4.50	0
10	DC Sec 5 Mathura	1	2010-11 (February 2014)	0.51	Purchase from firm not in existence	2.55	2.55
11	DC Sec 6 Meerut	1	2010-11 (March 2014)	1.73	Purchase from firm not in existence	8.65	8.63
Total		13		30.89		154.45	18.58

Source: Information available on the basis of audit findings.

APPENDIX-XXXII
Inadmissible ITC
(Reference Para No. 4.11.4)

							(₹ in lakh)
Sl. No.	Name of the unit	Number of dealers	Assessment year (month and year of assessment)	Amount of RITC not done by AAs	Reason of wrongly claim ITC	Period for interest	Interest leviable
1	DC Sec 8 Allahabad	1	2011-12 (March 2015)	0.93	Not verified purchase	01.10.11 to 25.03.15	0.48
2	DC Sec 2 Auriya	1	2012-13 (March 2015)	4.34	ITC on commission	01.10.12 to 20.03.15	1.61
3.	DC Sec Bharthana	1	2009-10 (January 2013)	5.93	Wrong carry forward	01.10.09 to 11.01.13	2.92
4	DC Sec 3 G.B.Nagar	1	2011-12 (February 2015)	8.98	Inadmissible claim	01.10.11 to 12.02.15	4.54
5	DC Sec 1 Hapur	1	2011-12 (February 2015)	2.70	Excess claim	01.10.11 to 21.02.15	1.38
6	DC Sec 2 Hardoi	1	2011-12 (October 2014)	2.21	Excess claim	01.10.11 to 07.10.14	1.00
7	JC(CC)-I Kanpur	1	2011-12 (June 2014)	1.59	Excess claim	01.10.11 to 28.06.14	0.65
8	JC(CC)-II Kanpur	1	2011-12 (February 2015)	0.67	Excess claim	01.10.11 to 18.02.15	0.34
9	DC Sec. 10 Kanpur	1	2011-12 (March 2015)	1.39	Excess claim	01.10.11 to 12.03.15	0.72
		1	2011-12 (December 2012)	8.39	Wrong carry forward	01.10.11 to 28.12.12	1.57
10	DC Sec. 16 Kanpur	1	2012-13 (July 2014)	6.26	Excess claim	01.10.12 to 14.07.14	1.68
		1	2012-13 (July 2014)	11.73	Excess claim	01.10.12 to 25.06.14	3.05
11	DC Sec. 28 Kanpur	1	2011-12 (January 2015)	0.92	Excess claim	01.10.11 to 19.01.15	0.45
12	DC Sec. 2 Meerut	1	2011-12 (March 2015)	0.20	Excess claim	01.10.11 to 20.03.15	0.11
13	DC Sec. 5 Noida	1	2011-12 (March 2015)	0.27	Excess claim	01.10.11 to 16.03.15	0.14
Total		15		56.51			20.64

Source: Information available on the basis of audit findings.

APPENDIX-XXXIII
Incorrect claim of ITC on goods purchased which were taxable at lower rates than claimed by dealers
(Reference Para No. 4.11.6)

									(₹ in lakh)
Sl. No.	Name of the unit	No of dealers	Assessment year (month and year of assessment)	Name of goods (Schedule)	Value of goods	Rate of tax applicable/ wrongly applied (per cent)	Amount of RITC not done by AAs	Period for interest	Interest leviable
1	DC Sec 2 Ambedkarnagar	1	2011-12 (February 2015)	Tyre and Tubes of Bicycles. Cycle Rickshaws (II)	63.32	5/15.5	6.09	01.10.11 to 28.02.15	3.12
2	DC Sec 2 G.B. Nagar	1	2011-12 (March 2015)	Aluminium Conductor, Aluminium Wire (II)	13.01	5/13.5	1.11	01.10.11 to 24.03.15	0.58
3	DC Sec. 12 Kanpur	1	2011-12 (July 2014)	Non-ferrous Metals, such as Aluminium, Copper, Zinc and extrusions (II)	12.53	5/13.5	1.07	01.10.11 to 26.07.14	0.45
4	DC Sec. 14 Kanpur	1	2012-13 (March 2015)	Cotton Kapok (Section-14 of CST)	106.08	4/5	1.81	01.10.12 to 31.03.15	0.68
5	DC Sec. 29 Kanpur	1	2010-11 (January 2014)	Duplex Board (II)	9.41	5/13.5	0.80	01.10.10 to 06.01.14	0.39
			2011-12 (February 2015)	Duplex Board (II)	7.78	5/13.5	0.66	01.10.11 to 28.02.15	0.34
		1	2011-12 (March 2015)	Duplex Board (II)	50.62	5/13.5	4.30	01.10.11 to 04.03.15	2.21
6	DC Sec. 4 Lucknow	1	2011-12 (March 2015)	Duplex Board (II)	8.59	5/13.5	0.73	01.10.11 to 17.03.15	0.38
Total		7			271.34		16.57		8.15

Source: Information available on the basis of audit findings.

APPENDIX-XXXIV
Residential land valued at agriculture rate
(Reference para No.5.4.8.1)

(Amount in ₹)																		
Sl. No.	Name of District	Name of Unit	Deed No. & date of execution	Earlier executed Deed No. & date of execution for same gata/khasra no.	Gata / Khasra No.	Land sold (In Sq. M)	Value of the property on which stamp duty levied	Rate on which property was required to be valued (In Sq Metre)	Value of the property on which stamp duty was required to be imposed	Total value of the property rounded to next thousands on which stamp duty was required to be imposed	Rate of stamp duty applicable	Leviable Stamp Duty	Due Registration fees	Leviable stamp duty and registration fee	Stamp duty paid	Registration fee paid	Paid stamp duty and registration fee	Difference
1	Allahabad	SR Meja	2200/14.07.15	1299/22.05.15	702/2	2,280.00	4,70,000	4,500	1,02,60,000	1,02,60,000	4 & 5	5,03,000	10,000	5,13,000	19,010	9,400	28,410	4,84,590
2	Barabanki	SR Sadar	4291/04.03.15	11489/21.01.15	363 Mi	1,500.00	13,00,000	2,200	33,00,000	33,00,000	5	1,65,000	10,000	1,75,000	65,000	10,000	75,000	1,00,000
3	Barabanki	SR Sadar	12023/2.7.14	3021/18.02.14	746	2,103.00	8,42,000	3,500	73,60,500	73,61,000	7	5,15,270	10,000	5,25,270	59,000	10,000	69,000	4,56,270
4	GBNagar	SR Dadri	5459/30.03.16	3577/01-03-16	764	1,687.00	27,00,000	4,500	75,91,500	75,92,000	5	3,79,600	20,000	3,99,600	1,35,000	20,000	1,55,000	2,44,600
5	GBNagar	SR Dadri	4306/11.03.16	3603/01-03-16	55	2,726.00	54,53,000	7,000	1,90,82,000	1,90,82,000	5	9,54,100	20,000	9,74,100	2,72,700	20,000	2,92,700	6,81,400
6	GBNagar	SR Dadri	4565/17.03.16	4113/10-03-16	645/942	811.00	16,25,000	7,000	56,77,000	56,77,000	5	2,83,850	20,000	3,03,850	81,500	20,000	1,01,500	2,02,350
7	GBNagar	SR Dadri	2827/17.02.16	2457/11-02-16	435	1,513.00	30,26,000	8,500	1,28,60,500	1,28,61,000	5	6,43,050	20,000	6,63,050	1,51,700	20,000	1,71,700	4,91,350
8	GBNagar	SR Dadri	7877/15.04.15	19809/04.10.14	350	843.00	15,18,000	7,200	60,69,600	60,70,000	4 & 5	2,93,480	10,000	3,03,480	66,000	10,000	76,000	2,27,480
9	GBNagar	SR Dadri	10237/18.05.15	8012/18.04.15	609	1,562.00	28,12,000	6,500	1,01,53,000	1,01,53,000	5	5,07,650	10,000	5,17,650	1,40,600	10,000	1,50,600	3,67,050
10	GBNagar	SR Dadri	8011/18.04.15	19809/04.10.14	350	1,265.00	24,04,000	7,200	91,08,000	91,08,000	5	4,55,400	10,000	4,65,400	1,20,500	10,000	1,30,500	3,34,900
11	GBNagar	SR Dadri	16769/18.08.15	15844/31.07.15	30	753.00	6,78,000	4,500	33,88,500	33,89,000	5	1,69,450	10,000	1,79,450	34,000	10,000	44,000	1,35,450
12	GBNagar	SR Greater Noida	11275/25.05.15	15355/17.05.14	36	8,314.50	73,63,000	4,200	3,49,20,900	3,49,21,000	5	17,46,050	10,000	17,56,050	3,68,200	10,000	3,78,200	13,77,850
13	GBNagar	SR Greater Noida	11274/25.05.15	33713/10.11.14	36	8,314.50	73,63,000	4,200	3,49,20,900	3,49,21,000	5	17,46,050	10,000	17,56,050	3,68,200	10,000	3,78,200	13,77,850
14	GBNagar	SR Greater Noida	13130/17.06.15	1295/17.01.15	65, 66	7,660.00	89,86,000	5,000	3,83,00,000	3,83,00,000	5	19,15,000	10,000	19,25,000	4,50,000	10,000	4,60,000	14,65,000
15	GBNagar	SR Greater Noida	20311/04.09.15	2262/30.01.15	8m,9,10,11,12	2,024.00	26,15,000	5,500	1,11,32,000	1,11,32,000	5	5,56,600	10,000	5,66,600	1,31,000	10,000	1,41,000	4,25,600
16	GBNagar	SR Greater Noida	250/05.01.16	32334/18.10.14	781	2,047.00	25,27,000	5,500	1,12,58,500	1,12,59,000	5	5,62,950	10,000	5,72,950	1,26,500	10,000	1,36,500	4,36,450
17	GBNagar	SR I Noida	5664/20.10.15	6089/05.12.14	51Mi, 65	1,659.00	43,79,760	13,000	2,15,67,000	2,15,67,000	5	10,78,350	10,000	10,88,350	2,19,000	10,000	2,29,000	8,59,350
18	GBNagar	SR I Noida	5662/20.10.15	6089/05.12.14	51Mi, 65	1,658.00	43,77,120	13,000	2,15,54,000	2,15,54,000	5	10,77,700	10,000	10,87,700	2,18,900	10,000	2,28,900	8,58,800
19	Ghaziabad	SR II	6426/20.05.15	12266/09.10.14	139	997.00	11,97,000	5,000	49,85,000	49,85,000	7	3,48,950	10,000	3,58,950	84,000	10,000	94,000	2,64,950
20	Ghaziabad	SR II	14707/15.12.15	11836/23.09.15	422	418.00	15,50,000	8,500	35,53,000	35,53,000	7	2,48,710	20,000	2,68,710	1,08,500	20,000	1,28,500	1,40,210
21	Ghaziabad	SR II	10525/20.08.15	9020/15.07.15	16	556.00	6,23,000	5,000	27,80,000	27,80,000	7	1,94,600	10,000	2,04,600	43,610	10,000	53,610	1,50,990
22	Ghaziabad	SR III	9258/08.12.15	7128/16-09-15	881	920.66	7,60,000	4,000	36,82,640	36,83,000	6 & 7	2,47,810	20,000	2,67,810	45,600	15,200	60,800	2,07,010
23	Ghaziabad	SR III	3448/11.05.15	1284/18.02.15	1166 ka Mi	2,910.00	49,48,000	4,000	1,16,40,000	1,16,40,000	7	8,14,800	10,000	8,24,800	3,46,700	10,000	3,56,700	4,68,100
24	Ghaziabad	SR III	3997/27.05.15	3297/06.05.15	154 Ka	716.60	12,20,000	4,000	28,66,400	28,67,000	7	2,00,690	10,000	2,10,690	85,400	10,000	95,400	1,15,290
25	Ghaziabad	SR III	8283/30.10.15	5329/15.07.15	967	834.00	11,93,000	5,000	41,70,000	41,70,000	7	2,91,900	10,000	3,01,900	83,700	10,000	93,700	2,08,200

(Amount in ₹)

Sl. No.	Name of District	Name of Unit	Deed No. & date of execution	Earlier executed Deed No. & date of execution for same gata/khasra no.	Gata / Khasra No.	Land sold (In Sq. M)	Value of the property on which stamp duty levied	Rate on which property was required to be valued (In Sq. Metre)	Value of the property on which stamp duty was required to be imposed	Total value of the property rounded to next thousands on which stamp duty was required to be imposed	Rate of stamp duty applicable	Leviabie Stamp Duty	Due Registration fees	Leviabie stamp duty and registration fee	Stamp duty paid	Registration fee paid	Paid stamp duty and registration fee	Difference
26	Ghaziabad	SR IV	19516/26.10.15	9584/18.05.15	1227	843.00	31,09,000	9,000	75,87,000	75,87,000	7	5,31,090	10,000	5,41,090	2,17,700	10,000	2,27,700	3,13,390
27	Ghaziabad	SR IV	19717/28.10.15	20912/17.07.14	1579/1	1,605.00	59,20,000	9,000	1,44,45,000	1,44,45,000	7	10,15,150	10,000	10,25,150	4,15,000	10,000	4,25,000	6,00,150
28	Ghaziabad	SR IV	18965/15.10.15	17184/25.04.13	1321	705.00	20,50,000	9,000	63,45,000	63,45,000	7	4,44,150	10,000	4,54,150	1,82,100	10,000	1,92,100	2,62,050
29	Ghaziabad	SR Modinagar	11394/18.09.15	2285/20.02.15	1253 Mi	1,256.00	30,34,000	3,500	43,96,000	43,96,000	7	3,07,720	10,000	3,17,720	2,12,500	10,000	2,22,500	95,220
30	Ghaziabad	SR Modinagar	0723/21.01.16	6034/20-05-15	553	918.00	26,17,000	9,000	82,62,000	82,62,000	7	5,78,340	20,000	5,98,340	1,83,200	20,000	2,03,200	3,95,140
31	Ghaziabad	SR Modinagar	11393/18.09.15	2285/20-02-15	1253 Mi	2,513.00	60,69,000	3,500	87,96,000	87,96,000	7	6,15,720	10,000	6,25,720	4,25,000	10,000	4,35,000	1,90,720
32	Ghaziabad	SR V	1085/23.02.15	5658/26.08.14	872	1,686.00	15,85,000	7,500	1,26,45,000	1,26,45,000	7	8,85,150	10,000	8,95,150	1,11,000	10,000	1,21,000	7,74,150
33	Ghaziabad	SR V	1082/23.02.15	5658/26.08.14	872	843.00	7,93,000	7,500	63,22,000	63,22,000	7	4,42,610	10,000	4,52,610	55,600	10,000	65,600	3,87,010
34	Ghaziabad	SR V	5063/15-09-15	4980/10-09-15	447	3,359.00	12,99,000	4,600	1,54,51,400	1,51,52,000	7	10,81,640	10,000	10,91,640	91,000	10,000	1,01,000	9,90,640
35	Lucknow	SR Baxi ka talab	5401/22.04.15	567/15.01.15	119	2,490.00	21,42,000	4,000	81,72,000	81,72,000	7	5,72,400	10,000	5,82,400	1,50,000	10,000	1,60,000	4,22,400
36	Lucknow	SR Baxi ka talab	7939/09.06.15	5625/27.04.15	360	820.00	5,90,400	3,500	28,70,000	28,70,000	5	1,43,500	10,000	1,53,500	30,000	10,000	40,000	1,13,500
37	Lucknow	SR Baxi ka talab	5351/22.04.15	5364/22.04.15	1178	850.00	2,00,000	1,400	11,90,000	11,90,000	5	59,500	10,000	69,500	10,000	2,000	12,000	57,500
38	Lucknow	SR II	942/21.01.15	839/05.12.14	1530Mi	1,840.00	16,92,800	4,000	63,52,000	63,52,000	7	4,44,640	10,000	4,54,640	1,18,510	10,000	1,28,510	3,26,130
39	Lucknow	SR II	10247/03.07.15	11534/14.07.14	1102	2,255.00	13,07,900	3,000	56,35,500	56,36,000	6 & 7	3,84,520	10,000	3,94,520	81,100	10,000	91,100	3,03,420
40	Lucknow	SR II	7694/25.05.15	2328/23.02.15	475/225 2	5,060.00	60,52,000	4,000	1,53,68,000	1,53,68,000	6 & 7	10,65,760	10,000	10,75,760	4,14,000	10,000	4,24,000	6,51,760
41	Lucknow	SR II	1167/28.01.15	474/14.12.14	537 Sa	5,060.00	32,38,400	1,500	57,63,000	57,63,000	7	4,03,410	10,000	4,13,410	2,27,000	10,000	2,37,000	1,76,410
42	Lucknow	SR IV	3122/29.02.16	2871/25.02.16	739	3,392.50	37,58,750	5,200	1,39,08,700	1,39,09,000	7	9,73,630	20,000	9,93,630	2,63,200	20,000	2,83,200	7,10,430
43	Lucknow	SR IV	11422/05.08.15	8039/04-06-15	13	2,365.00	33,23,410	3,600	70,39,800	70,40,000	7	4,92,800	10,000	5,02,800	2,32,700	10,000	2,42,700	2,60,100
44	Lucknow	SR IV	9579/30.06.15	8313/09.06.15	232 sa	2,277.00	24,59,160	6,200	1,17,42,180	1,17,43,000	7	8,22,010	10,000	8,32,010	1,72,200	10,000	1,82,200	6,49,810
45	Lucknow	SR IV	12094/17.08.15	7861/01.06.15	13 mi	2,365.00	30,00,000	3,600	70,39,800	70,40,000	7	4,92,800	10,000	5,02,800	2,32,700	10,000	2,42,700	2,60,100
46	Lucknow	SR IV	6007/29-04-15	5778/27-04-15	721 sa	1,468.00	12,62,480	4,700	62,30,360	62,31,000	7	4,36,170	10,000	4,46,170	88,500	10,000	98,500	3,47,670
47	Lucknow	SR Mohanlal ganj	4364/15.03.16	3925/08.03.16	242Na	5,060.00	31,88,000	7,700	2,95,83,400	2,95,84,000	5	14,79,200	20,000	14,99,200	1,59,500	20,000	1,79,500	13,19,700
48	Lucknow	SR Mohanlal ganj	3160/23.02.16	2271/09.02.16 2272/09.02.16	974, 978	2,530.00	11,15,000	5,000	1,03,55,000	1,03,55,000	5	5,17,750	20,000	5,37,750	56,000	20,000	76,000	4,61,750
49	Lucknow	SR Mohanlal ganj	0985/19.01.16	1051/09.01.16	1408	4,938.00	15,81,000	5,000	1,87,83,000	1,87,83,000	5	9,39,150	20,000	9,59,150	79,500	20,000	99,500	8,59,650
50	Lucknow	SR Mohanlal ganj	4841/21.03.16	4462/16.03.16	235	760.00	6,69,000	7,700	58,52,000	58,52,000	5	2,92,600	20,000	3,12,600	33,500	13,380	46,880	2,65,720
51	Lucknow	SR Mohanlal ganj	1855/01-02-16	1324/23.01.16	304 Mi	700.00	3,08,000	5,000	35,00,000	35,00,000	5	1,75,000	20,000	1,95,000	15,500	6,160	21,660	1,73,340
52	Lucknow	SR Mohanlal ganj	4828/18.03.15	4384/11.03.15	145 Mi	890.00	2,73,000	4,500	40,05,000	40,05,000	5	2,00,250	10,000	2,10,250	13,700	5,460	19,160	1,91,090
53	Lucknow	SR Mohanlal ganj	11509/22.06.15	10217/04.06.15	120 Mi	2,500.00	22,71,500	4,500	92,25,000	92,25,000	5	4,61,250	10,000	4,71,250	1,13,600	10,000	1,23,600	3,47,650
54	Lucknow	SR Mohanlal ganj	3359/26.02.15	3398/26.02.15	117	1,060.00	10,00,000	2,000	20,84,000	20,84,000	5	1,04,200	10,000	1,14,200	50,000	10,000	60,000	54,200

(Amount in ₹)																		
Sl. No.	Name of District	Name of Unit	Deed No. & date of execution	Earlier executed Deed No. & date of execution for same gata/khasra no.	Gata / Khasra No.	Land sold (In Sq. M)	Value of the property on which stamp duty levied	Rate on which property was required to be valued (In Sq Metre)	Value of the property on which stamp duty was required to be imposed	Total value of the property rounded to next thousands on which stamp duty was required to be imposed	Rate of stamp duty applicable	Leviabale Stamp Duty	Due Registration fees	Leviabale stamp duty and registration fee	Stamp duty paid	Registration fee paid	Paid stamp duty and registration fee	Difference
55	Lucknow	SR Mohanlalganj	11124/16.06.15	10218/04.06.15	120 Mi	2,500.00	7,50,000	4,500	92,25,000	92,25,000	5	4,61,250	10,000	4,71,250	37,500	10,000	47,500	4,23,750
56	Lucknow	SR Mohanlalganj	10432/08.06.15	7892/30.04.15	276	700.00	1,25,000	700	14,00,000	14,00,000	5	70,000	10,000	80,000	6,250	1,250	7,500	72,500
57	Lucknow	SR V	14349/12.12.14	13221/02.12.14	47/1 &	5,820.00	2,31,36,200	7,200	3,14,92,800	3,14,93,000	7	22,04,510	10,000	22,14,510	16,20,000	10,000	16,30,000	5,84,510
58	Lucknow	SR V	4117/01.05.15	4116/01.05.15	23	3,944.75	1,60,08,910	6,200	1,89,80,400	1,89,81,000	7	13,28,650	10,000	13,38,650	11,21,000	10,000	11,31,000	2,07,650
59	Mathura	SR Chaata	17873/07.12.15	1885/04.02.15	84	30,350.00	1,06,23,000	1,600	2,91,36,000	2,91,36,000	7	20,39,520	10,000	20,49,520	7,45,000	10,000	7,55,000	12,94,520
60	Mathura	SR Chaata	18024/09.09.15	5647/27.04.15	807	4,050.00	15,00,000	2,200	62,37,000	62,37,000	4 & 5	3,01,850	20,000	3,21,850	65,000	20,000	85,000	2,36,850
61	Mathura	SR I	3814/14-03-16	3557/09-03-16	70	2,670.00	1,00,10,000	7,000	1,86,90,000	1,86,90,000	7	13,08,300	20,000	13,28,300	7,01,000	20,000	7,21,000	6,07,300
62	Mathura	SR I	2910/23-02-16	2441/17-02-16	273 & 278	1,229.00	24,58,000	7,000	86,03,000	86,03,000	7	6,02,210	20,000	6,22,210	1,72,060	20,000	1,92,060	4,30,150
63	Mathura	SR I	16292/14.10.15	14655/08.09.15	7A, B	8,190.00	98,28,000	4,500	2,57,98,500	2,57,99,000	7	18,05,900	10,000	18,15,900	6,87,960	10,000	6,97,960	11,17,940
64	Mathura	SR I	14889/14.09.15	6873/06.05.15	465	1,790.00	28,64,000	4,500	80,55,000	80,55,000	7	5,63,850	10,000	5,73,850	2,00,500	10,000	2,10,500	3,63,350
65	Mathura	SR I	8411/28.05.15	5339/08.04.15	136	3,860.00	96,50,000	6,500	1,75,63,000	1,75,63,000	7	12,29,450	10,000	12,39,450	6,75,500	10,000	6,85,500	5,53,950
66	Mathura	SR I	16726/20.10.15	13602/19.08.15	434 &	3,035.00	30,35,000	4,500	95,60,250	95,61,000	7	6,69,300	10,000	6,79,300	2,12,450	10,000	2,22,450	4,56,850
67	Mathura	SR Mahawan	4232/30.05.15	3454/08.05.15	681	1,440.00	11,52,000	5,000	72,00,000	72,00,000	7	5,04,000	10,000	5,14,000	81,000	10,000	91,000	4,23,000
68	Mathura	SR Mahawan	4231/30.05.15	3454/08.05.15	681	3,620.00	28,96,000	5,000	1,26,70,000	1,26,70,000	7	8,86,900	10,000	8,96,900	2,03,000	10,000	2,13,000	6,83,900
69	Rae bareli	SR Sadar	10872/10.08.15	9636/14.07.15	807	315.00	1,11,000	4,700	14,80,500	14,81,000	5	74,050	10,000	84,050	5,550	2,220	7,770	76,280
TOTAL (in lakh ₹)						1.92	30.87	3.68	37.24	37.35		33.13	8.50	34.62	29.93	7.95	34.88	34.75

Source: Information available on the basis of audit findings.

APPENDIX-XXXV
Undervaluation of land
(Reference para No.5.4.8.2)

(Amount in ₹)																		
Sl. No.	Name of District	Name of Unit	Property declared under section 143 or cases of under valuation	Deed No. & date of execution	Gata / Khasra No.	Land sold (In Sq. M)	Value of the property on which stamp duty levied	Rate on which property was required to be valued (In Sq Metre)	Value of the property on which stamp duty was required to be imposed	Total value of the property rounded to next thousands on which stamp duty was required to be imposed	Rate of stamp duty applicable	Leviable Stamp Duty	Leviable Reistration fees	Leviable stamp duty and registration fee	Stamp duty levied	Registration fee levied	Levied stamp duty and registration fee	Difference
1	Allahabad	SR Meja	Declared u/s 143	3411/03.11.15	2098 min	20,490.00	36,90,000	4,200	8,60,58,000	8,60,58,000	5	43,02,900	10,000	43,12,900	1,85,010	10,000	1,95,010	41,17,890
2	Allahabad	SR Meja	Declared u/s 143	2588/09.10.14	2098 min	12,550.00	20,59,000	3,800	4,76,90,000	4,76,90,000	5	23,84,500	10,000	23,94,500	1,03,000	10,000	1,13,000	22,81,500
3	Allahabad	SR Meja	Declared u/s 143	2897/11.11.14	2098 min	12,550.00	20,60,000	3,800	4,76,90,000	4,76,90,000	5	23,84,500	10,000	23,94,500	1,03,000	10,000	1,13,000	22,81,500
4	Allahabad	SR Meja	Declared u/s 143	1921,1922,1923,1924/28.07.14	2098 min	50,200.00	71,80,000	3,300	16,56,60,000	16,56,60,000	5	82,83,000	40,000	83,23,000	3,59,040	40,000	3,99,040	79,23,960
5	Bulandshahar	SR Syana	Declared u/s 143	10628/16.11.15	611/2	520.00	2,62,000	2,400	12,48,000	12,48,000	4 & 5	52,400	10,000	62,400	10,510	5,240	15,750	46,650
6	Lucknow	SR V Lucknow	On link Road	12263/11.11.14	2202	4,560.00	2,15,33,300	8,600	2,31,91,000	2,31,91,000	7	16,23,370	10,000	16,33,370	15,07,500	10,000	15,17,500	1,15,870
7	Mathura	SR Mahawan	Declared u/s 143	9128/21.11.15	375	1,820.00	12,29,000	2,400	43,68,000	43,68,000	4 & 5	2,08,400	10,000	2,18,400	51,500	10,000	61,500	1,56,900
8	Raebareli	SR Sadar	Declared u/s 143	11223/18.11.14	89	1,900.00	9,50,000	2,500	47,50,000	47,50,000	7	3,32,500	10,000	3,42,500	66,500	10,000	76,500	2,66,000
Total						46,615	2,62,74,000	36,380	12,37,04,800	12,37,05,000		76,12,050	1,10,000	77,22,050	17,21,770	1,07,120	18,28,890	58,93,160

Source: Information available on the basis of audit findings.

APPENDIX-XXXVI
Delayed locking of e-Stamp certificates by SROs
(Reference para No.5.4.11.2)

Sl. No.	District	Name of Unit	Detail of Deed in which e-Stamp used			Value of e-Stamp	e-Stamp Certificate No.	Date of issue of e-Stamp by SHCIL/Collection centre	Date of locking the e-Stamp	Due date of locking of e-Stamp	Delay in days
			Khand No.	Deed No.	Date of Registration						
1	Allahabad	SR Meja	1886	1380	05.06.2014	3,00,000	INUP00385990983844M	27.05.2014	06.06.2014	05.06.2014	1
2	Allahabad	SR Meja	1886	1382	05.06.2014	3,00,000	INUP00386003262680M	27.05.2014	06.06.2014	05.06.2014	1
3	GB Nagar	SR Dadri	8841	21135	09.11.2015	1,13,000	INUP01468879022982N	09.11.2015	10.11.2015	09.11.2015	1
4	GB Nagar	SR Dadri	8901	22171	01.12.2015	99,000	INUP01505771440909N	30.11.2015	02.12.2015	01.12.2015	1
5	GB Nagar	SR Dadri	8800	20190	27.10.2015	2,00,000	INUP01434478385554N	26.10.2015	28.10.2015	27.10.2015	1
6	GB Nagar	SR Dadri	8800	20191	27.10.2015	1,00,000	INUP01434518374922N	26.10.2015	28.10.2015	27.10.2015	1
7	GB Nagar	SR Dadri	8800	20193	27.10.2015	1,61,500	INUP01435139849419N	27.10.2015	28.10.2015	27.10.2015	1
8	GB Nagar	SR Dadri	8800	20194	27.10.2015	1,00,500	INUP01435167721339N	27.10.2015	28.10.2015	27.10.2015	1
9	GB Nagar	SR Dadri	8800	20195	27.10.2015	1,50,000	INUP01435143879652N	27.10.2015	28.10.2015	27.10.2015	1
10	GB Nagar	SR Dadri	8800	20197	27.10.2015	1,50,000	INUP01434315145897N	26.10.2015	28.10.2015	27.10.2015	1
11	GB Nagar	SR Dadri	8800	20198	27.10.2015	1,00,000	INUP01434565826737N	26.10.2015	28.10.2015	27.10.2015	1
12	GB Nagar	SR Dadri	8800	20199	27.10.2015	1,50,000	INUP01434346886813N	26.10.2015	28.10.2015	27.10.2015	1
13	GB Nagar	SR Dadri	8799	20180	27.10.2015	1,60,000	INUP01432921823360N	26.10.2015	28.10.2015	27.10.2015	1
14	GB Nagar	SR Dadri	8799	20181	27.10.2015	1,50,000	INUP01432918594920N	26.10.2015	28.10.2015	27.10.2015	1
15	GB Nagar	SR Dadri	8799	20182	27.10.2015	1,50,000	INUP01434464065303N	26.10.2015	28.10.2015	27.10.2015	1
16	GB Nagar	SR Dadri	8799	20183	27.10.2015	1,50,000	INUP01434290873107N	26.10.2015	28.10.2015	27.10.2015	1
17	GB Nagar	SR Greater Noida	18672	18622	19.08.2015	1,43,000	INUP01281888382023N	06.08.2015	20.08.2015	19.08.2015	1
18	GB Nagar	SR Greater Noida	18672	18631	19.08.2015	2,80,700	INUP01150131516061N	15.06.2015	20.08.2015	19.08.2015	1
19	GB Nagar	SR Greater Noida	18663	18491	18.08.2015	52,700	INUP01302604123656N	18.08.2015	19.08.2015	18.08.2015	1
20	GB Nagar	SR Greater Noida	18663	18493	18.08.2015	49,200	INUP01302581645278N	18.08.2015	19.08.2015	18.08.2015	1
21	GB Nagar	SR Greater Noida	18663	18496	18.08.2015	1,75,000	INUP01244012976283N	27.07.2015	19.08.2015	18.08.2015	1
22	GB Nagar	SR Greater Noida	18663	18500	18.08.2015	2,95,850	INUP01302271006452N	17.08.2015	19.08.2015	18.08.2015	1
23	GB Nagar	SR Greater Noida	18663	18503	18.08.2015	86,900	INUP01302513676222N	17.08.2015	19.08.2015	18.08.2015	1
24	GB Nagar	SR Greater Noida	18663	18504	18.08.2015	2,51,450	INUP01281406005385N	05.08.2015	19.08.2015	18.08.2015	1

Sl. No.	District	Name of Unit	Detail of Deed in which e-Stamp used			Value of e-Stamp	e-Stamp Certificate No.	Date of issue of e-Stamp by SHCIL/Collection centre	Date of locking the e-Stamp	Due date of locking of e-Stamp	Delay in days
			Khand No.	Deed No.	Date of Registration						
25	GB Nagar	SR Greater Noida	18696	18983	24.08.2015	1,57,000	INUP00913063508833N	24.02.2015	25.08.2015	24.08.2015	1
26	GB Nagar	SR Greater Noida	18666	18540	18.08.2015	4,29,500	INUP01299726748984N	14.08.2015	19.08.2015	18.08.2015	1
27	GB Nagar	SR Greater Noida	18666	18556	19.08.2015	1,49,000	INUP00985362914707N	30.03.2015	20.08.2015	19.08.2015	1
28	GB Nagar	SR Greater Noida	18663	18494	18.08.2015	1,67,500	INUP01225205575448N	21.07.2015	29.04.2016	18.08.2015	255
29	GB Nagar	SR I Noida	4883	5661	20.10.2015	27,000	INUP01352279274137N	10.09.2015	17.03.2016	20.10.2015	149
30	GB Nagar	SR II Noida	6846	5218	06.08.2015	1,41,000	INUP01281351833631N	05.08.2015	07.08.2015	06.08.2015	1
31	GB Nagar	SR II Noida	6245	7668	01.08.2014	4,25,500	INUP00496401636629M	24.07.2014	02.08.2014	01.08.2014	1
32	GB Nagar	SR II Noida	6245	7670	01.08.2014	3,61,200	INUP00517277931183M	30.07.2014	02.08.2014	01.08.2014	1
33	GB Nagar	SR II Noida	6245	7675	01.08.2014	3,00,000	INUP00531287092568M	01.08.2014	02.08.2014	01.08.2014	1
34	GB Nagar	SR II Noida	6245	7676	01.08.2014	11,77,000	INUP00459493946528M	08.07.2014	02.08.2014	01.08.2014	1
35	GB Nagar	SR II Noida	6245	7677	01.08.2014	1,50,000	INUP00515856986980M	30.07.2014	02.08.2014	01.08.2014	1
36	GB Nagar	SR II Noida	6246	7682	01.08.2014	1,05,000	INUP00522264183587M	31.07.2014	02.08.2014	01.08.2014	1
37	GB Nagar	SR II Noida	6246	7691	02.08.2014	5,85,000	INUP00532632192492M	01.08.2014	04.08.2014	02.08.2014	2
38	GB Nagar	SR II Noida	6247	7706	02.08.2014	3,44,100	INUP00524411227330M	31.07.2014	04.08.2014	02.08.2014	2
39	GB Nagar	SR II Noida	6247	7708	02.08.2014	3,44,100	INUP00524453087777M	31.07.2014	04.08.2014	02.08.2014	2
40	GB Nagar	SR II Noida	6846	5219	07.08.2015	1,98,100	INUP01237348709953N	24.07.2015	10.08.2015	07.08.2015	3
41	GB Nagar	SR II Noida	6846	5220	07.08.2015	1,98,100	INUP01191533608254N	03.07.2015	10.08.2015	07.08.2015	3
42	GB Nagar	SR II Noida	6846	5227	07.08.2015	7,00,000	INUP01239455273775N	25.07.2015	10.08.2015	07.08.2015	3
43	GB Nagar	SR II Noida	6847	5234	07.08.2015	14,25,000	INUP01272124207085N	31.07.2015	10.08.2015	07.08.2015	3
44	GB Nagar	SR II Noida	6847	5236	07.08.2015	2,43,000	INUP01281121681606N	05.08.2015	10.08.2015	07.08.2015	3
45	GB Nagar	SR II Noida	6847	5237	07.08.2015	2,95,500	INUP01279453109168N	05.08.2015	10.08.2015	07.08.2015	3
46	GB Nagar	SR II Noida	6847	5238	07.08.2015	2,56,000	INUP01279394052528N	05.08.2015	10.08.2015	07.08.2015	3
47	GB Nagar	SR II Noida	6847	5239	07.08.2015	3,42,000	INUP01284373242739N	07.08.2015	10.08.2015	07.08.2015	3
48	GB Nagar	SR II Noida	6847	5240	07.08.2015	2,91,500	INUP01279473975080N	05.08.2015	10.08.2015	07.08.2015	3
49	Ghaziabad	SR II	10839	2629	09.03.2016	2,46,000	INUP01684454226501O	11.02.2016	10.03.2016	09.03.2016	1
50	Ghaziabad	SR II	10818	2435	03.03.2016	2,76,500	INUP01733816031831O	29.02.2016	05.03.2016	03.03.2016	2

Sl. No.	District	Name of Unit	Detail of Deed in which e-Stamp used			Value of e-Stamp	e-Stamp Certificate No.	Date of issue of e-Stamp by SHCIL/Collection centre	Date of locking the e-Stamp	Due date of locking of e-Stamp	Delay in days
			Khand No.	Deed No.	Date of Registration						
51	Ghaziabad	SR III	11712	1110	12.02.2016	85,000	INUP016863858269190	12.02.2016	15.02.2016	12.02.2016	3
52	Ghaziabad	SR III	11724	1247	19.02.2016	2,59,800	INUP017047908261250	19.02.2016	22.02.2016	19.02.2016	3
53	Ghaziabad	SR III	11724	1244	19.02.2016	2,49,800	INUP016714323828560	08.02.2016	22.02.2016	19.02.2016	3
54	Ghaziabad	SR III	11724	1243	19.02.2016	2,49,800	INUP016918799212600	15.02.2016	22.02.2016	19.02.2016	3
55	Ghaziabad	SR III	11724	1242	19.02.2016	2,49,800	INUP017023027855230	18.02.2016	22.02.2016	19.02.2016	3
56	Ghaziabad	SR III	11723	1232	18.02.2016	8,00,000	INUP016899749791230	15.02.2016	22.02.2016	18.02.2016	4
57	Ghaziabad	SR III	11723	1229	18.02.2016	2,92,500	INUP016682845027420	06.02.2016	22.02.2016	18.02.2016	4
58	Ghaziabad	SR III	10457	6777	07.08.2014	7,83,000	INUP00525569722175M	31.07.2014	12.08.2014	07.08.2014	5
59	Ghaziabad	SR III	10456	6776	07.08.2014	70,600	INUP00526089229569M	31.07.2014	12.08.2014	07.08.2014	5
60	Ghaziabad	SR III	11724	1245	19.02.2016	3,90,200	INUP015873844255400	05.01.2016	27.04.2016	19.02.2016	68
61	Ghaziabad	SR IV	30045	14538	03.08.2015	3,52,000	INUP01221099751552N	20.07.2015	04.08.2015	03.08.2015	1
62	Ghaziabad	SR IV	30045	14539	03.08.2015	3,52,000	INUP01240165718671N	27.07.2015	04.08.2015	03.08.2015	1
63	Ghaziabad	SR IV	30045	14540	03.08.2015	3,52,000	INUP01223722465848N	21.07.2015	04.08.2015	03.08.2015	1
64	Ghaziabad	SR IV	30046	14541	03.08.2015	3,66,500	INUP01217188969735N	16.07.2017	04.08.2015	03.08.2015	1
65	Ghaziabad	SR IV	30046	14542	03.08.2015	2,35,800	INUP01276334530942N	03.08.2015	04.08.2015	03.08.2015	1
66	Ghaziabad	SR IV	30047	14561	03.08.2015	4,84,300	INUP01252174768560N	29.07.2015	04.08.2015	03.08.2015	1
67	Ghaziabad	SR IV	30047	14559	03.08.2015	5,53,700	INUP01252055440652N	29.07.2015	04.08.2015	03.08.2015	1
68	Ghaziabad	SR IV	30049	14578	03.08.2015	5,53,700	INUP01252146185993N	29.07.2015	04.08.2015	03.08.2015	1
69	Ghaziabad	SR IV	30050	14588	04.08.2015	1,36,500	INUP01254526606307N	29.07.2015	05.08.2015	04.08.2015	1
70	Ghaziabad	SR IV	30050	14590	04.08.2015	1,36,500	INUP01255840284474N	29.07.2015	05.08.2015	04.08.2015	1
71	Ghaziabad	SR IV	30050	14593	04.08.2015	1,03,600	INUP01254566533348N	29.07.2015	05.08.2015	04.08.2015	1
72	Ghaziabad	SR IV	30050	14594	04.08.2015	4,30,500	INUP01232846324587N	23.07.2015	05.08.2015	04.08.2015	1
73	Ghaziabad	SR IV	30050	14596	04.08.2015	1,26,500	INUP01257817456558N	29.07.2015	05.08.2015	04.08.2015	1
74	Ghaziabad	SR IV	30050	14597	04.08.2015	1,26,500	INUP01254516947373N	29.07.2015	05.08.2015	04.08.2015	1
75	Ghaziabad	SR IV	30051	14602	04.08.2015	4,34,000	INUP01270831762562N	31.07.2015	05.08.2015	04.08.2015	1
76	Ghaziabad	SR IV	30052	14616	04.08.2015	3,30,000	INUP01277833665555N	04.08.2015	05.08.2015	04.08.2015	1

Sl. No.	District	Name of Unit	Detail of Deed in which e-Stamp used			Value of e-Stamp	e-Stamp Certificate No.	Date of issue of e-Stamp by SHCIL/Collection centre	Date of locking the e-Stamp	Due date of locking of e-Stamp	Delay in days
			Khand No.	Deed No.	Date of Registration						
77	Ghaziabad	SR IV	30054	14640	04.08.2015	6,45,000	INUP01277817279193N	04.08.2015	05.08.2015	04.08.2015	1
78	Ghaziabad	SR IV	30054	14638	04.08.2015	16,03,000	INUP01278051419756N	04.08.2015	05.08.2015	04.08.2015	1
79	Ghaziabad	SR IV	31161	3816	02.03.2016	4,57,000	INUP01689669038132O	15.02.2016	08.03.2016	02.03.2016	6
80	Ghaziabad	SR IV	31161	3814	02.03.2016	6,20,000	INUP01726261982286O	25.02.2016	08.03.2016	02.03.2016	6
81	Ghaziabad	SR Modinagar	8277	723	20.01.2016	1,77,000	INUP01618879729963O	20.01.2016	23.02.2016	20.01.2016	34
82	Ghaziabad	SR Modinagar	7989	9779	04.08.2015	1,04,200	INUP01277998186259N	04.08.2015	10.09.2015	04.08.2015	37
83	Ghaziabad	SR Modinagar	8165	13630	19.11.2015	94,000	INUP01478018384841N	18.11.2015	02.01.2016	19.11.2015	44
84	Ghaziabad	SR Modinagar	8165	13632	19.11.2015	42,500	INUP01477900692751N	18.11.2015	02.01.2016	19.11.2015	44
85	Ghaziabad	SR Modinagar	8163	13593	18.11.2015	71,500	INUP01477894125522N	18.11.2015	02.01.2016	18.11.2015	45
86	Ghaziabad	SR Modinagar	8122	12732	28.10.2015	1,56,000	INUP01430089139934N	23.10.2015	22.12.2015	28.10.2015	55
87	Ghaziabad	SR Modinagar	8114	12597	19.10.2015	4,25,000	INUP01420516890014N	19.10.2015	22.12.2015	19.10.2015	64
88	Ghaziabad	SR Modinagar	8114	12587	19.10.2015	1,38,000	INUP01271977413278N	31.07.2015	22.12.2015	19.10.2015	64
89	Ghaziabad	SR Modinagar	8114	12586	19.10.2015	1,95,000	INUP01271989304935N	31.07.2015	22.12.2015	19.10.2015	64
90	Ghaziabad	SR Modinagar	8108	12464	16.10.2015	4,52,000	INUP01416202630933N	16.10.2015	22.12.2015	16.10.2015	67
91	Ghaziabad	SR Modinagar	8108	12466	16.10.2015	1,25,700	INUP01416560100448N	16.10.2015	22.12.2015	16.10.2015	67
92	Ghaziabad	SR V	5045	4381	07.08.2015	2,45,000	INUP01285792431516N	07.08.2015	07.09.2015	07.08.2015	31
93	Ghaziabad	SR V	5045	4377	07.08.2015	1,81,000	INUP01281315066667N	05.08.2015	07.09.2015	07.08.2015	31
94	Ghaziabad	SR V	5040	4316	05.08.2015	16,84,000	INUP01257596014857N	29.07.2015	07.09.2015	05.08.2015	33
95	Ghaziabad	SR V	5263	226	12.01.2016	6,00,000	INUP01430693801055N	23.10.2015	06.05.2016	12.01.2016	115
96	Ghaziabad	SR V	5264	229	12.01.2016	14,36,000	INUP01601859449489O	12.01.2016	06.05.2016	12.01.2016	115
97	Ghaziabad	SR V	5259	146	07.01.2016	1,50,000	INUP01593058919499O	07.01.2016	06.05.2016	07.01.2016	120
98	Ghaziabad	SR V	5253	82	06.01.2016	2,50,000	INUP01564431901615N	23.12.2015	06.05.2016	06.01.2016	121
99	Ghaziabad	SR V	5118	5239	23.09.2015	70,000	INUP01376356555197N	22.09.2015	10.05.2016	23.09.2015	230
100	Ghaziabad	SR V	5118	5240	23.09.2015	70,000	INUP01376348166500N	22.09.2015	10.05.2016	23.09.2015	230
101	Ghaziabad	SR V	5113	5186	22.09.2015	1,57,500	INUP01375454885358N	22.09.2015	10.05.2016	22.09.2015	231
102	Ghaziabad	SR V	5110	5153	21.09.2015	5,80,000	INUP01371881987036N	21.09.2015	10.05.2016	21.09.2015	232

Sl. No.	District	Name of Unit	Detail of Deed in which e-Stamp used			Value of e-Stamp	e-Stamp Certificate No.	Date of issue of e-Stamp by SHCIL/Collection centre	Date of locking the e-Stamp	Due date of locking of e-Stamp	Delay in days
			Khand No.	Deed No.	Date of Registration						
103	Ghaziabad	SR V	5110	5152	21.09.2015	7,52,000	INUP01371905274320N	21.09.2015	10.05.2016	21.09.2015	232
104	Ghaziabad	SR V	5096	4968	09.09.2015	12,77,000	INUP01348032253957N	08.09.2015	10.05.2016	09.09.2015	244
105	Lucknow	SR II	17650	19686	18.12.2015	1,67,600	INUP01554975814452N	19.12.2015	19.12.2015	18.12.2015	1
106	Lucknow	SR III	11541	8157	17.12.2015	99,000	INUP01552053879483N	18.12.2015	18.12.2015	17.12.2015	1
107	Lucknow	SR IV	13118	12542	25.08.2015	3,00,000	INUP01317390788764N	25.08.2015	27.08.2015	25.08.2015	2
108	Lucknow	SR IV	13522	18843	17.12.2015	23,300	INUP01542383826890N	14.12.2015	22.12.2015	17.12.2015	5
109	Lucknow	SR IV	13525	18881	17.12.2015	56,000	INUP01538421862695N	14.12.2015	22.12.2015	17.12.2015	5
110	Lucknow	SR IV	13525	18883	17.12.2015	48,000	INUP01538404539874N	14.12.2015	22.12.2015	17.12.2015	5
111	Lucknow	SR IV	13525	18885	17.12.2015	56,000	INUP01538459346096N	14.12.2015	22.12.2015	17.12.2015	5
112	Lucknow	SR IV	13525	18887	17.12.2015	48,000	INUP01538446278328N	14.12.2015	22.12.2015	17.12.2015	5
113	Lucknow	SR IV	13528	18928	17.12.2015	2,63,000	INUP01549046270112N	17.12.2015	22.12.2015	17.12.2015	5
114	Lucknow	SR IV	13524	18864	17.12.2015	72,000	INUP01537581064219N	12.12.2015	22.12.2015	17.12.2015	5
115	Lucknow	SR IV	13522	18832	15.12.2015	58,500	INUP01546213222063N	15.12.2015	22.12.2015	15.12.2015	7
116	Lucknow	SR IV	13521	18819	15.12.2015	3,10,100	INUP01545259334318N	15.12.2015	22.12.2015	15.12.2015	7
117	Lucknow	SR IV	13521	18823	15.12.2015	17,800	INUP01546021549170N	15.12.2015	22.12.2015	15.12.2015	7
118	Lucknow	SR IV	13521	18824	15.12.2015	1,33,500	INUP01546199061522N	15.12.2015	22.12.2015	15.12.2015	7
119	Lucknow	SR IV	13520	18805	15.12.2015	1,26,500	INUP01540524133769N	14.12.2015	22.12.2015	15.12.2015	7
120	Lucknow	SR IV	13114	12470	24.08.2015	1,03,000	INUP01314025232709N	22.08.2015	31.08.2015	24.08.2015	7
121	Lucknow	SR IV	13521	18818	15.12.2015	2,94,000	INUP01537026034849N	11.12.2015	29.03.2016	15.12.2015	105
122	Lucknow	SR Mohanlalganj	5620	7001	18.04.2015	83,800	INUP00967905497509N	24.03.2015	21.04.2015	18.04.2015	3
123	Lucknow	SR Mohanlalganj	5620	7003	18.04.2015	43,750	INUP00967893072373N	24.03.2015	21.04.2015	18.04.2015	3
124	Lucknow	SR Mohanlalganj	5620	7007	18.04.2015	52,800	INUP00964738333703N	23.03.2015	21.04.2015	18.04.2015	3
125	Lucknow	SR Mohanlalganj	5620	7009	18.04.2015	1,15,650	INUP00748665865667M	29.11.2014	21.04.2015	18.04.2015	3
126	Lucknow	SR Mohanlalganj	5686	8612	13.05.2015	1,58,900	INUP01068354535255N	11.05.2015	16.06.2015	13.05.2015	34
127	Lucknow	SR Mohanlalganj	5685	8576	12.05.2015	45,000	INUP01068105143494N	11.05.2015	16.06.2015	12.05.2015	35
128	Lucknow	SR Mohanlalganj	5686	8579	12.05.2015	1,50,000	INUP01067996249108N	11.05.2015	16.06.2015	12.05.2015	35

Sl. No.	District	Name of Unit	Detail of Deed in which e-Stamp used			Value of e-Stamp	e-Stamp Certificate No.	Date of issue of e-Stamp by SHCIL/Collection centre	Date of locking the e-Stamp	Due date of locking of e-Stamp	Delay in days
			Khand No.	Deed No.	Date of Registration						
129	Lucknow	SR Mohanlalganj	5686	8580	12.05.2015	1,35,000	INUP01067954040388N	11.05.2015	16.06.2015	12.05.2015	35
130	Lucknow	SR Mohanlalganj	5686	8581	12.05.2015	1,50,000	INUP01068045223846N	11.05.2015	16.06.2015	12.05.2015	35
131	Lucknow	SR Mohanlalganj	5686	8582	12.05.2015	50,000	INUP01068002979916N	11.05.2015	16.06.2015	12.05.2015	35
132	Lucknow	SR Mohanlalganj	5686	8583	12.05.2015	40,000	INUP01068025085350N	11.05.2015	16.06.2015	12.05.2015	35
133	Lucknow	SR Mohanlalganj	5686	8584	12.05.2015	2,32,500	INUP01068077120966N	11.05.2015	16.06.2015	12.05.2015	35
134	Lucknow	SR Mohanlalganj	5686	8585	12.05.2015	75,000	INUP01067971612286N	11.05.2015	16.06.2015	12.05.2015	35
135	Lucknow	SR Mohanlalganj	5677	8371	08.05.2015	90,000	INUP01048799557926N	30.04.2015	16.06.2015	08.05.2015	39
136	Lucknow	SR Mohanlalganj	5677	8374	08.05.2015	60,000	INUP01048764353171N	30.04.2015	16.06.2015	08.05.2015	39
137	Lucknow	SR Mohanlalganj	5648	7704	28.04.2015	35,000	INUP00964097469439N	23.03.2015	16.06.2015	28.04.2015	49
138	Lucknow	SR Mohanlalganj	5648	7705	28.04.2015	5,000	INUP00986808316137N	31.03.2015	16.06.2015	28.04.2015	49
139	Lucknow	SR Mohanlalganj	5648	7705	28.04.2015	40,700	INUP00964114918828N	23.03.2015	16.06.2015	28.04.2015	49
140	Lucknow	SR Mohanlalganj	5646	7644	27.04.2015	21,350	INUP01037895689387N	27.04.2015	16.06.2015	27.04.2015	50
141	Lucknow	SR Mohanlalganj	5646	7646	27.04.2015	15,300	INUP01037912030227N	27.04.2015	16.06.2015	27.04.2015	50
142	Lucknow	SR V	10903	11125	09.11.2015	1,00,000	INUP01467374809839N	09.11.2015	10.11.2015	09.11.2015	1
143	Lucknow	SR V	10902	11113	09.11.2015	55,100	INUP01468157291144N	09.11.2015	10.11.2015	09.11.2015	1
144	Lucknow	SR V	11195	1676	19.02.2016	3,12,200	INUP01705560811861O	19.02.2016	20.02.2016	19.02.2016	1
145	Lucknow	SR V	11195	1679	19.02.2016	6,00,000	INUP01673228254749O	08.02.2016	20.02.2016	19.02.2016	1
146	Lucknow	SR V	11188	1593	17.02.2016	83,800	INUP01698970321872O	17.02.2016	18.02.2016	17.02.2016	1
147	Lucknow	SR V	11237	2166	02.03.2016	52,000	INUP01741086433818O	02.03.2015	04.03.2016	02.03.2016	2
148	Mathura	SR Chaata	5453	16638	05.11.2015	2,00,000	INUP01459152740351N	05.11.2015	06.11.2015	05.11.2015	1
149	Mathura	SR Chaata	5453	16639	05.11.2015	7,30,000	INUP01459136762145N	05.11.2015	06.11.2015	05.11.2015	1
150	Mathura	SR Chaata	5442	16263	28.10.2015	5,50,000	INUP01438711436004N	28.10.2015	30.10.2015	28.10.2015	2
151	Mathura	SR Chaata	5485	17529	30.11.2015	12,00,000	INUP01506360516469N	30.11.2015	04.12.2015	30.11.2015	4
152	Mathura	SR Chaata	5485	17531	30.11.2015	3,50,000	INUP01506681337560N	30.11.2015	04.12.2015	30.11.2015	4
153	Mathura	SR Chaata	5550	711	14.01.2016	2,10,000	INUP01351256531832N	09.09.2015	21.01.2016	14.01.2016	7
154	Mathura	SR Chaata	5550	712	14.01.2016	3,60,000	INUP01351269485055N	09.09.2015	21.01.2016	14.01.2016	7

Sl. No.	District	Name of Unit	Detail of Deed in which e-Stamp used			Value of e-Stamp	e-Stamp Certificate No.	Date of issue of e-Stamp by SHCIL/Collection centre	Date of locking the e-Stamp	Due date of locking of e-Stamp	Delay in days
			Khand No.	Deed No.	Date of Registration						
155	Mathura	SR Chaata	5550	713	14.01.2016	1,05,000	INUP01351201326044N	09.09.2015	21.01.2016	14.01.2016	7
156	Mathura	SR Chaata	5549	708	14.01.2016	3,00,000	INUP01351281667506N	09.09.2015	21.01.2016	14.01.2016	7
157	Mathura	SR Chaata	5458	16824	10.11.2015	1,88,000	INUP01351312825198N	09.09.2015	18.11.2015	10.11.2015	8
158	Mathura	SR Chaata	5459	16839	10.11.2015	14,35,000	INUP01470602695081N	10.11.2015	18.11.2015	10.11.2015	8
159	Mathura	SR Chaata	5515	18550	22.12.2015	3,00,000	INUP01511516527467N	02.12.2015	21.01.2016	22.12.2015	30
160	Mathura	SR Chaata	5511	18425	19.12.2015	7,40,000	INUP01555282356695N	19.12.2015	21.01.2016	19.12.2015	33
161	Mathura	SR Chaata	5511	18427	19.12.2015	3,50,000	INUP01555292820879N	19.12.2015	21.01.2016	19.12.2015	33
162	Mathura	SR Chaata	5500	18025	10.12.2015	2,00,000	INUP01531588221708N	10.12.2015	21.01.2016	10.12.2015	42
163	Mathura	SR I	11937	14916	14.09.2015	81,920	INUP01353222225211N	10.09.2015	15.09.2015	14.09.2015	1
164	Mathura	SR I		14747	09.09.2015	2,84,200	INUP01350516830232N	09.09.2015	10.09.2015	09.09.2015	1
165	Mathura	SR I	10940	15908	12.09.2014	5,14,000	INUP00609685488880M	12.09.2014	15.09.2014	12.09.2014	3
166	Mathura	SR I	11935	14876	11.09.2015	11,08,000	INUP01356664709704N	11.09.2015	14.09.2015	11.09.2015	3
167	Mathura	SR I	11940	14999	15.09.2015	36,440	INUP01359821859005N	15.09.2015	19.09.2015	15.09.2015	4
168	Mathura	SR I		14789	10.09.2015	90,000	INUP01349496354541N	09.09.2015	14.09.2015	10.09.2015	4
169	Mathura	SR I		14792	10.09.2015	84,730	INUP01329177374985N	28.08.2015	14.09.2015	10.09.2015	4
170	Mathura	SR I		14799	10.09.2015	30,700	INUP01350341403210N	09.09.2015	14.09.2015	10.09.2015	4
171	Mathura	SR I		14814	10.09.2015	40,280	INUP01329775461828N	31.08.2015	14.09.2015	10.09.2015	4
172	Mathura	SR I		15054	16.09.2015	1,78,300	INUP01274773345283N	01.08.2015	21.09.2015	16.09.2015	5
173	Mathura	SR I		15090	16.09.2015	1,57,320	INUP01332210564658N	31.08.2015	21.09.2015	16.09.2015	5
174	Mathura	SR I		15092	16.09.2015	1,03,230	INUP01361337301286N	15.09.2015	21.09.2015	16.09.2015	5
175	Mathura	SR I		15095	16.09.2015	59,500	INUP01363692632650N	16.09.2015	21.09.2015	16.09.2015	5
176	Mathura	SR I		15105	16.09.2015	1,44,500	INUP01326775648549N	28.08.2015	21.09.2015	16.09.2015	5
177	Mathura	SR I		15106	16.09.2015	58,000	INUP01363640519379N	16.09.2015	21.09.2015	16.09.2015	5
178	Mathura	SR I		15113	16.09.2015	44,500	INUP01363747619802N	16.09.2015	21.09.2015	16.09.2015	5
179	Mathura	SR I		15120	16.09.2015	1,22,000	INUP01364684636885N	16.09.2015	21.09.2015	16.09.2015	5
180	Mathura	SR I		15124	16.09.2015	74,020	INUP01364025662272N	16.09.2015	21.09.2015	16.09.2015	5

Sl. No.	District	Name of Unit	Detail of Deed in which e-Stamp used			Value of e-Stamp	e-Stamp Certificate No.	Date of issue of e-Stamp by SHCIL/Collection centre	Date of locking the e-Stamp	Due date of locking of e-Stamp	Delay in days
			Khand No.	Deed No.	Date of Registration						
181	Mathura	SR I		14832	11.09.2015	1,05,400	INUP01329832395266N	31.08.2015	21.09.2015	11.09.2015	10
182	Mathura	SR Mahawan		6449	10.08.2015	22,600	INUP01286219079985N	07.08.2015	11.08.2015	10.08.2015	1
183	Mathura	SR Mahawan		6450	10.08.2015	1,89,100	INUP01286241490386N	07.08.2015	11.08.2015	10.08.2015	1
184	Mathura	SR Mahawan		9167	26.11.2015	1,76,700	INUP01496258514520N	26.11.2015	27.11.2015	26.11.2015	1
185	Mathura	SR Mahawan		4051	27.05.2015	1,50,650	INUP01098061441422N	23.05.2015	29.05.2015	27.05.2015	2
186	Mathura	SR Mahawan		4052	27.05.2015	1,03,500	INUP01098055013165N	23.05.2015	29.05.2015	27.05.2015	2
187	Mathura	SR Mahawan		1340	20.02.2016	1,50,000	INUP01711874839717O	20.02.2016	22.02.2016	20.02.2016	2
188	Mathura	SR Mahawan		5573	10.07.2015	3,54,500	INUP01204362034224N	10.07.2015	15.07.2015	10.07.2015	5
189	Mathura	SR Mahawan		9205	27.11.2015	42,500	INUP01499593407310N	27.11.2015	04.12.2015	27.11.2015	7
190	Mathura	SR Mahawan		8203	15.10.2015	91,750	INUP01406980420767N	14.10.2015	02.11.2015	15.10.2015	18
191	Meerut	SR III	10563	6877	12.06.2015	65,500	INUP01141514198657N	11.06.2015	15.06.2015	12.06.2015	3
192	Meerut	SR III	10563	6887	12.06.2015	83,770	INUP01143539481569N	12.06.2015	15.06.2015	12.06.2015	3
193	Meerut	SR III	10564	6898	12.06.2015	1,90,000	INUP01139646431210N	10.06.2015	15.06.2015	12.06.2015	3
194	Meerut	SR III	10560	6834	11.06.2015	1,30,000	INUP01130009028334N	05.06.2015	15.06.2015	11.06.2015	4
195	Meerut	SR III	10561	6841	11.06.2015	67,500	INUP01140803826232N	11.06.2015	15.06.2015	11.06.2015	4
196	Meerut	SR III	10561	6842	11.06.2015	1,49,100	INUP01139757157236N	10.06.2015	15.06.2015	11.06.2015	4
197	Meerut	SR III	10561	6844	11.06.2015	67,000	INUP01140818949222N	11.06.2015	15.06.2015	11.06.2015	4
198	Rae bareli	SR Sadar	6934	4782	09.04.2015	25,100	INUP01001521070925N	09.04.2015	10.04.2015	09.04.2015	1
199	Rae bareli	SR Sadar	6934	4784	09.04.2015	77,200	INUP01002160058143N	09.04.2015	10.04.2015	09.04.2015	1
200	Rae bareli	SR Sadar	6927	4526	04.04.2015	1,07,500	INUP00989125054668N	04.04.2015	06.04.2015	04.04.2015	2
201	Rae bareli	SR Sadar	6927	4528	04.04.2015	1,04,700	INUP00990183090433N	04.04.2015	06.04.2015	04.04.2015	2
202	Rae bareli	SR Sadar	6937	4926	13.04.2015	47,000	INUP01008838029948N	13.04.2015	15.04.2015	13.04.2015	2
203	Rae bareli	SR Sadar	7272	967	25.01.2016	63,000	INUP01630805668684O	25.01.2016	27.01.2016	25.01.2016	2

Source: Information available on the basis of audit findings.

APPENDIX-XXXVII
Residential land valued at agriculture rate
(Reference para No.5.6)

Sl. No.	Name of District	Name of Unit	Deed No. & date of execution	Earlier executed Deed No. & date of execution for same gata/khasra no.	Gata / Khasra No.	Land sold (In Sq. M)	Value of the property on which stamp duty levied	Rate on which property was required to be valued (In Sq Metre)	Value of the property on which stamp duty was required to be imposed	Total value of the property rounded to next thousands on which stamp duty was required to be imposed	Rate of stamp duty applicable	Leviable Stamp Duty	Due Registration fees	Leviable stamp duty and registration on fee	Stamp duty paid	Registration on fee paid	Paid stamp duty and registration on fee	Difference
1	Agra	Etmadpur	3644/16.3.15	12533/14.8.14	287 Mi	4,610	25,36,000	2,500	1,15,25,000	1,15,25,000	7	8,06,750	10,000	8,16,750	1,77,600	10,000	1,87,600	6,29,150
2	Agra	Khairagarh	7819/10.10.14	753/04.02.13	446	3,485	14,29,000	2,400	83,64,000	83,64,000	7	5,85,480	10,000	5,95,480	1,00,100	10,000	1,10,100	4,85,380
3	Agra	Khairagarh	6506/21.08.14	3828/23.05.14	258	1,900	16,16,000	4,000	76,00,000	76,00,000	5	3,80,000	10,000	3,90,000	81,000	10,000	91,000	2,99,000
4	Agra	Khairagarh	6509/21.08.14	3828/23.05.14	258	1,095	9,31,000	4,000	43,80,000	43,80,000	5	2,19,000	10,000	2,29,000	46,700	10,000	56,700	1,72,300
5	Agra	Khairagarh	2076/04.04.15	1095/16.02.15	590/1	645	3,95,000	4,200	27,09,000	27,09,000	5	1,35,450	10,000	1,45,450	19,800	7,900	27,700	1,17,750
6	Agra	Sadar V	1641/18.05.15	1184/10.04.15	521	1,152	4,96,000	5,000	57,60,000	57,60,000	5	2,88,000	10,000	2,98,000	24,900	4,960	29,860	2,68,140
7	Agra	SR Fatehabad	2565/30.03.14	2402/06.04.13	810	6,495	25,98,000	4,000	2,59,80,000	2,59,80,000	5	12,99,000	10,000	13,09,000	1,29,900	10,000	1,39,900	11,69,100
8	Agra	SR Fatehabad	8917/08.09.14	4777/01.07.14	702	930	3,26,000	3,000	27,90,000	27,90,000	4&5	1,29,500	10,000	1,39,500	13,040	6,520	19,560	1,19,940
9	Agra	SR Fatehabad	3012/01.04.15	2647/17.03.15	13	1,885	45,32,000	2,500	47,13,500	47,14,000	5	2,35,700	10,000	2,45,700	14,200	2,840	17,040	2,28,660
10	Agra	SR Sadar III	2524/05.03.14	2525/05.03.14	134	2,305	39,19,000	4,600	1,06,03,000	1,06,03,000	7	7,42,210	10,000	7,52,210	2,74,500	10,000	2,84,500	4,67,710
11	Allahabad	Hadia	2861/18.06.14	2771/13.06.14	675	9,240	49,54,000	5,200	4,80,48,000	4,98,23,000	5	24,81,150	10,000	24,91,150	2,37,700	10,000	2,47,700	22,43,450
12	Allahabad	SR I Sadar	7108/26.12.14	2161/26.04.14	244	4,045	14,20,593	3,000	1,21,35,000	1,21,35,000	6&7	8,39,450	10,000	8,49,450	95,248	10,000	1,05,248	7,44,202
13	Allahabad	SR I Sadar	297/19.01.15	6381/21.11.14	124	1,942	19,16,000	3,000	58,26,000	58,26,000	6&7	3,97,820	10,000	4,07,820	1,24,200	10,000	1,34,200	2,73,620
14	Allahabad	SR I Sadar	3957/22.07.15	3955/22.07.15	337 K	1,798	30,90,000	2,800	50,34,960	50,35,000	6&7	3,42,450	10,000	3,52,450	2,06,300	10,000	2,16,300	1,36,150
15	Allahabad	SR I Sadar	3928/21.07.15	3209/11.06.15	254	325	3,53,453	4,600	14,94,540	14,95,000	7	1,04,650	10,000	1,14,650	26,823	10,000	36,823	77,827
16	Allahabad	SR II Sadar	4187/19.05.15	7530/17.10.14	23	2,211	33,88,000	5,000	1,10,55,000	1,10,55,000	7	7,73,850	10,000	7,83,850	2,37,500	10,000	2,47,500	5,36,350
17	Allahabad	SR II Sadar	2523/09.04.15	2587/08.04.15	847/1	1,400	19,25,000	5,000	70,00,000	70,00,000	7	4,90,000	10,000	5,00,000	1,34,800	10,000	1,44,800	3,55,200
18	Allahabad	SR II Sadar	4485/26.05.15	4048/17.06.14	55	1,344	25,94,000	5,000	67,20,000	67,20,000	7	4,70,400	10,000	4,80,400	1,81,600	10,000	1,91,600	2,88,800
19	Allahabad	SR II Sadar	6940/05.08.15	6302/27.05.15	702	684	12,30,000	5,000	34,20,000	34,20,000	6&7	2,29,400	10,000	2,39,400	76,100	10,000	86,100	1,53,300
20	Allahabad	SR II Sadar	6476/28.07.15	5533/03.08.13	321	1,026	31,97,000	4,500	46,17,000	46,17,000	6&7	3,13,190	10,000	3,23,190	2,14,000	10,000	2,24,000	99,190
21	Allahabad	SR Phoolpur	7137/17.08.15	3247/30.04.15	482	1,854	25,06,000	6,500	1,20,51,000	1,20,51,000	7	8,43,570	10,000	8,53,570	1,75,500	10,000	1,85,500	6,68,070
22	Ambedkar Nagar	SR Akbarpur	5759/30.10.14	5770/30.10.14	1194	520	3,26,000	8,400	43,68,000	43,68,000	7	3,05,760	10,000	3,15,760	22,820	6,520	29,340	2,86,420
23	Ambedkar Nagar	SR Akbarpur	194/13.01.15	3254/16.06.14	305	630	4,26,000	6,300	39,69,000	39,69,000	7	2,77,830	10,000	2,87,830	29,820	8,520	38,340	2,49,490
24	Azamgarh	S.R. Lalganj	2988/30.4.15	1199,1200/26.3.15	1114	958	9,60,000	7,420	71,07,024	71,08,000	4&5	3,45,400	10,000	3,55,400	38,400	10,000	48,400	3,07,000
25	Azamgarh	S.R. Lalganj	4290/8.12.14	1118/3.4.14	1092	1,134	9,32,000	6,300	71,44,200	71,45,000	5	3,57,250	10,000	3,67,250	46,600	10,000	56,600	3,10,650
26	Azamgarh	S.R. Lalganj	303/14.1.15	1321/22.4.14	1090	794	7,04,000	6,300	50,00,940	50,01,000	4&5	2,40,050	10,000	2,50,050	28,160	10,000	38,160	2,11,890
27	Balia	Sadar	2538/25.4.15	2260/15.4.15	872Sa	2,340	9,42,000	4,500	1,05,30,000	1,05,30,000	5	5,26,500	10,000	5,36,500	47,110	10,000	57,110	4,79,390
28	Balrampur	SR Sadar	8189/17.12.2014	6977/30.10.14	2887	1,740	10,44,000	9,500	1,65,30,000	1,65,30,000	7	11,57,100	10,000	11,67,100	73,000	10,000	83,000	10,84,100
29	Balrampur	SR Sadar	6579//10.10.14	5962/04.9.14	171	460	87,000	4,100	18,86,000	18,86,000	5	1,03,730	10,000	1,13,730	4,350	870	5,220	1,08,510
30	Balrampur	SR Sadar	793/5.2.15	6036/08.9.14	407	1,460	1,61,000	1,450	21,17,000	21,17,000	5	1,16,435	10,000	1,26,435	8,050	1,610	9,660	1,16,775
31	Balrampur	SR Tulsipur	9864/1.12.14	7090/06.9.14	736	1,010	2,28,800	2,450	24,74,500	24,75,000	5	1,23,750	10,000	1,33,750	11,400	2,280	13,680	1,20,070

Sl. No.	Name of District	Name of Unit	Deed No. & date of execution	Earlier executed Deed No. & date of execution for same gata/khasra no.	Gata / Khasra No.	Land sold (In Sq. M)	Value of the property on which stamp duty levied	Rate on which property was required to be valued (In Sq Metre)	Value of the property on which stamp duty was required to be imposed	Total value of the property rounded to next thousands on which stamp duty was required to be imposed	Rate of stamp duty applicable	Leviable Stamp Duty	Due Reistrat ion fees	Leviable stamp duty and registrati on fee	Stamp duty paid	Registrati on fee paid	Paid stamp duty and registrati on fee	Difference
32	Balrampur	SR Tulsipur	10108/6.12.14	10099/05.12.14	304	1,580	2,94,000	3,000	47,40,000	47,40,000	4&5	1,83,550	10,000	1,93,550	11,760	5,880	17,640	1,75,910
33	Banda	Sadar	5761/27.07.15	2338/31.03.15	119	3,105	11,52,000	3,300	1,02,46,500	1,02,47,000	7	7,17,290	10,000	7,27,290	80,640	10,000	90,640	6,36,650
34	Banda	Sadar	6652/20.08.15	4513/18.06.15	5489	1,545	7,11,000	3,500	54,07,500	54,08,000	7	3,78,560	10,000	3,88,560	43,150	10,000	53,150	3,35,410
35	Banda	Sadar	7432/18.09.15	6791/26.8.15	5489	1,545	6,60,000	3,500	54,07,500	54,08,000	6&7	3,68,560	10,000	3,78,560	40,000	10,000	50,000	3,28,560
36	Banda	Sadar	5759/27.07.15	2338/31.3.15	119	655	2,45,000	3,300	21,61,500	21,62,000	7	1,51,340	10,000	1,61,340	17,150	2,450	19,600	1,41,740
37	Bijnour	S.R. Dhampur	19283/16.09.14 & 24355/06.12.14	19266/16.9.14	434	620	3,72,000	4,200	26,04,000	26,04,000	5	1,30,200	20,000	1,50,200	18,600	3,740	22,340	1,27,860
38	Budaun	Sadar	2860/08.04.15	2057/11.03.15	585 Mi	710	4,62,000	6,000	42,60,000	42,60,000	7	2,98,200	10,000	3,08,200	32,340	9,240	41,580	2,66,620
39	Deoria	Sadar	5516/17.06.15	5037/04.06.15	338 Mi	5,130	12,95,000	4,400	2,25,72,000	2,90,92,000	6&7	20,26,440	10,000	20,36,440	12,95,500	10,000	13,05,500	7,30,940
40	Deoria	Sadar	6479/14.7.15	6393/13.07.15	576	1,360	24,81,000	4,400	59,84,000	59,84,000	7	4,18,880	10,000	4,28,880	1,73,700	10,000	1,83,700	2,45,180
41	Deoria	Sadar	10907/17.12.15	10799/14.12.15	272 Mi	1,300	25,20,000	4,500	58,50,000	58,50,000	6&7	3,99,500	20,000	4,19,500	1,16,000	20,000	1,36,000	2,83,500
42	Deoria	Sadar	5170/09.06.15	2353/19.03.15	161	1,420	33,57,000	4,400	62,48,000	62,48,000	7	4,37,360	10,000	4,47,360	2,35,000	10,000	2,45,000	2,02,360
43	Deoria	SR Salempur	1588/06.05.15	29865/20.8.14	25	3,920	26,66,000	4,600	1,80,32,000	1,80,32,000	4 & 5	8,91,600	10,000	9,01,600	1,18,300	10,000	1,28,300	7,73,300
44	Fatehpur	Khaga	10834/6.12.14	3293/17.4.14 & 3294/17.4.14	9mi	1,310	24,04,000	5,200	68,12,000	68,12,000	5	3,40,600	10,000	3,50,600	1,20,200	10,000	1,30,200	2,20,400
45	Gazipur	Sadar	1285/16.3.15	6310/28.11.14	44	3,160	56,88,000	6,500	2,05,40,000	2,05,40,000	5	10,27,000	10,000	10,37,000	2,84,500	10,000	2,94,500	7,42,500
46	Gazipur	Sadar	3866/16.07.15	1821/13.04.15	353	2,340	30,42,000	5,600	1,31,04,000	1,31,04,000	4 & 5	6,45,200	10,000	6,55,200	1,42,100	10,000	1,52,100	5,03,100
47	Gazipur	Sadar	3789/13.07.15	3395/23.06.15	671 KA	2,530	28,46,000	2,600	65,78,000	65,78,000	4 & 5	3,18,900	10,000	3,28,900	1,32,500	10,000	1,42,500	1,86,400
48	Gazipur	Sadar	5330/8.10.15	816/14.02.14	1437	760	10,64,000	6,500	49,40,000	49,40,000	5	2,47,000	10,000	2,57,000	43,200	10,000	53,200	2,03,800
49	Ghaziabad	SR II Sadar	13405/11.11.14	11962/29.09.14	1424 Mi	7,980	2,00,42,568	5,000	3,99,00,000	3,99,00,000	7	27,93,000	10,000	28,03,000	14,03,100	10,000	14,13,100	13,89,900
50	Gorakhpur	SR I sadar	175/12.01.15	3264/23.04.14	686	2,545	12,75,000	4,500	1,14,52,500	1,14,53,000	5	5,72,650	10,000	5,82,650	63,750	10,000	73,750	5,08,900
51	Gorakhpur	SR I sadar	6403/28.07.14	5596/07.07.14	299	690	12,94,000	5,000	34,50,000	34,50,000	5	1,72,500	10,000	1,82,500	64,700	10,000	74,700	1,07,800
52	Gorakhpur	SR I sadar	3502/30.04.14	5153/13.06.13	101 M	910	15,93,000	5,000	45,50,000	45,50,000	4&5	2,17,500	10,000	2,27,500	69,650	10,000	79,650	1,47,850
53	Gorakhpur	SR I sadar	6986/08.08.14	6696/01.08.14	435	1,060	58,30,000	9,500	1,00,70,000	1,00,70,000	7	7,04,900	10,000	7,14,900	4,08,200	10,000	4,18,200	2,96,700
54	Gorakhpur	SR II sadar	7211/01.07.14	12136/28.11.13	290	1,010	31,31,000	6,500	65,65,000	65,65,000	7	4,59,550	10,000	4,69,550	2,19,230	10,000	2,29,230	2,40,320
55	Hapur	SR Dhaulana	1310/04.02.14	1674/11.03.13 & 1675/11.03.13 & 1676/11.03.13	465 Mi	5,060	88,55,000	6,000	3,03,60,000	3,03,60,000	5	15,18,000	10,000	15,28,000	4,43,000	10,000	4,53,000	10,75,000
56	Hardoi	SR Sadar	15657/31.10.14	10305/23.07.14	1028	2,275	7,97,000	3,200	72,80,000	72,80,000	7	5,09,600	10,000	5,19,600	55,800	10,000	65,800	4,53,800
57	Hardoi	SR Sandila	11407/15.12.15	11277/7.12.15	283	5,170	15,31,000	2,000	1,03,40,000	1,03,40,000	4 & 5	5,14,750	10,000	5,24,750	66,550	10,000	76,550	4,48,200
58	Hathras	S.R. Sikandara rau	714/28.01.15	7719/12.12.14	152	1,160	4,09,000	3,000	34,80,000	34,80,000	5	1,74,000	10,000	1,84,000	20,600	8,180	28,780	1,55,220
59	Kanpur	SR I sadar	2596/27.05.15	1495/30.03.15	581,590 Mi, 592, 595	2,540	8,39,000	2,100	53,34,000	53,34,000	7	3,73,380	10,000	3,83,380	58,750	10,000	68,750	3,14,630
60	Kanpur	SR I sadar	5903/01/10/14	5258/29.08.14	605	1,845	17,35,500	5,000	92,25,000	92,25,000	7	6,45,750	10,000	6,55,750	1,21,600	10,000	1,31,600	5,24,150
61	Kanpur	SR I sadar	5251/28.08.14	4456/28.07.14	1712	2,711	13,56,000	4,000	1,08,44,000	1,08,44,000	7	7,59,080	10,000	7,69,080	95,000	10,000	1,05,000	6,64,080
62	Kanpur	SR I sadar	6250/18.10.14	5259/29.08.14	605	1,640	14,76,000	5,000	82,00,000	82,00,000	7	5,74,000	10,000	5,84,000	1,03,400	10,000	1,13,400	4,70,600

Sl. No.	Name of District	Name of Unit	Deed No. & date of execution	Earlier executed Deed No. & date of execution for same gata/khasra no.	Gata / Khasra No.	Land sold (In Sq. M)	Value of the property on which stamp duty levied	Rate on which property was required to be valued (In Sq Metre)	Value of the property on which stamp duty was required to be imposed	Total value of the property rounded to next thousands on which stamp duty was required to be imposed	Rate of stamp duty applicable	Leviable Stamp Duty	Due Reistration fees	Leviable stamp duty and registration fee	Stamp duty paid	Registration fee paid	Paid stamp duty and registration fee	Difference
63	Kanpur	SR IV sadar	8983/05.09.14	4921/23.05.14	869 Mi	2,050	55,35,000	8,800	1,80,40,000	1,80,40,000	7	12,62,800	10,000	12,72,800	3,87,500	10,000	3,97,500	8,75,300
64	Kanpur	SR IV sadar	4354/05.05.14	3880/15.04.14	910	2,770	74,79,000	8,800	2,43,76,000	2,43,76,000	7	17,06,320	10,000	17,16,320	5,23,600	10,000	5,33,600	11,82,720
65	Kanpur	SR IV sadar	8123/11.08.14	5978/18.06.14	528Ka	4,100	30,75,000	3,000	1,23,00,000	1,23,00,000	7	8,61,000	10,000	8,71,000	2,15,250	10,000	2,25,250	6,45,750
66	Kanpur	SR IV sadar	4219/28.04.14	3995/19.04.14	909/1	3,070	82,89,000	8,800	2,70,16,000	2,70,16,000	7	18,91,120	10,000	19,01,120	5,80,500	10,000	5,90,500	13,10,620
67	Kanpur Dehat	SR Akbarpur	10637/30.12.2014	10489/24.12.14	1385	1,498	5,14,000	3,850	57,67,300	57,68,000	4&5	2,78,365	10,000	2,88,365	20,560	10,280	30,840	2,57,525
68	Kanpur Dehat	SR Akbarpur	10643/31.12.14	10567/27.12.14	275	2,050	16,40,000	5,200	1,06,60,000	1,06,60,000	7	7,46,200	10,000	7,56,200	82,000	10,000	92,000	6,64,200
69	Kanpur Dehat	SR Akbarpur	3645/19.05.15	3463/14.05.15	1095	4,100	12,30,000	2,000	82,00,000	82,00,000	5	4,10,000	10,000	4,20,000	61,500	10,000	71,500	3,48,500
70	Kanpur Dehat	SR Akbarpur	10305/17.12.14	10299/17.12.14	424	1,340	2,82,000	2,000	26,80,000	26,80,000	5	1,34,000	10,000	1,44,000	14,100	5,640	19,740	1,24,260
71	Kanpur Dehat	SR Ghatampur	1351/25.02.15	4139/26.6.14	446	2,050	6,90,000	3,000	61,50,000	61,50,000	4&5	2,97,500	10,000	3,07,500	27,600	10,000	37,600	2,69,900
72	Lucknow	SR I sadar	28072/22.12.14	27436/15.12.14	192 Mi	1,000	12,46,800	5,400	54,00,000	54,00,000	7	3,78,000	10,000	3,88,000	87,500	10,000	97,500	2,90,500
73	Lucknow	SR I sadar	28072/22.12.14	27436/15.12.14	520	-	-	3,780	19,65,600	19,66,000	7	1,37,620	-	1,37,620	-	-	-	1,37,620
74	Lucknow	SR I sadar	14767/10.07.14	14493/07.07.14	868 Mi	1,000	54,56,500	4,100	41,00,000	41,00,000	7	2,87,000	10,000	2,97,000	3,82,000	10,000	3,92,000	(95,000)
75	Lucknow	SR I sadar	14767/10.07.14	14493/07.07.14	1,530	-	-	2,870	43,91,100	43,92,000	7	3,07,440	-	3,07,440	-	-	-	3,07,440
76	Lucknow	SR I sadar	17950/09.10.14	17601/19.08.14	1390 Mi	1,000	5,74,000	1,900	19,00,000	19,00,000	5	95,000	10,000	1,05,000	28,750	10,000	38,750	66,250
77	Lucknow	SR I sadar	17950/09.10.14	17601/19.08.14	640	-	-	1,330	8,51,200	8,52,000	5	42,600	-	42,600	-	-	-	42,600
78	Lucknow	SR I sadar	17895/21.08.14	16838/07.08.14	101 Mi	1,000	5,21,920	1,300	13,00,000	13,00,000	5	65,000	10,000	75,000	26,500	10,000	36,500	38,500
79	Lucknow	SR I sadar	17895/21.08.14	16838/07.08.14	864	-	-	910	7,86,240	7,87,000	5	39,350	10,000	49,350	-	-	-	49,350
80	Lucknow	SR IV sadar	3849/30.03.15	14001/04.09.14	715 S	2,530	59,10,000	6,200	1,56,86,000	1,56,86,000	7	10,98,020	10,000	11,08,020	4,13,700	10,000	4,23,700	6,84,320
81	Lucknow	SR IV sadar	2740/26.02.15	2292/11.02.14	48	5,060	47,92,000	3,200	1,61,92,000	1,61,92,000	6&7	11,23,440	10,000	11,33,440	3,25,500	10,000	3,35,500	7,97,940
82	Lucknow	SR IV sadar	13113/23.08.14	12260/11.08.14	681	1,195	54,85,636	12,000	1,43,40,000	1,43,40,000	6&7	9,93,800	10,000	10,03,800	3,84,000	10,000	3,94,000	6,09,800
83	Lucknow	SR IV sadar	11020/15.07.14	11002/15.07.14	3S	3,795	45,00,000	5,400	2,04,93,000	2,04,93,000	7	14,34,510	10,000	14,44,510	3,15,000	10,000	3,25,000	11,19,510
84	Mahoba	SR Sadar	7646/05.12.14	1213/07.3.14	923/1	1,000	1,40,000	3,300	33,00,000	33,00,000	4&5	1,55,000	10,000	1,65,000	5,600	1,400	7,000	1,58,000
85	Mathura	SR Chhata	239/06.01.15	13308/27.08.14	214	1,260	5,30,000	2,000	25,20,000	25,20,000	7	1,76,400	10,000	1,86,400	37,100	10,000	47,100	1,39,300
86	Mathura	SR Chhata	5897/25.04.15	12257/06.08.14	113	5,980	44,85,000	1,750	1,04,65,000	1,04,65,000	7	7,32,550	10,000	7,42,550	3,14,600	10,000	3,24,600	4,17,950
87	Mathura	SR Chhata	6814/20.05.15	6443/15.05.14	541	2,225	6,68,000	2,000	44,50,000	44,50,000	7	3,11,500	10,000	3,21,500	47,000	10,000	57,000	2,64,500
88	Mathura	SR Math	6113/21.07.15	5234/22.06.15	492	1,010	9,60,000	6,000	60,60,000	60,60,000	5	2,93,000	10,000	3,03,000	38,500	10,000	48,500	2,54,500
89	Mirzapur	Sadar	9090/13.11.14	9089/13.11.14	228Mi	3,780	41,40,000	3,240	1,22,47,200	1,22,48,000	7	8,57,360	10,000	8,67,360	2,89,900	10,000	2,99,900	5,67,460
90	Mirzapur	Sadar	9091/13.11.14	9089/13.11.14	228Mi	3,780	41,40,000	3,240	1,22,47,200	1,22,48,000	7	8,57,360	10,000	8,67,360	2,89,900	10,000	2,99,900	5,67,460
91	Mirzapur	Sadar	9092/13.11.14	9089/13.11.14	228Mi	3,780	41,40,000	3,240	1,22,47,200	1,22,48,000	6&7	8,47,360	10,000	8,57,360	2,80,000	10,000	2,90,000	5,67,360
92	Mirzapur	Sadar	9093/13.11.14	9089/13.11.14	228Mi	3,780	41,40,000	3,240	1,22,47,200	1,22,48,000	6&7	8,47,360	10,000	8,57,360	2,80,000	10,000	2,90,000	5,67,360
93	Moradabad	S.R.Bilari	4512/05.5.15	5615/16.4.14	772	982	15,82,000	5,000	49,10,000	49,10,000	7	3,43,700	10,000	3,53,700	1,21,000	10,000	1,31,000	2,22,700
94	Muzaffar Nagar	S.R.Jaansath	11842/26.12.14	11841/26.12.14	63	21,485	2,65,50,000	4,400	9,81,40,800	9,81,40,800	4&5	48,97,040	10,000	49,07,040	13,18,000	10,000	13,28,000	35,79,040
95	Pilibhit	SR Pooranpur	10861/26.11.14	10863/26.11.14	680	32,530	1,03,06,000	2,700	8,80,52,000	8,80,52,000	5	44,02,600	10,000	44,12,600	5,15,500	10,000	5,25,500	38,87,100

Sl. No.	Name of District	Name of Unit	Deed No. & date of execution	Earlier executed Deed No. & date of execution for same gata/khasra no.	Gata / Khasra No.	Land sold (In Sq. M)	Value of the property on which stamp duty levied	Rate on which property was required to be valued (In Sq Metre)	Value of the property on which stamp duty was required to be imposed	Total value of the property rounded to next thousands on which stamp duty was required to be imposed	Rate of stamp duty applicable	Leviable Stamp Duty	Due Reistrat ion fees	Leviable stamp duty and registrati on fee	Stamp duty paid	Registrati on fee paid	Paid stamp duty and registrati on fee	Difference
96	Pilibhit	SR Pooranpur	10862/26.11.14	10863/26.11.14	680	8,100	25,11,000	2,700	2,18,70,000	2,18,70,000	5	10,93,500	10,000	11,03,500	1,25,700	10,000	1,35,700	9,67,800
97	Pratapgarh	S.R. Kunda	2068/14.05.15	3228/17.06.14& 3376/23.06.14	3339	2,320	12,30,000	5,500	1,27,60,000	1,27,60,000	5	6,38,000	10,000	6,48,000	61,500	10,000	71,500	5,76,500
98	Rampur	SR Sadar	10566/30.11.15	9651/29.10.15	8 Kha	2,697	18,89,000	3,000	80,91,000	80,91,000	7	5,66,370	10,000	5,76,370	1,32,500	10,000	1,42,500	4,33,870
99	Rampur	SR Sadar	4393/02.07.15	8459/16.12.14	378	185	1,30,000	5,500	10,17,500	10,18,000	6&7	67,960	16,600	84,560	8,400	1,300	9,700	74,860
100	Rampur	SR Sadar	6708/27.07.15	5119/6.6.15	336	360	5,04,000	3,500	12,60,000	12,60,000	7	88,200	10,000	98,200	30,300	10,000	40,300	57,900
101	Sant Ravidas Nagar	SR Bhadohi	1174/12.05.15	1269/22.05.14	57	1,520	19,61,000	5,800	88,16,000	88,16,000	7	6,17,120	10,000	6,27,120	1,38,000	10,000	1,48,000	4,79,120
102	Sant Ravidas Nagar	SR Bhadohi	3772/30.12.14	2958/01.11.14	286	630	6,56,000	5,000	31,50,000	31,50,000	5	1,57,500	10,000	1,67,500	33,000	10,000	43,000	1,24,500
103	Sant Ravidas Nagar	SR Bhadohi	422/25.02.15	1645/10.06.13	372	740	6,13,000	3,600	26,64,000	26,64,000	5	1,33,200	10,000	1,43,200	30,700	10,000	40,700	1,02,500
104	Santkabr Nagar	Khalilabad	3639/6.7.15	3618/6.7.15	64 Mi	2,440	76,51,000	4,100	1,00,04,000	1,00,04,000	4&5	4,90,200	10,000	5,00,200	3,72,750	10,000	3,82,750	1,17,450
105	Santkabr Nagar	Khalilabad	7552/26.12.14	7382/17.12.14	425 Mi	540	9,72,000	5,800	31,32,000	31,32,000	4&5	1,46,600	10,000	1,56,600	38,900	10,000	48,900	1,07,700
106	Sitapur	Biswan	8077/15.9.14	2785/2.4.14	55	759	1,50,000	2,700	20,48,625	20,49,000	5	1,02,450	10,000	1,12,450	7,500	1,500	9,000	1,03,450
107	Sitapur	Biswan	1846/25.2.15	1860/25.2.15	82	916	2,64,000	2,900	26,57,125	26,58,000	4 & 5	1,22,900	10,000	1,32,900	10,560	5,280	15,840	1,17,060
108	Sitapur	Biswan	6929/2.9.15	1368/11.2.15	1542	4,260	15,31,000	3,200	1,36,32,000	1,36,32,000	5	6,81,600	10,000	6,91,600	52,900	10,000	62,900	6,28,700
109	Sitapur	Biswan	4047/14.5.15	2785/2.4.14	55	1,518	2,98,000	2,700	40,97,250	40,98,000	4 & 5	1,94,900	10,000	2,04,900	11,920	5,960	17,880	1,87,020
110	Sitapur	Biswan	6892/1.9.15 a	1368/11.2.15	1542	490	3,30,000	3,200	15,68,000	15,68,000	5	78,400	10,000	88,400	13,200	6,600	19,800	68,600
111	Sitapur	Biswan	1331/24.2.16 b	1368/11.2.15	1542	530	3,96,000	3,200	16,96,000	16,96,000	4 & 5	74,800	10,000	84,800	15,840	7,920	23,760	61,040
112	Sitapur	Laharpur	8547/04.10.14	7915/19.09.14	74	1,235	4,99,000	3,200	39,52,000	39,52,000	5	1,97,600	10,000	2,07,600	25,000	10,000	35,000	1,72,600
113	Sitapur	Laharpur	5215/01.07.14	6658/21.09.13	431	2,040	4,50,000	2,200	44,88,000	44,88,000	5	2,24,400	10,000	2,34,400	22,500	9,000	31,500	2,02,900
114	Sitapur	Sadar	5295/04.06.15	6117/21.07.14	323	1,630	10,82,000	2,200	35,86,000	35,86,000	4 & 5	1,69,300	10,000	1,79,300	44,200	10,000	54,200	1,25,100
115	Sitapur	Sadar	6806/16.08.14	5772/14.07.14	571 Mi	1,540	4,93,000	2,200	33,88,000	33,88,000	5	1,69,400	10,000	1,79,400	24,700	9,860	34,560	1,44,840
116	Sitapur	SR Mahmoodabad	3241/08.06.15	3116/03.06.15 & 573/29.01.15	128	2,000	68,00,000	3,400	68,00,000	68,00,000	4 & 5	3,30,000	10,000	3,40,000	22,800	10,000	32,800	3,07,200
117	Sitapur	SR Mahmoodabad	875/12.02.15	3417/02.06.14	417	1,500	51,00,000	3,400	51,00,000	51,00,000	5	2,55,000	10,000	2,65,000	14,650	5,860	20,510	2,44,490
118	Varanasi	Sadar II	4793/25.06.15	509/27.01.15	563 ga	4,853	77,09,000	7,500	3,63,93,750	3,63,94,000	7	25,47,580	10,000	25,57,580	5,40,000	10,000	5,50,000	20,07,580
119	Varanasi	Sadar II	2243/29.03.2015	9405/12.12.14	463 mi ka	3,493	85,08,000	4,500	1,57,18,500	1,57,19,000	5	7,85,950	10,000	7,95,950	4,25,400	10,000	4,35,400	3,60,550
120	Varanasi	Sadar II	394/22.01.2015	9425/12.12.14	563 ga	1,325	40,03,000	7,500	99,37,500	99,38,000	6 & 7	6,85,660	10,000	6,95,660	2,70,500	10,000	2,80,500	4,15,160
121	Varanasi	Sadar II	569/28.01.2015	9110, 9111/03.12.2014, 680/03.12.2014	680, 681	2,375	51,06,000	7,500	1,78,12,500	1,78,13,000	7	12,46,910	10,000	12,56,910	3,58,000	10,000	3,68,000	8,88,910
122	Varanasi	Sadar II	3064/29.04.2015	362/21.01.2015	657	1,220	38,95,000	7,500	91,50,000	91,50,000	7	6,40,500	10,000	6,50,500	2,73,000	10,000	2,83,000	3,67,500
123	Varanasi	Sadar II	2202/27.03.2015	2164/26.03.15	966	885	23,62,000	5,000	44,25,000	44,25,000	6 & 7	2,99,750	10,000	3,09,750	1,55,340	10,000	1,65,340	1,44,410
124	Varanasi	Sadar IV	2614/29.4.15	2467/22.4.15	452	1,870	33,75,000	4,600	86,02,000	86,02,000	6 & 7	5,92,140	10,000	6,02,140	2,26,250	10,000	2,36,250	3,65,890

Sl. No.	Name of District	Name of Unit	Deed No. & date of execution	Earlier executed Deed No. & date of execution for same gata/khasra no.	Gata / Khasra No.	Land sold (In Sq. M)	Value of the property on which stamp duty levied	Rate on which property was required to be valued (In Sq Metre)	Value of the property on which stamp duty was required to be imposed	Total value of the property rounded to next thousands on which stamp duty was required to be imposed	Rate of stamp duty applicable	Leviable Stamp Duty	Due Reistrat ion fees	Leviable stamp duty and registrati on fee	Stamp duty paid	Registrati on fee paid	Paid stamp duty and registrati on fee	Difference
125	Varanasi	Sadar IV	3270/27.5.15	7975/2.12.14	378	2,175	17,09,000	2,600	56,55,000	56,55,000	7	3,95,850	10,000	4,05,850	1,20,000	10,000	1,30,000	2,75,850
126	Varanasi	Sadar IV	808/15.02.16	7160/31.10.14	711	845	23,05,240	5,819	49,17,055	49,18,000	6&7	3,34,260	20,000	3,54,260	1,58,000	20,000	1,78,000	1,76,260
127	Varanasi	Sadar IV	1083/19.02.15	8395/15.12.14	336/1	980	33,60,000	6,800	66,64,000	66,64,000	7	4,66,480	10,000	4,76,480	2,35,200	10,000	2,45,200	2,31,280
128	Varanasi	Sadar IV	1419/3.3.15	180/16.01.15	3	950	25,20,516	4,600	43,70,000	43,70,000	7	3,05,900	10,000	3,15,900	1,76,500	10,000	1,86,500	1,29,400
129	Varanasi	SR Gangapur	855/12.02.15	5056/26.9.14	1728	4,900	89,08,000	5,900	2,89,10,000	2,89,10,000	5	14,45,500	10,000	14,55,500	4,45,500	10,000	4,55,500	10,00,000
130	Varanasi	SR Gangapur	4576/25.08.14	3892/1.8.14	1715	4,860	67,92,000	5,200	2,52,72,000	2,52,72,000	5	12,63,600	10,000	12,73,600	2,03,700	10,000	2,13,700	10,59,900
131	Varanasi	SR Pindara	4120/04.09.14	4123/04.09.14	397	5,130	2,39,00,000	6,500	3,33,45,000	3,33,45,000	7	23,34,150	10,000	23,44,150	16,74,000	10,000	16,84,000	6,60,150
132	Varanasi	SR Pindara	2210/06.05.15	2708/28.06.14	14	5,000	69,00,000	6,500	3,25,00,000	3,25,00,000	7	22,75,000	10,000	22,85,000	4,83,000	10,000	4,93,000	17,92,000
133	Varanasi	SR I Sadar	1887/20.03.15	1848/18.03.15	494	500	6,11,470	3,400	17,00,000	17,00,000	7	1,19,000	10,000	1,29,000	42,803	10,000	52,803	76,197
134	Varanasi	SR I Sadar	3185/03.06.14	2683/08.05.14	183	4,150	26,84,000	2,000	82,99,600	83,00,000	7	5,81,000	10,000	5,91,000	1,88,000	10,000	1,98,000	3,93,000
135	Varanasi	SR I Sadar	8398/22.12.14	8311/18.12.14	199	1,890	45,32,000	4,600	86,94,000	86,94,000	6&7	5,98,580	10,000	6,08,580	3,07,310	10,000	3,17,310	2,91,270
136	Varanasi	SR I Sadar	7117/10.11.14	7116/07.11.14	241	1,270	39,96,000	4,600	58,42,000	58,42,000	6&7	3,98,940	10,000	4,08,940	2,48,800	10,000	2,58,800	1,50,140
137	Varanasi	SR I Sadar	974/11.02.15	938/10.02.15	795	1,250	36,69,000	4,600	57,50,000	57,50,000	6&7	3,92,500	10,000	4,02,500	2,46,900	10,000	2,56,900	1,45,600
138	Varanasi	SR I Sadar	3072/29.5.14	2683/8.05.14	183	1,335	18,47,000	2,600	34,71,000	34,71,000	7	2,42,970	10,000	2,52,970	1,29,300	10,000	1,39,300	1,13,670
139	Varanasi	SR Pindra	1560/25.03.15	4621/01.10.14	156	727	6,41,000	2,600	18,89,420	18,90,000	6&7	1,22,300	10,000	1,32,300	45,000	11,220	56,220	76,080
140	Varanasi	SR Pindra	1912/18.04.15	5051/28.10.14	302	500	4,80,000	4,400	22,00,000	22,00,000	6&7	1,44,000	10,000	1,54,000	28,800	9,600	38,400	1,15,600
141	Bareilly	SR II sadar	15202/26.11.14	13299/07.10.14	1187	2,400	39,60,000	5,500	1,32,00,000	1,32,00,000	7	9,24,000	10,000	9,34,000	2,77,300	10,000	2,87,300	6,46,700
142	Bareilly	SR II sadar	1554/10.02.15	12763/22.09.14	11	2,245	31,44,000	5,000	1,12,25,000	1,12,25,000	6&7	7,75,750	10,000	7,85,750	2,10,100	10,000	2,20,100	5,65,650
143	Bijnour	S.R. Nagina	3505/21.04.15	330/12.1.15	81	1,200	3,00,000	4,100	49,20,000	49,20,000	5	2,46,000	10,000	2,56,000	15,000	6,000	21,000	2,35,000
144	JP Nagar	SR Amroha	13528/04.08.14	13285/01.08.14	23	3,100	8,68,000	1,100	34,10,000	34,10,000	5	1,70,500	10,000	1,80,500	43,500	10,000	53,500	1,27,000
145	Meerut	SR I Sadar	2535/26.03.15	2230/19.03.15	23	836	12,96,000	5,000	41,80,000	41,80,000	6&7	2,82,600	10,000	2,92,600	81,000	10,000	91,000	2,01,600
TOTAL (in lakh)						3.56	4064.79		14,832.02	14,915.16		901.57	14.57	916.13	252.58	13.09	265.67	650.47

Source: Information available on the basis of audit findings.

APPENDIX-XXXVIII
Undervaluation of land
(Reference para No.5.7)

Sl. No.	Name of District	Name of Unit	Deed No. & date of execution	Gata / Khasra No.	Land sold (In Sq. M)	Value of the property on which stamp duty levied	Rate on which property was required to be valued (In Sq Metre)	Value of the property on which stamp duty was required to be imposed	Total value of the property rounded to next thousands on which stamp duty was required to be imposed	Rate of stamp duty applicable	Leviable Stamp Duty	Due Reistration fees	Leviable stamp duty and registration fee	Stamp duty paid	Registration fee paid	Paid stamp duty and registration fee	Difference
1	Agra	SR-III Agra	4158/09.04.14	930	4,686.00	14,06,000	2,000	93,72,000	93,72,000	7	6,56,040	10,000	6,66,040	88,420	10,000	98,420	5,67,620
2	Agra	SR-III Agra	3940/22.04.15	72	8,987.50	1,52,78,000	5,200	4,67,35,000	4,67,35,000	7	32,71,450	10,000	32,81,450	10,60,100	10,000	10,70,100	22,11,350
3	Agra	SR-III Agra	2551/17.03.15	108	2,275.00	38,70,000	5,200	1,18,30,000	1,18,30,000	7	8,28,100	10,000	8,38,100	2,71,000	10,000	2,81,000	5,57,100
4	Agra	SR-III Agra	2447/13.03.15	108	2,275.00	38,70,000	5,200	1,18,30,000	1,18,30,000	7	8,28,100	10,000	8,38,100	2,71,000	10,000	2,81,000	5,57,100
5	Agra	SR-III Agra	3687/29.03.14	210	2,310.00	39,27,000	4,600	1,06,26,000	1,06,26,000	7	7,43,820	10,000	7,53,820	2,75,000	10,000	2,85,000	4,68,820
6	Agra	SR-III Agra	3682/29.03.14	210	2,309.00	39,27,000	4,600	1,06,21,400	1,06,22,000	7	7,43,540	10,000	7,53,540	2,75,000	10,000	2,85,000	4,68,540
7	Agra	SR-III Agra	5815/26.05.14	517	2,305.00	18,44,000	2,000	46,10,000	46,10,000	7	3,22,700	10,000	3,32,700	1,30,100	10,000	1,40,100	1,92,600
8	Agra	SR-III Agra	6239/03.06.14	213	2,142.00	7,50,000	1,500	32,13,000	32,13,000	5	1,60,650	10,000	1,70,650	37,500	10,000	47,500	1,23,150
9	Agra	SR-III Agra	2925/13.3.14	482	1,152.00	16,13,000	5,200	59,90,400	59,91,000	7	4,19,370	10,000	4,29,370	1,13,000	10,000	1,23,000	3,06,370
10	Mathura	SR Chhata	6288/11.05.15	620	8,022.20	42,08,000	1,540	1,23,54,188	1,23,55,000	7	8,64,850	10,000	8,74,850	2,94,600	10,000	3,04,600	5,70,250
11	Mathura	SR Maat	1391/12.02.15	555	1,010.00	11,12,000	6,000	60,60,000	60,60,000	4&5	2,93,000	10,000	3,03,000	45,700	10,000	55,700	2,47,300
12	Pilibhit	SR Pooranpur	9961/31.03.14	209	12,510.00	50,47,000	4,100	5,12,91,000	5,12,91,000	5	25,64,550	10,000	25,74,550	2,53,500	10,000	2,63,500	23,11,050
13	Pilibhit	SR Pooranpur	10905/27.11.14	212 Mi	3,200.00	8,94,000	1,800	57,60,000	57,60,000	5	2,88,000	10,000	2,98,000	33,600	10,000	43,600	2,54,400
14	Pilibhit	SR Pooranpur	9053/29.09.14	212	1,050.00	2,21,000	1,800	18,90,000	18,90,000	4 & 5	84,500	10,000	94,500	9,000	2,210	11,210	83,290
15	Pilibhit	SR Pooranpur	9053/29.09.14	277	1,035.00	3,11,000	1,200	12,42,000	12,42,000	5	62,100	10,000	72,100	15,600	6,020	21,620	50,480
16	Pilibhit	SR Pooranpur	9047/27.09.14	21 Mi	410.00	1,67,000	5,330	21,85,300	21,86,000	5	1,09,300	10,000	1,19,300	8,400	1,670	10,070	1,09,230
TOTAL					55,678.70	4,84,45,000		19,56,10,288	19,56,13,000		1,22,40,070	1,60,000	1,24,00,070	31,81,520	1,39,900	33,21,420	90,78,650

Source: Information available on the basis of audit findings.

APPENDIX-XXXIX

**Short realisation of entertainment tax from cable operators
(Reference Para No. 6.5)**

(Amount in ₹)									
Sl. No.	Year	Name of Unit	Name of Cable Operators	Period of Tax	Period of delay in months	Entertainment tax per month	Entertainment tax payable	Entertainment tax paid	Balance entertainment tax
1	2014-15	DETO Hameerpur	Sri Pradeep Kr. Khare R/o Rahunia Dharmshala, Hameerpur	April 2010 to October 2014	55	3,775	2,07,625	1,30,405	77,220
			Sri Raju Omer R/o Betwa Ghat Hameerpur	April 2010 to October 2014	55	5,800	3,19,000	1,95,252	1,23,748
			Sri Shiv Bhusan R/o Muhai Aman Shaeed Hameerpur	April 2010 to October 2014	55	3,475	1,91,125	61,884	1,29,241
			Sri Virendra Kr. Prajapati R/o Remani, Hameerpur	April 2010 to October 2014	55	9,625	5,29,375	2,98,550	2,30,825
			Smt Anita Sriwas, R/o Rmeni, Hameerpur	April 2010 to October 2014	55	5,625	3,09,375	2,90,175	19,200
2	2015-16	DETO Varansi	Sri Narendra Prajapati, Teliyana, Adampur, Varansi	November 2015 to February 2016	4	12,136	48,544	-	48,544
			Sudhir Chandra, Chandua, Chhitupur, Varansi	December 2015 to February 2016	3	6,410	19,230	-	19,230
			Dinesh Singh, Adampur, Varansi	October 2015 to February 2016	5	27,278	1,36,390	-	1,36,390

(Amount in ₹)									
Sl. No.	Year	Name of Unit	Name of Cable Operators	Period of Tax	Period of delay in months	Entertainment tax per month	Entertainment tax payable	Entertainment tax paid	Balance entertainment tax
			Rajesh Maurya, Lallapur, Varansi	April 2015 to July 2015 & December 2015 to February 2016	7	14,410	1,00,870	-	1,00,870
			Ramanuj Singh, Sigra, Varansi	September 2015 to February 2016	6	19,789	1,18,734	-	1,18,734
			Durgawati Devi, Lanka Varansi	December 2015 to February 2016	3	28,709	86,127	-	86,127
			Shreya, Baijapurkar, Lanka, Varansi	February 2016	1	17,734	17,734	-	17,734
			Pankaj Kr. Sharma, Shivpur, Varansi	January 2016 to February 2016	2	33,816	67,632	-	67,632
			Bhuvneshwar Vais, Shivpur, Varansi	January 2016 to February 2016	2	27,352	54,704	-	54,704
			Mukesh Mehra, Laxa, Varansi	April 2015 & February 2016	2	17,800	35,600	-	35,600
			Firoz Khan Chetganj, Varansi	November 2015 & February 2016	2	17,416	34,832	-	34,832
3	2015-16	DETO Aligarh	Smt. Rajesh Kumari	November 2015 to January 2016	3	7,191	21,573	-	21,573
			Smt. Sudha Solanki	December 2015 to January 2016	2	4,976	9,952	-	9,952
			Smt. Sudha Solanki	December 2015 to January 2016	2	3,731	7,462	-	7,462
			Suneel Chauhan	December 2015 to January 2016	2	8,475	16,950	-	16,950
			Amit Kumar	November 2015 to January 2016	3	10,163	30,489	-	30,489
			Anwar Ali	January 2016	1	2,686	2,686	-	2,686
			Fida Hussain	November 2015 to January 2016	3	7,122	21,366	-	21,366
			Abrar Ahmad	November 2015 to January 2016	3	3,224	9,672	-	9,672

(Amount in ₹)									
Sl. No.	Year	Name of Unit	Name of Cable Operators	Period of Tax	Period of delay in months	Entertainment tax per month	Entertainment tax payable	Entertainment tax paid	Balance entertainment tax
			Dharamveer Singh	November 2015 to January 2016	3	11,167	33,501	-	33,501
			Pappu Rohit	November 2015 to January 2016	3	3,880	11,640	-	11,640
			Imtiaz Ahmad	September 2015 to January 2016	5	8,197	40,985	-	40,985
Total							24,83,173	9,76,266	15,06,907

Source: Information available on the basis of audit findings.

APPENDIX-XL
Sale of beer without beer bar license
(Reference para no. 6.11)

					(₹ in lakh)
Sl. No.	Name of Units	Year	No. of licence for FL-6/6A/7/7C	Due licence fees per FL-7B	Total licence fees not received
1	DEO Agra	2013-14	30	1.60	48.00
2	DEO Aligarh	2013-14	2	1.60	3.20
3	DEO Allahabad	2014-15	7	12.32	86.24
4	DEO Bareilly	2013-14	11	1.60	17.60
5	DEO Basti	2013-14	1	1.10	1.10
6	DEO Bijnore	2014-15	5	1.21	6.05
		2015-16	5	1.34	6.70
7	DEO Buland shahr	2013-14	1	1.60	1.60
8	DEO Chandauli	2013-14	1	1.60	1.60
9	DEO Deoria	2013-14	1	1.10	1.10
10	DEO Firozabad	2014-15	7	1.21	8.47
		2015-16	7	1.34	9.38
11	DEO G B Nagar	2013-14	72	1.60	115.20
		2014-15	60	1.76	105.60
12	DEO Ghaziabad	2013-14	23	1.60	36.80
		2014-15	15	1.76	26.40
13	DEO Gonda	2013-14	1	1.10	1.10
14	DEO Jalaun	2013-14	1	1.10	1.10
15	DEO Kanpur	2013-14	13	1.60	20.80
16	DEO Mathura	2013-14	8	1.60	12.80
17	DEO Meerut	2013-14	16	1.60	25.60
		2014-15	16	1.76	28.16
		2015-16	7	1.94	13.58
18	DEO Mirzapur	2013-14	1	1.10	1.10
19	DEO Moradabad	2014-15	6	1.76	10.56
20	DEO Rampur	2013-14	1	1.10	1.10
		2014-15	2	2.42	4.84
		2015-16	2	1.34	2.68
21	DEO Saharanpur	2015-16	13	1.94	25.22
22	DEO Shahjahanpur	2013-14	1	1.60	1.60
23	DEO Varanasi	2013-14	28	1.60	44.80
Total			364		670.08

Source: Information available on the basis of audit findings.



GLOSSARY OF TERMS & ABBREVIATIONS	
AA	Assessing Authority
AC	Assistant Commissioner
ACCs	Authorised Collection Centres
ACS	Assistant Commissioner of Stamp
Addl. IG	Additional Inspector General, Registration
ADM (FR)	Additional District Magistrate Finance and Revenue
AIG	Assistant Inspector General
ARs	Audit Reports
ARTOs	Assistant Regional Transport Officers
ATNs	Action Taken Notes
BE	Budget Estimates
BG	Bank Guarantee
Bhumidhar	Person having free hold property with full transferable right
BIFR	Boad for Indistrial and Financial Reconstruction
BLF	Basic License Fees
Capital Goods	Capital Goods means any plant, machine, machinery, equipment, apparatus, tool, appliance or electrical installation used for manufacture or processing of any goods for sale by the dealer
CBR	Carriage by Road
CCT	Commissioner, Commercial Tax
Chauhaddi	Properties situated in the boundary of the land in question
CL	Country Liquor means plain or spiced spirit which has been made in India from material recognised as base of country spirit namely <i>mahua</i> , rice, <i>gur</i> or molasses
CMV Act	Central Motor Vehicle Act, 1988
CMV Rules	Central Motor Vehicle Rules, 1989
CRC	Central Registration Certificate
CRKA	Central Records keeping Agency
CST	Central Sales Tax
CTO	Commercial Tax Officer
DC	Deputy Commissioner
DCB	Demand, Collection and Balance
DDO	Drawing and Disbursement Officer
DEO	District Excise Officer
DETO	District Entertainment Tax Officer
DIG	Deputy Inspector General, (Registration)
DM	District Magistrate
DMO	District Mines Officer

GLOSSARY OF TERMS & ABBREVIATIONS	
DTCs	Deputy Transport Commissioners
DTOs	District Transport Offices
FL	Foreign Liquor
FOR	Free On Rail
Form MM-11	Transit Pass issued by the holder of the mining lease or crusher plant for transportation of minor mineral
Form-C	Transit Pass issued by the holder of the licence for storage of minor mineral for transportation of minor mineral
G-12	Details of Settled shops
G-6	Register maintained by the excise offices having all the receipts of the Excise Department
GOs	Government Orders
GOUP	Government of Uttar Pradesh
GVW	Gross Vehicle Weight
IA	Internal Audit
IAW	Internal Audit Wing
IGR	Inspector General, Registration
IMFL	Indian Made Foreign Liquor means spirit made in India and sophisticated or coloured so as to resemble flavour or colour of liquor imported into India
IRs	Inspection Reports
IR Act	Indian Registration Act, 1908
IS Act	Indian Stamp Act, 1899
IT	Information Tecnology
ITC	Input Tax Credit
JC	Joint Commissioner
JC(CC)	Joint Commissioner (Corporate Circle)
JnNURM	Jawaharlal Nehru National Urban Renewal Mission
MCR	Mineral Concession Rules, 1960
MF-4	It is a gate pass through which molasses is dispatched by the sugar factories to distilleries
MGQ	Minimum Guaranteed Quota
Mining Lease	Mining lease means a lease granted for the purpose of undertaking mining operations, and includes a sub lease granted for such purpose
Mining Permit	Mining Permit means a permit granted under these rules to extract a specified quantity of minor mineral within the period stipulated in the permit

GLOSSARY OF TERMS & ABBREVIATIONS	
Minor Minerals	Minor Minerals means building stones, gravel, ordinary clay, ordinary sand etc.
MMDR Act	The Mines and Minerals (Development and Regulation) Act, 1957
MOEF	Ministry of Environment and Forest
MRP	Maximum Retail Price
NIC	National Informatics Centre
OL	Official Liquidator
OTSS	One Time Settlement Scheme
PAC	Public Accounts Committee
PAs	Performance Audits
PUC	Pollution Under Control Certificate
RC	Registration Certificate
RCs	Recovery Certificates
RITC	Reverse Input Tax Credit
RR	Revenue Recovery
RRC	Revenue Recovery Certificate
RTOs	Regional Transport Officers
SDA	Software Development Agreement
SDM	Sub District Magistrate
SDT	State Development Tax
SEC	Sector
SEZ	Special Economic Zone
SHCIL	Stock Holding Corporation of India Ltd.
SPCB	State Pollution Control Board
SRO	Sub Registrar Office
SRs	Sub Registrars
SRS	Software Requirement Specification
SVOP	Uttar Pradesh Stamp (Valuation of Property) Rules, 1997
Taxation Officer	RTO or ARTO is defined as taxation officer within the local limits of their respective region or sub-region under UPMVT Rules, 1998
TC	Transport Commissioner
TDS	Tax Deduction at Source
TIN	Taxpayer's Identification Number
TT	Trade Tax
ULW	Un Laden Weight
UP	Uttar Pradesh
UPE	United Provinces Excise
UPMMC Rules	Uttar Pradesh Minor Mineral (Concession) Rules, 1963

GLOSSARY OF TERMS & ABBREVIATIONS	
UPMVT Act	Uttar Pradesh Motor Vehicles Taxation Act, 1997
UPMVT Rules	Uttar Pradesh Motor Vehicles Taxation Rules, 1998
UPRTARF	Uttar Pradesh Road Transport Accident Relief Fund
UPSRTC	Uttar Pradesh State Road Transport Corporation
UPTT	Uttar Pradesh Trade Tax
UPUPD Act	Uttar Pradesh Urban Planning and Development Act, 1973
UPVAT	Uttar Pradesh Value Added Tax
UPZA&LR Act	Uttar Pradesh <i>Zamindari</i> Abolition and Land Reforms Act, 1950
VAHAN Software	Designed for keeping vehicles details such as registration certificate, permit and taxes etc.
WCT	Works Contract Tax



